立法會
Legislative Council

LC Paper No. CB(1)1209/17-18

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**Report of the Panel on Financial Affairs
for submission to the Legislative Council**

Purpose

This report gives an account of the work of the Panel on Financial Affairs ("the Panel") for the 2017-2018 legislative session. It will be tabled at the meeting of the Legislative Council ("LegCo") of 11 July 2018 in accordance with Rule 77(14) of the Rules of Procedure of LegCo.

The Panel

2. The Panel was formed by a resolution passed by LegCo on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008 for the purpose of monitoring and examining government policies and issues of public concern relating to financial and finance matters. The terms of reference of the Panel are set out in **Appendix I**.

3. For the 2017-2018 session, the Panel comprised 22 members, with Hon Kenneth LEUNG and Hon Christopher CHEUNG Wah-fung elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is in **Appendix II**.

Major work

Macro economy

Hong Kong's economic performance and trade tensions between China and the United States

4. During the 2017-2018 session, the Panel continued to provide a forum for LegCo Members to exchange views with the Financial Secretary ("FS") on

matters relating to macro economic issues. The Panel noted at the meeting on 4 June 2018 the robust economic growth of 4.7% in Hong Kong for the first quarter of 2018 over the same period of 2017. External demand continued to strengthen, and domestic demand also held up well supported by favourable employment conditions and positive wealth effect resulting from strong asset market conditions. On the economic outlook for 2018, Members noted that for 2018 as a whole, the gross domestic product growth was forecast to be 3-4% while the forecast rates of headline and underlying consumer price inflation were 2.2% and 2.5% respectively. Notwithstanding the expansion of the global economy in 2018, downside risks had increased including uncertainties surrounding the trade tensions between the United States ("US") and other economies in particular China, the pace of the US interest rate normalization, and increased downward pressures on the currencies of some emerging markets.

5. Members expressed concern about the impacts on Hong Kong arising from trade tensions between the US and other economies, and a possible trade war between China and the US. Besides urging the Administration to formulate contingency measures to prepare Hong Kong for the possible shocks, Members called on senior Government officials (including the Chief Executive and FS) to visit the US to lobby the US Government for exempting Hong Kong from the trade restrictive measures imposed against China.

6. FS advised that given that Hong Kong was a small and open economy, it would be inevitably affected by the trade tensions between China and the US. While the Administration's initial assessment was that such trade tensions should not have significant direct impact on Hong Kong, if trade relations between the two sides deteriorated, the global and local investment sentiment might be hit and Hong Kong might suffer as a result. It would be difficult to assess the actual impact on Hong Kong as negotiations between China and the US were still underway and surrounded by uncertainties. FS stressed that the Government would take measures to alleviate possible negative impacts on Hong Kong and had reiterated to the US Hong Kong's unique status as an independent customs territory and Hong Kong was implementing a market system different from that of China. The Administration would monitor developments closely. Senior government officials would continue to liaise with the relevant US authorities on related issues and would consider paying visits to the authorities where necessary. The Panel, the Panel on Commerce and Industry ("CI Panel"), and the Panel on on Economic Development ("EDEV Panel") will hold a joint meeting in July 2018 to discuss issues relating to the impact of a possible China-US trade war on the Hong Kong economy.

Property market

7. Members expressed grave concern about the continual surge in flat prices despite the implementation of several rounds of demand-side management measures by the Administration and counter-cyclical macroprudential measures by the Hong Kong Monetary Authority ("HKMA"). Some Members called on the Administration to consider relaxing the existing cap on loan-to-value ("LTV") ratio for residential mortgages so as to assist potential flat buyers (particularly the young people) who were capable of paying the mortgages but had difficulty in making the down payment. Some Members also urged the Administration to consider introducing vacancy tax on completed but unsold first-hand residential properties.

8. FS advised that it was the current term Government's priority to tackle the housing problem through increasing residential land supply and the provision of public and private housing. The Administration was aware of the difficulties faced by young people in attaining home ownership, and relevant measures including the existing Home Ownership Scheme and the "Starter Homes" Pilot Scheme for Hong Kong Residents as proposed in the 2017 Policy Address were in place to address the issue. FS cautioned that it would be inappropriate for the Administration to relax the LTV ratio cap and the demand-side management measures at this stage lest this would send a wrong signal to the public and drive up property prices further. As regards the introduction of vacancy tax on completed but unsold first-hand residential properties, FS advised that the Transport and Housing Bureau would soon complete its study on the matter, and the Administration would then consider the way forward.

<u>Monetary affairs</u>

9. The Panel continued to receive regular briefings from the Chief Executive of HKMA and his colleagues on the work of HKMA. At the three briefings during the 2017-2018 session, HKMA provided information on the global, regional, and local financial and economic conditions, assessment of risks to Hong Kong's financial stability, banking supervision, development of the financial market and performance of the Exchange Fund ("EF").

Interest rate risks and measures on the property market

10. Members questioned the effectiveness of the several rounds of counter-cyclical macroprudential measures in curbing escalating property prices. Some Members enquired whether HKMA would consider relaxing the existing LTV ratio cap for residential mortgages. The Panel also noted that the

weak-side Convertibility Undertaking of the Linked Exchange Rate System[1] had been triggered for a number of times since April 2018, which subsequently caused HKMA to buy Hong Kong dollar to maintain the currency peg. Members raised concern about capital outflow from Hong Kong arising from the onset of the US interest rate hikes and the anticipated rise in local interest rates which would add more pressure on mortgage borrowers.

11. HKMA stressed that there was no evidence supporting the claim that local property prices would have increased at a slower pace had the Administration and HKMA not implemented the demand-side management measures and counter-cyclical macroprudential measures on the property market. Under the current market conditions, HKMA did not see any reasons to relax the counter-cyclical macroprudential measures. It was important for potential property buyers to exercise prudence and carefully assess their financial capability before purchasing flats given that mortgage loans involved long-term financial commitment. On the issue of capital outflow, HKMA advised that while the interest rates of Hong Kong dollar would inevitably increase amid normalization of the US interest rates, it was envisaged that the pace of increase would be gradual. The sizable amount of US dollar flown into Hong Kong in the past few years was held by EF as US dollar reserve and provided a strong buffer against capital outflow. HKMA added that interest rate normalization in the US would be conducive to a more balanced development of the Hong Kong economy.

The Exchange Fund

12. The Panel noted that the investment income of EF for 2017 and the first quarter of 2018 amounted to $264 billion and $26.1 billion respectively. With EF's robust investment performance in 2017, some Members asked whether EF's fee payment to the fiscal reserves would be increased. HKMA explained that under the current arrangement with the Administration, the return on the fiscal reserves placed with EF was calculated based on the average annual investment return of EF's Investment Portfolio over the past six years. The arrangement was designed to enhance the stability of investment return for the fiscal reserves. The rate of fee payment to the fiscal reserves was 2.8% for 2017 and 4.6% for 2018.

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[1] Under the Linked Exchange Rate System, the Hong Kong Monetary Authority undertook to buy the United States ("US") dollars from licensed banks at HK$7.75 to one US dollar (i.e. strong-side Convertibility Undertaking) and sell US dollars at HK$7.85 to one US dollar (i.e. weak-side Convertibility Undertaking).

Regulation of crypto currencies

13. Some Members expressed grave concern about volatilities in the prices of crypto currencies (commonly known as digital currencies or virtual currencies), and enquired how HKMA and the Administration would enhance the regulation of such currencies in light of increasing prevalence of the investment among investors and the high risks involved. Members urged HKMA to devise a regulatory regime of crypto currencies making reference to international developments to ensure protection for investors and maintaining financial stability.

14. HKMA advised that there was no consensus on the regulation of crypto currencies in the international community. Similar to practices in other major international financial centres, HKMA currently did not regulate crypto assets which were regarded as virtual commodities. The Financial Services and the Treasury Bureau ("FSTB") was considering appropriate policy measures from the investor protection perspective. Furthermore, the Investor Education Centre had launched a number of initiatives in collaboration with HKMA and the Securities and Futures Commission ("SFC") to enhance investor education on the risks associated with crypto assets. HKMA stressed that the local banking sector had been adopting a prudent and conservative approach when dealing with crypto asset service providers.

The Life Annuity Scheme administered by the Hong Kong Mortgage Corporation

15. The Panel noted that the Hong Kong Mortgage Corporation ("HKMC") planned to launch the Life Annuity Scheme ("LAS") for subscription by the elderly in mid-2018. Members enquired whether HKMA would consider increasing the proposed issuance size and premium cap per subscriber (which stood at $10 billion and $1 million respectively) for LAS if market feedback was positive.

16. HKMA advised that should there be overwhelming demand for the first batch of LAS, HKMC would consider the feasibility of increasing the issuance amount without compromising the risk management considerations. Nevertheless, HKMC would not increase the premium cap per subscriber owing to risk management considerations and the need to accommodate more subscribers.

Securities and futures markets

New listing regime for emerging and innovative companies

17. In February 2018, the Stock Exchange of Hong Kong Limited ("SEHK"), a subsidiary of the Hong Kong Exchanges and Clearing Company Limited ("HKEX"), conducted a public consultation on a proposed new listing regime for emerging and innovative companies. The proposals mentioned in the consultation paper closely tracked the way forward set out in the conclusions to the New Board Concept Paper released in December 2017 seeking to expand Hong Kong's listing regime to: (a) permit listings of biotech issuers that did not meet any of the financial eligibility tests of the Main Board; (b) permit listings of companies with weighted voting right ("WVR") structures ("WVR companies"); and (c) establish a new concessionary secondary listing route for Greater China and international companies in Hong Kong. The Panel discussed with the Administration, HKEX and SFC on the proposed new regime at the meeting on 3 April 2018. According to the consultation conclusions released by SEHK on 24 April 2018, there was overwhelming support from stakeholders for the proposed new regime. SEHK implemented the new regime on 30 April 2018.

18. While members welcomed the new listing regime in general, they stressed the need to strike a balance between enhancing the competitiveness of Hong Kong's listing regime and protecting investors of WVR companies. In particular, some members expressed concern as how the interests of the minority shareholders in WVR companies would be protected in the absence of a class action regime in Hong Kong. There was also a suggestion to introduce a time-defined sunset arrangement for WVR structures given that the proposed "natural" sunset arrangement might not provide adequate protection for investors when founders of WVR companies continued as directors of the companies but became less involved in the business of the companies.

19. SFC advised that it should not be assumed that WVR companies would be likely to act against the interests of public shareholders even there was no class action regime in Hong Kong. As observed, many class action cases in the US were on matters relating to disclosure of information by companies rather than abuse of control under WVR structures. HKEX stressed that the proposed listing regime sought to provide an alternative way for founders of new economy companies to manage their companies and reach control, and had incorporated safeguards for investors in WVR companies. WVR beneficiaries would not enjoy more economic benefits of the company than other shareholders.

20. On the suggestion of a sunset requirement, SFC cautioned that such a requirement would discourage new economy companies from listing in Hong Kong and there was no similar requirement in the US regime. The proposed "natural" sunset arrangement (e.g. WVRs would fall if WVR beneficiaries transferred their WVR shares, or when they ceased to be directors) had already struck the right balance. Besides, investors had various means to express dissatisfaction with the performance of WVR beneficiaries.

21. Some members relayed the concern of local new economy companies about restricting the scope of pre-revenue companies under the new regime to biotech companies. They urged that HKEX should consider expanding the scope of eligible new economy companies (including those engaging in the research and development of artificial intelligence) so that more local pre-revenue emerging and innovative companies could benefit from the new listing regime.

22. HKEX explained that the New Board Concept Paper proposed to establish a New Board with lower listing requirements and a light-handed regulatory regime. As there was no market support for a New Board, biotech sector was finally chosen as the initial focus in widening market access for pre-revenue companies. HKEX was mindful of the need to help local small companies in other new economy sectors, and would continue to improve the listing regime for start-ups including expanding the coverage of the new listing regime, and explore the use of relevant third party benchmarks in widening market access for pre-revenue companies in other sectors apart from the biotech sector.

<u>Development of the financial services industry in Hong Kong</u>

Development of financial technologies

23. At the meeting on 3 April 2018, the Administration updated the Panel on the developments of the financial technologies ("Fintech") landscape and latest measures taken by the Administration and financial regulators including HKMA, SFC and the Insurance Authority ("IA") in supporting the development of Fintech in Hong Kong.

24. While welcoming the Administration's work in promoting Fintech in Hong Kong, members called on the Administration and financial regulators to step up efforts in promoting the development and application of Fintech in areas including electronic payment systems, settlement of Government bills, and the use of distributed ledger technology (commonly known as blockchain). Some members expressed concern about the division of responsibilities and

authorities among various bureaux/departments ("B/Ds") on Fintech development. There was also a suggestion that the Administration should set concrete targets for the development of Fintech in Hong Kong and devise a corresponding implementation timetable.

25. The Administration advised that there had been progress in Fintech development in various areas and Hong Kong's cumulative investment in Fintech companies for the period from 2014 to 2017 had exceeded that of some jurisdictions including Australia and Singapore. On the division of work among various parties, the Administration advised that given the wide scope of Fintech, a number of B/Ds and regulators were involved. FSTB was the lead bureau in promoting Fintech development and had been collaborating and cooperating with other B/Ds (including the Innovation and Technology Bureau), parties (like Cyberport and the Hong Kong Science Park) and regulators as necessary in taking forward various initiatives. The Administration further considered it inappropriate to set concrete targets on the application of Fintech as members of the public should make their own decisions on whether to use Fintech applications and the types of applications they would like to use.

Proposed incorporation of the Financial Services Development Council

26. At the meeting on 6 November 2017, the Administration briefed the Panel on the proposal to incorporate the Financial Services Development Council ("FSDC") as a company limited by guarantee. The budget and funding arrangement of the incorporated FSDC would include a one-off cost of $11 million for setting up the new FSDC office and an estimated annual operating expenditure of $32 million during the initial years.

27. While some members welcomed the proposal and stressed the need for FSDC to put in place a mechanism for declaration of interests by its members to avoid possible conflict of interests and maintain credibility of FSDC, some members expressed reservation over the proposal on concerns that the incorporated FSDC might circumvent LegCo's monitoring and might be asked to undertake hidden tasks.

28. The Administration advised that FSDC members were from various sectors of the financial services industry with different backgrounds, wide experience and expertise. In order to ensure impartiality of FSDC's recommendations, FSDC members were required to declare if they had potential conflict of interest on the research topics, and such declarations would be recorded in the notes of relevant meetings. Regarding corporate governance and control measures, the Administration advised that representatives of the incorporated FSDC would continue to attend annual

briefings on its work at Panel meetings. The incorporated FSDC would publish annual reports providing information on its work and financial status, and would be required to submit annual work plans and financial statements for scrutiny by the Administration. The accountability and transparency measures of the incorporated FSDC would follow prevailing guidelines on the management and control of Government funding for subvented organizations.

29. On members' enquiry about the rationale and considerations in transforming FSDC into an independent organization instead of a statutory body, the Administration explained that taking into account FSDC's functions in conducting strategic research, promoting market development and nurturing talents, there was no pressing need to turn it into a statutory body. The Administration considered that incorporating FSDC as a company limited by guarantee was the most appropriate and viable option, and was adequate for enhancing FSDC's operational efficiency and flexibility.

Development of green finance

30. At the meeting on 3 April 2018, the Panel discussed with the Administration on key initiatives for promoting and facilitating the development of green finance in Hong Kong including establishing a local certification scheme for green finance products, introducing the Government Green Bond Programme with a proposed borrowing ceiling of $100 billion and the Green Bond Grant Scheme ("GBGS"), and promoting international collaboration to facilitate cross-border investment in green bonds.

31. Members in general supported the Administration's proposed initiatives. Some members sought details on the Administration's measures to develop the green bond market including the target on the issuance of green bonds in Hong Kong and whether consideration would be given to establishing a "green bond index" in Hong Kong.

32. The Administration pointed out that Hong Kong was well-equipped to develop green finance, in particular serving as a premier financing platform for international and Mainland green enterprises / projects in raising funds through issuing bonds and initial public offerings. Whilst the Administration did not have plans to establish a "green bond index" or set a target on the development of the local green bond market, it considered that the proposed GBGS which would subsidize qualified green bond issuers in obtaining green bond certification under the Green Finance Certification Scheme would attract more corporate green bond issuance in Hong Kong. The grant ceiling of $800,000 per issuance under GBGS was competitive when compared to similar assistance schemes offered by major bond markets in the region.

Development of the insurance industry in Hong Kong

Development of a Risk-based Capital regime for the insurance industry in Hong Kong

33. At the meeting on 8 January 2018, members discussed with the Administration on the proposed Risk-based Capital ("RBC") regime for the insurance industry in Hong Kong which aimed to enhance the existing rule-based capital adequacy regime by taking risk factors pertinent to an individual insurance company into account. The proposed RBC regime comprised three pillars namely requirements for quantitative assessment aspects (Pillar 1), corporate governance and enterprise risk management aspects (Pillar 2) and disclosures (Pillar 3). The Administration's target was to introduce the relevant amendment bill into LegCo in the 2020-2021 legislative session.

34. While members supported the proposal in general, they noted the insurance industry's view that the Administration should strike a proper balance between protecting policy holders and minimizing compliance costs of insurance companies, particularly the small and medium-sized ones.

35. The Administration assured members that the Administration and IA would continue to liaise with the insurance industry and consider the needs of small and medium-sized insurance companies to ensure implementation of RBC regime could achieve a win-win situation for both policy holders and insurance companies. On minimizing the compliance costs of insurance companies, the Administration and IA would observe the principle of proportionality, as suggested by the International Association of Insurance Supervisors ("IAIS"), in formulating requirements under RBC regime.

Policy Holder's Protection Scheme Bill

36. The Policy Holders' Protection Scheme Bill seeks to establish a Policy Holders' Protection Scheme ("PPS") for enhancing protection for policy holders by providing compensation or securing the continuity of insurance contracts in the event of insolvency of an insurance company. The Panel was briefed on the key legislative proposals of the Bill at the meeting on 5 March 2018. The Policy Holders' Protection Board ("PHP Board") would be established as a statutory body to govern PPS, and two separate funds namely the Life Fund and the Non-life Fund would be set up for providing a safety net for policy holders of life (i.e. long term) policies and non-life (i.e. general) policies respectively. Insurance companies participating in PPS were required to pay a levy of 0.07% of their premiums received from protected policies for building up the two

Funds. The Administration's target was to introduce the relevant bill into LegCo in the 2018-2019 legislative session.

37. Members welcomed the establishment of PPS in general. However, some members expressed concerns about the protection for policy holders if the policies of a failed insurance company could not be transferred to other insurance companies, and the low target sizes of the two Funds. Some members further called on the Administration to minimize the operating cost of PPS.

38. The Administration advised that under the Insurance Ordinance (Cap. 41), the Court would appoint a liquidator to carry on the long term business of an insolvent insurance company which could facilitate the transfer of such business as a "going concern" to other insurance companies. In the unlikely event that the transfer of the policies to a commercial insurance company could not be arranged, the policies would be transferred to a Special Purpose Insurer set up by PHP Board. As regards the target sizes of the two Funds, the Administration explained that reference had been made to the relevant policy papers of IAIS which suggested that the target sizes of the Funds should minimize the risk of moral hazard and the burden on insurance companies and policy holders. The proposed target sizes of $1.2 billion for the Life Fund and $75 million for the Non-life Fund had been worked out by actuaries taking into account the data of the local insurance industry. Given Hong Kong's robust regulatory system, it was envisaged that about 80%-90% of the liabilities of a failed insurance company could be met out of its own assets. The actual amount of money required from PPS would thus be limited. PHP Board could also borrow money if necessary.

39. Some members considered the proposed cap of 1% for the additional levy (to be collected from insurance companies if the two Funds were not sufficient to meet all liabilities in case of an insurer insolvency) reasonable and was in line with the level adopted by jurisdictions in the Asian region including Singapore. They enquired whether the initial levy rate of 0.07% would be implemented incrementally.

40. The Administration advised that it was estimated that the two Funds could build up their target sizes in about 15 years with the proposed levy rate of 0.07% in place. Imposition of any additional levy would require LegCo approval and the rate would be determined having regard to the prevailing circumstances and affordability of the insurance industry. It would be unlikely that insurance companies would be required to pay huge amount of levies within a short period of time.

<u>Regulatory arrangements to tackle malpractices by financial intermediaries for money lending</u>

41. The Administration implemented a four-pronged approach since 2016 to tackle the malpractices by financial intermediaries for money lending ("intermediaries"), viz. imposition of more stringent licensing conditions on money lenders, enhanced Police enforcement, enhanced public education and publicity, and enhanced advisory services to the public. The Administration briefed members on the outcome of its review on the four-pronged approach at the Panel meeting on 5 February 2018. While the four-pronged approach was considered effective in general, in view of the changing *modus operandi* of the unscrupulous intermediaries, the Administration was exploring further enhancement measures to address money lending-related malpractices.

42. The Panel sought details of the Administration's measures to tackle changing *modus operandi* of the unscrupulous intermediaries, in particular some money lenders had associated with law firms and intermediaries to provide one-stop service to prospective borrowers in order to circumvent the enhanced regulatory measures. Some members called on the Administration to strengthen the licensing requirements on money lenders by imposing a minimum capital requirement. Some members further urged the Administration to review and amend the Money Lenders Ordinance (Cap. 163) ("MLO") in order to address loopholes arising from the new *modus operandi* of money lenders.

43. The Administration advised that it was observed that instead of charging the borrower a fee for arranging the loan, some intermediaries would make up different pretexts to deceive borrowers to pass them the borrowed money, and then abscond. The Administration would incorporate new messages in the upcoming public education activities to raise public awareness of different deceiving tactics used by fraudsters. On the suggestion of imposing a minimum capital requirement on money lenders, the Administration explained that capital requirement was a means of prudential supervision for ensuring the financial stability of licensees. As money lenders did not accept or handle deposits and premium payments from the public, the Administration considered it not justifiable to introduce a minimum capital requirement on money lenders. Regarding the review of MLO, the Administration reiterated that the crux of the existing problem was the malpractices of unscrupulous intermediaries in concealing their relationship with money lenders in order to circumvent the statutory prohibition on separate fee charging and the current cap of 60% per annum on the effective interest rate for a loan. The Administration considered it more effective to address the problem through

imposing more stringent licensing conditions on money lenders. The Administration currently had no plans to review MLO.

Other work

44. During the 2017-2018 legislative session, the Panel also discussed with the Administration and related bodies on a number of subjects. The major ones include:

(a) establishment proposals in the Inland Revenue Department to spearhead international tax cooperation initiatives, and in the Companies Registry for the establishment of a new licensing regime for trust or company service providers;

(b) funding proposals for the construction of the Inland Revenue Tower in Kai Tak Development Area and the Joint-user Government Office Building in Cheung Sha Wan, as well as contribution to the Asian Infrastructure Investment Bank Project Preparation Special Fund;

(c) legislative proposals, including:

(i) amendments to the new Companies Ordinance (Cap. 622) to improve the clarity and operation of the Ordinance and further facilitate business in Hong Kong;

(ii) application of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters and the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting in Hong Kong;

(iii) providing tax deduction for taxpayers who took out a deferred annuity or made Mandatory Provident Fund voluntary contribution;

(iv) amendments to the Securities and Futures (Financial Resources) Rules (Cap. 571N) to update the financial resources requirements for corporations licensed by SFC;

(v) amendments to the Professional Accountants Ordinance (Cap. 50) to be introduced through a Member's bill; and

(d) briefing on the work of the Financial Reporting Council in 2017.

Meetings and visits

45. From October 2017 to July 2018, the Panel held a total of 12 meetings. In April 2018, the Panel and three other Panels namely EDEV Panel, CI Panel, and Panel on Information Technology and Broadcasting conducted a joint-Panel duty visit to five cities (i.e. Guangzhou, Shenzhen, Foshan, Dongguan and Zhongshan) in the Guangdong-Hong Kong-Macao Bay Area. The delegation comprises a total of 32 Members. The duty visit has enabled Members to see for themselves the latest development of the Bay Area, and meet with representatives of provincial and municipal authorities of the Mainland to exchange views on issues of mutual concern.

Council Business Division 1
Legislative Council Secretariat
5 July 2018

Appendix I

Legislative Council

Panel on Financial Affairs

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to financial and finance matters.

2. To provide a forum for the exchange and dissemination of views on the above policy matters.

3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.

4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.

5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Appendix II

Panel on Financial Affairs

Membership list for 2017 - 2018 session*

Chairman	Hon Kenneth LEUNG
Deputy Chairman	Hon Christopher CHEUNG Wah-fung, SBS, JP
Members	Hon James TO Kun-sun Hon Abraham SHEK Lai-him, GBS, JP Hon Jeffrey LAM Kin-fung, GBS, JP Hon WONG Ting-kwong, GBS, JP Hon Starry LEE Wai-king, SBS, JP Hon CHAN Kin-por, GBS, JP Hon Mrs Regina IP LAU Suk-yee, GBS, JP Hon Paul TSE Wai-chun, JP Hon WU Chi-wai, MH Hon Charles Peter MOK, JP Hon Dennis KWOK Wing-hang Ir Dr Hon LO Wai-kwok, SBS, MH, JP Hon Alvin YEUNG Hon CHU Hoi-dick Dr Hon Junius HO Kwan-yiu, JP Hon Holden CHOW Ho-ding Hon SHIU Ka-fai Hon CHAN Chun-ying, JP Hon CHEUNG Kwok-kwan, JP Hon LUK Chung-hung, JP
	(Total：22 members)
Clerk	Ms Connie SZETO
Legal Adviser	Ms Clara TAM

* Changes in membership are shown in Annex.

Annex to Appendix II

Panel on Financial Affairs

Changes in membership

Member	Relevant date
Hon Tommy CHEUNG Yu-yan, GBS, JP	Up to 15 October 2017
Hon MA Fung-kwok, SBS, JP	Up to 23 October 2017
Hon Jimmy NG Wing-ka, JP	Up to 23 October 2017
Hon Kenneth LAU Ip-keung, BBS, MH, JP	Up to 23 October 2017
Hon YUNG Hoi-yan	Up to 24 October 2017
Hon Martin LIAO Cheung-kong, SBS, JP	Up to 25 October 2017
Hon CHAN Hak-kan, BBS, JP	Up to 3 November 2017
Hon Alvin YEUNG	Since 5 January 2018