

政府總部
民政事務局

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GOVERNMENT SECRETARIAT
HOME AFFAIRS BUREAU

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CENTRAL GOVERNMENT OFFICES,
2 TIM MEI AVENUE,
TAMAR,
HONG KONG.

21 November 2018

Clerk to the Panel on Home Affairs
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Attn: Ms Joanne Mak)

Dear Ms Mak,

**Panel on Home Affairs of the Legislative Council
Follow-up on Meeting on 28 May 2018**

At the meeting of the Panel on Home Affairs of the Legislative Council on 28 May 2018, the Administration was requested to provide a written response to address Members' concern about whether delving into the \$1.5 billion seed money of the Arts and Sport Development Fund ("ASDF") (Sports Portion) by the Administration since end-2015 was in breach of the Sir David Trench Fund for Recreation Ordinance (Cap. 1128).

2. The relevant provisions in Cap. 1128 are sections 5 and 6(1) of Cap. 1128, which state –

“5. The trustee shall apply the fund in such manner as the Chief Executive may direct for the following objects –

- (a) the provision of, or assistance in the provision of facilities for recreational, sporting, cultural and social activities;
- (b) such objects ancillary or incidental to the objects set out in paragraph (a) as the Chief Executive may consider appropriate.

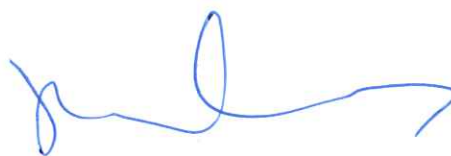
6. (1) Subject to the direction of the Chief Executive, the fund, other than the original capital sum, may be expended, applied and used for any object specified in section 5 but no part of the original capital sum shall be expended, applied or used for any such purpose without the prior approval of the Legislative Council.

(2) ...”

3. According to section 3(3) of Cap. 1128, the original capital sum of the Sir David Trench Fund for Recreation means the sum of \$3 million dollars being the anonymous donation made on 5 January 1970 with the object of setting up the fund. The trustee¹ of the Sir David Trench Fund has confirmed that this original capital sum remains intact.

4. Whereas the ASDF was established as a sub-fund under the Sir David Trench Fund for Recreation in 1997. With the approval of the Finance Committee of the Legislative Council, the Government last made a funding injection into the ASDF of \$3 billion in July 2010, of which \$1.5 billion was for the sports portion. This injection does not form part of the original capital sum of the Sir David Trench Fund for Recreation and its use would not be in contravention of the relevant provisions of Cap. 1128.

Yours sincerely,



(Paul Cheng)
for Secretary for Home Affairs

¹ According to section 2 of Cap. 1128, “trustee” means the Director of Accounting Services as trustee of the fund.