

**Subcommittee on Proposed Resolution under Section 3(1)
of the Loans Ordinance (Cap. 61)**

**List of follow-up actions arising from the discussion
at the meeting on 19 July 2018**

The Administration was requested to take the following actions to address members' concerns –

- (a) provide response to views and questions raised by the deputations;
- (b) provide response to questions raised by Hon CHU Hoi-dick in his letter of 19 July 2018 tabled at the meeting [LC paper No. CB(1)1296/17-18(01)];
- (c) provide the following information requested by Hon AU Nok-hin:
 - (i) cases of green bonds issued by governments of other jurisdictions, with the amounts of funds raised and commitments to emission reduction;
 - (ii) a comparison of the mechanisms for green bond issuance between the Hong Kong Government and governments of other jurisdictions;
 - (iii) the number, issuance dates, associated expenses and tenors of bonds issued by the Hong Kong Government in the past five years;
 - (iv) the strategy for investing the sums raised by green bonds and the associated financial and legal responsibilities; specific measures to ensure that the investment will generate sufficient return and to deal with investment losses;

- (v) the specific ways and legal bases to use the proceeds from green bonds for paying interest expenses, certification expenses and repayment of the principal;
 - (vi) details of the Administration's plan to provide additional subsidy to green bond issuers in the cost of obtaining external review under the Green Bond Grant Scheme;
 - (vii) the specific workflows of issuing green bonds to raise funds for green public works projects and obtaining approval for these projects; and
- (d) consider making undertaking in the speech of the Secretary for the Financial Services and the Treasury when moving the proposed resolution at the Council meeting to address concerns of some members that the Administration might bypass the scrutiny of the Finance Committee ("FC") on public works projects or influence its scrutiny by, for instance, earmarking these projects for issuance of green bonds before they are considered/approved by FC.

Council Business Division 1
Legislative Council Secretariat
20 July 2018