For discussion
on 5 March 2018

Legislative Council Panel on Financial Affairs

Retention and creation of supernumerary directorate posts in Financial Services Branch of the Financial Services and the Treasury Bureau to spearhead various major legislative and policy initiatives

PURPOSE

This paper seeks Members' views on the following proposed retention/creation of supernumerary directorate posts in the Financial Services Branch ("FSB") of the Financial Services and the Treasury Bureau ("FSTB") to take forward various major legislative and policy initiatives –

(a) retention of one supernumerary Administrative Officer Staff Grade B ("AOSGB") (D3) post for two years from 1 January 2019 or upon approval by the Finance Committee ("FC"), whichever is the later;

(b) retention of one supernumerary Administrative Officer Staff Grade C ("AOSGC") (D2) post for three years from 1 January 2019 or upon approval by the FC, whichever is the later; and

(c) creation of one supernumerary AOSGC (D2) post for three years from 1 April 2018 or upon approval by the FC, whichever is the later.

JUSTIFICATIONS

(I) Retention of one supernumerary AOSGB post and one supernumerary AOSGC post

Background

2. Currently, Deputy Secretary (Financial Services) 3 ("DS(FS)3")), a supernumerary AOSGB post in FSB[1], is responsible for, inter alia, overseeing the policies and legislation relating to the accountancy sector, corporate insolvency, individual bankruptcy, companies, money lenders and trust; measures to promote the development of financial technologies ("Fintech"); as well as matters relating to the Asian Infrastructure Investment Bank ("AIIB") and the Asian Development Bank ("ADB"). Among others, one supernumerary AOSGC post[2] (designated as Principal Assistant Secretary (Financial Services) 6 ("PAS(FS)6")) provides support to DS(FS)3, in particular for the legislative exercise to amend the new Companies Ordinance (Cap. 622) ("CO"), the enhanced regulation of money lenders, measures to promote Fintech, and Hong Kong's participation in the AIIB and the ADB.

3. The supernumerary posts of DS(FS)3 and PAS(FS)6 will lapse on 1 January 2019. The Government has reviewed the operational need for these two supernumerary posts and considers it necessary to retain them to provide suitable high-level policy steer and inputs to the work as elaborated in paragraphs 4 to 23 below.

The Major Legislative and Policy Initiatives

Reform of the regulatory regime for auditors of listed entities

4. The Government introduced the Financial Reporting Council (Amendment) Bill 2018 into the Legislative Council ("LegCo") on 24 January 2018 to further enhance the independence of the existing regulatory regime for auditors of listed entities from the audit profession so as to enhance investor protection and ensure that the regime is benchmarked against the international standard and practice. The Bill is of utmost importance in maintaining investor confidence in the integrity and effectiveness of our financial regulatory regime, and in enabling Hong Kong to be admitted as a member of the International Forum of Independent Audit Regulators ("IFIAR") which is an influential international organisation for independent regulators of auditors. The Bill seeks to transform the Financial Reporting Council ("FRC") into a

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[1] The FC approved in January 2006 the creation of the post, and extension of the post in May 2010, April 2012, June 2014 and July 2016 respectively.

[2] The FC approved in January 2006 the creation of the post, and extension of the post in May 2010, March 2013, June 2014 and July 2016 respectively.

full-fledged independent oversight body vested with inspection, investigation and disciplinary powers with regard to listed entity auditors. The FRC will also be responsible for the oversight of the Hong Kong Institute of Certified Public Accountants ("HKICPA") in respect of the latter's statutory functions of registration, setting continuing professional development requirements and setting standards on professional ethics, auditing and assurance concerning listed entity auditors.

5. Subject to the progress of LegCo's scrutiny of the Bill, we plan to implement the new regulatory regime from 1 August 2019. Given the scale and complexity of the reform measures, we envisage that there will be intensive preparatory work during the period between enactment and commencement of the legislation. The Government will need to maintain an overall policy oversight and perform a facilitating role in order to ensure a smooth transition from the existing regulatory regime to the new one. Such work will include convening tripartite meetings with the FRC and the HKICPA as the two parties prepare themselves for their respective roles under the new regime, and ensuring the timely formulation of detailed guidelines by the FRC for the discharge of its new statutory functions.

6. In addition, during the initial period upon commencement of the new regime, there will be a continued need for the Government to maintain close liaison with the FRC and other stakeholders to ensure effective implementation of the various new measures, including the FRC's new model of oversight over the HKICPA, the execution of the FRC's new functions such as inspection and disciplinary proceedings, and the new funding mechanism of the FRC.

Introduction of a new statutory Corporate Rescue Procedure ("CRP") and insolvent trading provisions

7. The Government has committed to introducing a new statutory CRP and insolvent trading provisions. The CRP aims to facilitate companies in short-term financial difficulty to turnaround and revive their businesses. A key objective of the CRP is to maximise the chance of existence of a company thereby preserving jobs and, if this is not attainable, to achieve a better return for the creditors of the company than in the case of an immediate insolvent winding-up. Besides, in the absence of insolvent trading provisions which impose civil liabilities on company directors in specified circumstances, our current corporate insolvency regime is short of a legislative tool to protect the interests of creditors dealing with a company which is in financial difficulty. It is therefore important that Hong Kong has in place an effective CRP and insolvent trading provisions as soon as possible.

8. Under our proposals, the CRP would provide for the appointment of an independent third party, namely the provisional supervisor, to take temporary control of the company, consider specified options for rescuing the company within a specified period, and prepare proposals for a voluntary arrangement for creditors' approval in a speedy manner. It would also ensure that employees will be no worse off than in the case of an immediate insolvent winding-up by mandating payment for outstanding employees' entitlements by specified milestones in the CRP process. At the same time, to provide more certainty so that the provisional supervisor can formulate a voluntary arrangement, there would be a moratorium on legal actions and proceedings against the company when it is under provisional supervision. In respect of the introduction of insolvent trading provisions, there would be appropriate statutory defence for directors of the company in genuine cases.

9. The proposals above were broadly supported by respondents and the LegCo Panel on Financial Affairs ("FAP") in earlier consultation exercises. The Government announced a package of detailed proposals, taking into account feedback from the public and stakeholders. The LegCo FAP was briefed on the detailed proposals on 7 July 2014. On this basis, we are preparing a bill to introduce the new statutory CRP and insolvent trading provisions. Our target is to introduce the bill into LegCo in the 2018/19 legislative year. Given the scale and complexity of this legislative exercise, sufficient policy input at the directorate level is essential in steering the introduction of the bill into LegCo and its subsequent scrutiny.

10. In the meantime, against the background of globalisation of economic activities, we note that there have been suggestions from various stakeholders for introducing a domestic legislation for cross-border insolvency in Hong Kong. We will consider how best to take this new initiative forward in due course.

Legislative exercise to improve the new CO and further facilitate business

11. The new CO commenced operation in March 2014. Implementation has been smooth and the new CO has largely achieved our policy objectives to enhance corporate governance, ensure better regulation, facilitate business and modernise the law. Based on the operational experience since the commencement of the new CO, as well as the feedback from various stakeholders, we have identified certain provisions that could be amended to improve the clarity and operation of the new CO and to further facilitate business in Hong Kong.

12. The proposed legislative amendments can be broadly divided into two categories: (a) amendments to incorporate new developments after the commencement of the new CO; and (b) amendments to clarify the policy intent of certain existing provisions or to remove ambiguities and inconsistencies. These amendments include, *inter alia*, expanding the scope of the current regime for simplified reporting to group companies of small and medium-sized enterprises which meet specified size criteria so as to further facilitate business, updating the accounting-related provisions in Schedule 1 to the new CO in light of changes to the relevant accounting standards issued by the HKICPA, and streamlining technical accounting and reporting provisions with a view to reducing compliance costs.

13. We consulted the LegCo FAP on the legislative proposals in January 2018, and Members expressed general support. We plan to introduce an amendment bill into LegCo in the second quarter of 2018 with a view to completing the legislative process by 2019. After enactment of the bill, we will work on the relevant subsidiary legislation. We expect to complete the legislative process of the subsidiary legislation by early 2020.

Enhanced regulation of money lenders and measures to tackle money lending-related malpractices

14. To tackle money lending-related malpractices, the Government has implemented a four-pronged approach since 2016, viz. imposition of more stringent licensing conditions on money lender licences from December 2016 onwards, enhanced enforcement by the Police, enhanced public education and publicity, and enhanced advisory services to the public. A review of the four-pronged approach was completed in early 2018 and its outcome was reported to the LegCo FAP in February 2018.

15. With the general support of FAP Members, several enhancement measures to better protect borrowers and strengthen the regulation of money lenders would be introduced. These include improved proforma and the imposition of an additional licensing condition to require the money lender to obtain referee's consent through the borrower if there is a referee involved in a loan. There are also follow-up tasks which involve engagement with stakeholders, developing the proposals in detail, as well as implementing and publicising the enhanced measures.

16. On public education, we have rolled out a series of public education and publicity activities since 2016 to raise public awareness of the malpractices by intermediaries for money lending and remind the public not to pay intermediaries any fees. We observed that in recent cases, instead of charging the borrowers a fee for arranging the loan, fraudsters tried to swindle

the loan money after the borrowers had successfully obtained a loan by making up different pretexts to deceive the borrowers to pass them the borrowed money. We need to continue with our public education efforts, particularly in alerting the public of the latest tactics deployed by fraudsters.

17. While we note that the number of complaint cases against financial intermediaries for money lending has decreased significantly since the implementation of the four-pronged approach, we need to stay vigilant and continued staffing support at the directorate level would therefore be necessary to sustain the Government's efforts on this front.

Measures to develop Hong Kong into a Fintech hub

18. As an international financial centre with a highly-developed information and communication technology sector, Hong Kong is an ideal place for the development of Fintech. With the concerted effort of the Government, financial regulators, innovation organisations (e.g. Cyberport) and industry players, the local Fintech ecology has become increasingly vibrant in recent years.

19. As Fintech development remains a key priority on the Government's policy agenda, continued leadership at the directorate level is required in devising and taking forward various measures. Priority areas include providing a conducive ecosystem for Fintech start-ups and companies, attracting Fintech start-ups and companies worldwide to establish presence in Hong Kong through dedicated Fintech team under InvestHK, working with financial regulators to ensure an appropriate balance between facilitating financial innovation and protecting investors and consumers, nurturing local Fintech talents and attracting Fintech talents from outside Hong Kong, working with innovation organisations to ensure appropriate support, including funding, are made available to the Fintech industry, and exploring with other Fintech hubs for potential collaboration. These priority areas involve both coordination among Government departments and regulators, as well as external liaison with the industry and governments of other economies, and call for focused and continued support of directorate officers in the near and medium term.

Hong Kong's participation in the AIIB and the ADB

20. The AIIB is a multilateral development bank which supports infrastructure development in Asia with a view to expanding regional connectivity and improving regional integration. Hong Kong became a member of the AIIB in June 2017. We have been liaising with the AIIB on rendering support to its operation by leveraging on Hong Kong's strengths in

financial services and our status as an international financial centre. We also attend its Annual Meeting and the Board of Directors Meetings on a regular basis and contribute our views to the discussions at these meetings as appropriate.

21. The ADB is a multilateral development bank which promotes the social and economic progress of the Asia-Pacific region. Hong Kong joined the ADB in 1969. Given the potential synergy with the AIIB portfolio, the ADB portfolio will be transferred from the Hong Kong Monetary Authority to the FSTB with effect from April 2018. Apart from attending ADB Annual Meetings and contributing to discussions of the ADB Board of Governors and Board of Directors, we will also need to handle matters relating to the Asian Development Fund replenishment and the secondment programme to the ADB.

22. Continued involvement of directorate officers is necessary to ensure substantive participation in the AIIB and the ADB and bring various initiatives with these two organisations into fruition.

Retention of the DS(FS)3 and PAS(FS)6 posts

23. We consider that continued and dedicated directorate support is essential in spearheading the aforementioned legislative exercises and policy initiatives. Such tasks are currently overseen by DS(FS)3, with PAS(FS)6 providing support in respect of matters relating to the new CO, money lenders, Fintech, the AIIB and the ADB. We therefore propose to retain the posts of DS(FS)3 for two years and PAS(FS)6 for three years respectively. The proposed job descriptions of the two posts are at **Annex A** and **Annex B** respectively.

(II) Creation of one supernumerary AOSGC post

Background

24. The FC approved in April 2011 the creation of a supernumerary AOSGC post, designated as Principal Assistant Secretary for Financial Services and the Treasury (Financial Services) (Special Duties) ("PAS(FS)SD"), under the Deputy Secretary for Financial Services and the Treasury (Financial Services)2 ("DS(FS)2") in FSB. With the FC's approval, the post was extended up to 31 December 2017 for taking forward

the legislative exercises for the establishment of a Policy Holders' Protection Scheme ("PPS"), the implementation of a risk-based capital ("RBC") regime and the preparatory work of the Insurance Authority ("IA") to transit to the statutory licensing regime for insurance intermediaries. DS(FS)2 is supported by another AOSGC, i.e. Principal Assistant Secretary (Financial Services)3 ("PAS(FS)3"), who is responsible for policy work related to the Mandatory Provident Fund ("MPF") as well as other assignments. It was our plan to transfer the insurance policy portfolio of PAS(FS)SD to PAS(FS)3 upon the lapse of the supernumerary PAS(FS)SD post.

25. In the meantime, the Government has decided to implement a number of initiatives, including eMPF, to improve the efficiency of the MPF system for the benefits of scheme members. We need a dedicated senior officer at the rank of AOSGC, to be designated as Principal Assistant Secretary for Financial Services and the Treasury (Financial Services)(Mandatory Provident Fund Reform) ("PAS(FS)(MPF Reform)"), to focus on these MPF reform measures as elaborated in paragraphs 26 to 30 below. PAS(FS)3 has been assigned with the related work pending the creation of the proposed supernumerary post. Given the heavy workload, it is not feasible for PAS(FS)3 to take up the insurance policy portfolio as originally planned. As a stop-gap measure, we have arranged internal redeployment of resources to manage the insurance policy portfolio for the time being. We will implement the re-organisation plan upon the creation of the proposed supernumerary post.

The Major Legislative and Policy Initiatives

eMPF

26. In his 2017-18 Budget Speech, the Financial Secretary asked the FSTB to set up a Working Group ("WG") to devise an electronic management platform which will enhance administrative efficiency and directly benefit MPF scheme members. The eMPF is also an initiative in the 2017-18 Policy Address and Policy Agenda. The management platform under design is called Administration Master ("AM") which aims to handle MPF-related transactions electronically such as enrolment of scheme members, processing Remittance Statements submitted by employers, managing fund and scheme switching, etc. The WG is co-chaired by DS(FS)2 and the Chief Corporate Affairs Officer of the Mandatory Provident Fund Schemes Authority

("MPFA"). There are two Task Forces under the WG, one for producing the technical specifications for the AM by August 2018 and the other for devising measures to promote employers and MPF scheme members to switch from paper-based transactions to electronic transactions ("digital take-up").

27. The eMPF is a technically-complicated, multi-faceted mega-project involving the following major challenges –

(a) the design and building of an online centralised portal for employers and employees to handle their MPF transactions;

(b) the design and building of an IT system, including a database, that captures the MPF-related data of contributing employers and MPF scheme members and handles the transactions of the existing nine million MPF accounts;

(c) managing a data transfer process from the existing systems of 14 approved trustees to AM during the transitional phase that will not cause data loss or confusion to employers and employees; and

(d) managing the interfacing between AM and the existing systems of 14 approved trustees.

28. We also need to co-ordinate the standardisation of procedures in handling MPF transactions with the trustees before transitioning. As some of the administrative work, such as collection of contributions from employers, will be transferred from trustees to the AM, we need to introduce legislative amendments to re-define the role of and regulatory burden on trustees. There are also a range of issues like cyber-security and data privacy that we need to sort out before the implementation of AM. In addition, no matter how robust the AM is, the eMPF will enhance efficiency only if a critical mass of employers and employees will switch from paper-based transactions to electronic transactions. Given that a large number of employers in Hong Kong are small-and-medium enterprises, we will not underestimate the challenge of promoting digital take-up.

Other reform initiatives

29. In addition to the eMPF, PAS(FS)(MPF Reform) will also assist DS(FS)2 in handling a few measures to improve the MPF system. Firstly, the Government has committed itself to reviewing the fee cap level for the two Constituent Funds under the Default Investment Strategy ("DIS") within three years after its implementation on 1 April 2017, i.e., by 31 March 2020. Secondly, the envisaged abolition of the arrangement of using employers' MPF contributions and accrued benefits to offset Long Service Payment and Severance Payment requires amendments to the Employment Ordinance (Cap. 57), MPFSO, and Occupational Retirement Schemes Ordinance ("ORSO") (Cap. 426). PAS(FS)(MPF Reform) will be involved in the aforesaid legislative work in respect of MPFSO and ORSO.

Creation of the PAS(FS)(MPF Reform) post in FSB

30. The scale and complexity of the MPF reform measures require dedicated staffing support at the directorate level. We propose to create a supernumerary AOSGC post for three years from 1 April 2018 or upon approval by the FC, whichever is the later, to take forward these initiatives. The proposed job descriptions of PAS(FS)(MPF Reform) is at **Annex C**.

Non-directorate support

31. The proposal will give rise to the creation of two additional non-directorate posts, comprising one Administrative Officer post for two years to support PAS(FS)6 and one Personal Secretary I post for three years to support PAS(FS)(MPF Reform).

ALTERNATIVES CONSIDERED

32. We have considered whether the duties of DS(FS)3, PAS(FS)6 and the proposed PAS(FS)(MPF Reform) post can be absorbed by other officers in FSB but found it not practicable.

33. There are at present two other Deputy Secretaries ("DSes") and six other Principal Assistant Secretaries ("PASes") in FSB overseeing different policy areas including securities and futures, asset management, banking, anti-money laundering, corporate insolvency, accounting and

financial cooperation with the Mainland. All of them are fully committed to their existing policy initiatives and legislative exercises which are critical to the development of the financial services sector in Hong Kong. It would not be operationally feasible to redeploy them to take up the duties of DS(FS)3, PAS(FS)6 and the proposed PAS(FS)(MPF Reform) post without prejudicing the delivery of work under their respective heavy portfolios. The proposed organisation chart of the FSB is at **Annex D** and the existing job descriptions of all other DSes and PASes are at **Annex E** and **Annex F** respectively.

FINANCIAL IMPLICATIONS

34. The proposed retention of the two supernumerary directorate posts and creation of one supernumerary directorate post will bring about an additional notional annual salary cost at mid-point of $6,621,000. The additional full annual average staff cost, including salaries and staff on-cost, is $9,361,000.

35. The additional notional annual salary cost at mid-point for the two non-directorate posts as mentioned in paragraph 31 above is $1,324,860 and the full annual average staff cost, including salaries and staff on-cost, is $1,492,000.

36. We have included sufficient provision in the draft Estimates of 2018-19 to meet the cost of the proposal and will reflect the resources required in the Estimates of the subsequent years concerned.

ADVICE SOUGHT

37. Members are invited to comment on the proposal. Subject to Members' views, we will seek the necessary approval from LegCo.

Financial Services Branch
Financial Services and the Treasury Bureau
February 2018

Annex A

Proposed Job Description
Deputy Secretary (Financial Services) 3

Rank : Administrative Officer Staff Grade B (D3)

Responsible to : Permanent Secretary for Financial Services and the Treasury (Financial Services) ("PSFS")

Main Duties and Responsibilities –

1. To be responsible for the policy and legislation relating to the accounting sector, including the reform of the auditor regulatory regime.

2. To be responsible for the policy and legislation on corporate insolvency and individual bankruptcy, in particular the introduction of a new statutory corporate rescue procedure and insolvent trading provisions.

3. To be responsible for the policy and legislation relating to companies, in particular the legislative exercise to amend the new Companies Ordinance (Cap. 622) to improve its operation and further facilitate business.

4. To be responsible for the policy and legislation relating to money lenders, in particular measures to tackle money lending-related malpractices.

5. To be responsible for the policy and legislation relating to trusts.

6. To be responsible for matters relating to financial technologies.

7. To be responsible for matters relating to Hong Kong's participation in the Asian Infrastructure Investment Bank and the Asian Development Bank.

8. To undertake any other tasks as assigned by PSFS.

Annex B

Proposed Job Description
Principal Assistant Secretary for Financial Services and the Treasury (Financial Services) 6

Rank : Administrative Officer Staff Grade C (D2)

Responsible to : Deputy Secretary for Financial Services and the Treasury (Financial Services) 3 ("DS(FS)3")

Main Duties and Responsibilities –

1. Responsible for policy issues concerning the new Companies Ordinance (Cap. 622) including a legislative exercise to amend the Ordinance to improve its operation and facilitate business, and housekeeping matters in respect of the Companies Registry.

2. Responsible for policy issues concerning the Money Lenders Ordinance (Cap. 163) and measures to tackle money lending-related malpractices.

3. Responsible for policy issues concerning development of financial technologies.

4. Responsible for policy matters relating to Hong Kong's participation in the Asian Infrastructure Investment Bank and the Asian Development Bank.

5. Responsible for policy and legislation on individual bankruptcy, and housekeeping matters in respect of the Official Receiver's Office.

6. Responsible for policy issues relating to trusts.

7. To undertake any other tasks as assigned by DS(FS)3.

Annex C

Proposed Job Description
Principal Assistant Secretary for Financial Services and the Treasury (Financial Services) (Mandatory Provident Fund Reform)

Rank : Administrative Officer Staff Grade C (D2)

Responsible to : Deputy Secretary for Financial Services and the Treasury (Financial Services) 2 ("DS(FS)2")

Main Duties and Responsibilities –

1. Responsible for policy and legislative work relating to eMPF, including the design and building of the Administration Master (a centralised electronic administrative platform) .

2. Responsible for policy and legislative matters relating to the long term financial sustainability of the Mandatory Provident Fund ("MPF") Schemes Authority.

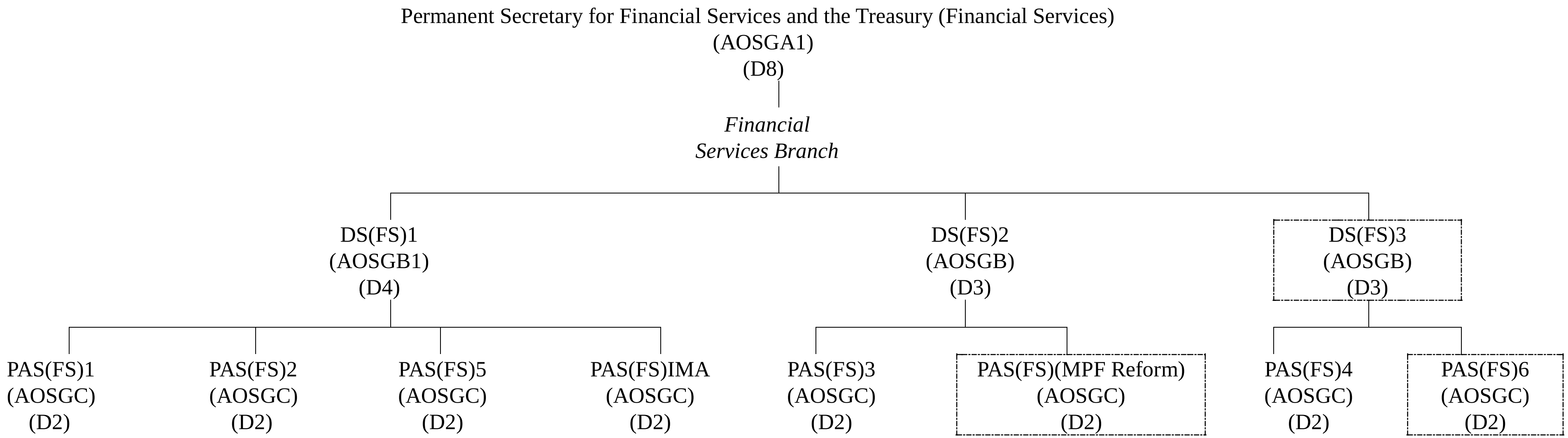
3. Responsible for policy and legislative matters relating to the Default Investment Strategy, including the mechanism for reviewing the fee cap level.

4. Responsible for legislative matters relating to the abolition of using employers' MPF mandatory contributions to offset Long Service Payment or Severance Payment.

5. To undertake any other tasks as assigned by DS(FS)2.

Annex D

Proposed Organisation Chart of the Financial Services Branch of the Financial Services and the Treasury Bureau



Legend

[dashed box]	–	Supernumerary directorate posts to be created/retained
AOSGA1	–	Administrative Officer Staff Grade A1
AOSGB1	–	Administrative Officer Staff Grade B1
AOSGB	–	Administrative Officer Staff Grade B
AOSGC	–	Administrative Officer Staff Grade C
DS(FS)	–	Deputy Secretary for Financial Services and the Treasury (Financial Services)
IMA	–	International and Mainland Affairs
MPF	–	Mandatory Provident Fund
PAS(FS)	–	Principal Assistant Secretary for Financial Services and the Treasury (Financial Services)

Annex E

Major Duties and Responsibilities of the Existing Deputy Secretaries (Financial Services) ("DS(FS)s")

DS(FS)1 is mainly responsible for policy matters and legislation relating to the securities and futures, the asset management, the banking and monetary matters, financial market development including cooperation with the Mainland, financial infrastructure, and anti-money laundering and counter terrorist financing in respect of the financial sectors. Within these policy areas, there are a number of key initiatives which are being pursued and will require active follow-up within the next few years. These include the further development of offshore Renminbi business and asset management industry in Hong Kong; promotion of the further and sustainable development of the local bond market; implementation of relevant regulatory reforms to enhance investor protection and market quality; development of financial infrastructure; and formulation of legislative proposals for implementing other enhancement measures on financial stability promulgated by international forums including G20 (e.g. over-the-counter derivative regulation and resolution regime) and the Basel Committee on Banking Supervision, and implementation of the anti-money laundering legislation for financial institutions and preparation for the next round of mutual evaluation on Hong Kong by the Financial Action Task Force.

2. DS(FS)2 is mainly responsible for policy matters and legislation relating to the insurance sector, Mandatory Provident Fund ("MPF") schemes and other retirement schemes. There are a number of key initiatives currently underway, notably the legislative work for establishing the Policyholders' Protection Scheme; legislative work for improving the MPF system, including the on-going review of the operation of the MPF system. DS(FS)2 is also responsible for the initiative for enhancing talent training and development for the insurance industry as well as the housekeeping of the Census and Statistics Department.

Annex F

Major Duties and Responsibilities of the Existing Principal Assistant Secretaries (Financial Services) ("PAS(FS)s")

PAS(FS)1
Responsible for policy and legislation relating to the regulation of the securities and futures markets, asset management, investor protection and education, oversight of the Securities and Futures Commission (SFC), coordination of matters relating to the Market Misconduct Tribunal and the Securities and Futures Appeals Tribunal, and support for the SFC Process Review Panel.

PAS(FS)2
Responsible for policy and legislation relating to the stock and futures exchanges and their clearing houses, related market and infrastructure development initiatives including mutual market access, and the implementation of the over-the-counter derivative market regulation.

PAS(FS)3
Responsible for policy and legislation relating to Mandatory Provident Fund Schemes and other retirement schemes. Also handles housekeeping matters of the Census and Statistics Department.

PAS(FS)4
Responsible for policy and legislation relating to the accountancy sector and the corporate insolvency regime, and liaison with the Financial Reporting Council and the Hong Kong Institute of Certified Public Accountants.

PAS(FS)5
Responsible for policy and legislation relating to banking, bond market development, Islamic finance, anti-money laundering, and corporate treasury centres. Also oversees policy matters relating to the Deposit Protection Scheme, stored value facilities and payment systems.

PAS(FS)IMA
Responsible for formulating policy initiatives and co-ordinating matters on reinforcing and enhancing Hong Kong's role as an offshore Renminbi business hub, and advancing Hong Kong's financial co-operation with the Mainland. Also oversees policy matters and legislation concerning the

implementation of Hong Kong’s commitment to meet international standards including the implementation of a resolution regime for financial institutions, and handles other relevant international affairs relating to financial services.