立法會
Legislative Council

LC Paper No. CB(1)806/18-19
(These minutes have been seen by the Administration)

Ref : CB1/PL/FA

Panel on Financial Affairs

Minutes of meeting held on
Tuesday, 18 December 2018, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

Members present :	Hon Christopher CHEUNG Wah-fung, SBS, JP (Chairman) Hon Kenneth LEUNG (Deputy Chairman) 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 Steven HO Chun-yin, BBS Hon WU Chi-wai, MH Hon Charles Peter MOK, JP Hon Martin LIAO Cheung-kong, SBS, JP Ir Dr Hon LO Wai-kwok, SBS, MH, JP Hon Alvin YEUNG Hon CHU Hoi-dick Hon HO Kai-ming Hon Holden CHOW Ho-ding Hon SHIU Ka-fai Hon CHAN Chun-ying, JP Hon CHEUNG Kwok-kwan, JP Hon LUK Chung-hung, JP
Members attending :	Dr Hon CHIANG Lai-wan, SBS, JP Hon Tony TSE Wai-chuen

Members absent : Hon James TO Kun-sun
Hon Abraham SHEK Lai-him, GBS, JP
Hon Dennis KWOK Wing-hang

Public officers attending : Agenda Item IV

Mr Paul MP CHAN, GBM, GBS, MH, JP
Financial Secretary

Mr Andrew AU Sik-hung, JP
Government Economist

Mr Willy TSOI
Administrative Assistant to Financial Secretary

Agenda Item V

Mr Paul MP CHAN, GBM, GBS, MH, JP
Financial Secretary

Mr James LAU, JP
Secretary for Financial Services and the Treasury

Ms Alice LAU Yim, JP
Permanent Secretary for Financial Services and the Treasury (Treasury)

Mr Willy TSOI
Administrative Assistant to Financial Secretary

Agenda Item VI

Mr Eddie CHEUNG, JP
Deputy Secretary for Financial Services and the Treasury (Financial Services)2

Ms Joan HUNG
Principal Assistant Secretary for Financial Services and the Treasury (Financial Services) Mandatory Provident Fund Reform

Mr Vinci CHOU
Chief Systems Manager (Common Services)
Office of the Government Chief Information Officer

Agenda Item VII

Mr Eddie CHEUNG, JP
Deputy Secretary for Financial Services and the Treasury (Financial Services)2

Ms Joan HUNG
Principal Assistant Secretary for Financial Services and the Treasury (Financial Services) Mandatory Provident Fund Reform

Agenda Item VIII

Mr James LAU, JP
Secretary for Financial Services and the Treasury

Mr Andrew LAI, JP
Deputy Secretary for Financial Services and the Treasury (Treasury)2

Ms Sandy JIM, JP
Assistant Commissioner (Special Duties)
Rating and Valuation Department

Agenda Item IX

Ms Pecvin YONG
Principal Assistant Secretary for Financial Services and the Treasury (Treasury)(R1)

Ms CHAN Yin
Acting Senior Staff Officer (Dutiable Commodities Administration)
Customs and Excise Department

Attendance by invitation	**:**	Agenda Item VI Mr CHENG Yan-chee Chief Corporate Affairs Officer and Executive Director Mandatory Provident Fund Schemes Authority Ms Cynthia HUI Executive Director (Members) Mandatory Provident Fund Schemes Authority Mr Andy TONG Head (Information Technology) Mandatory Provident Fund Schemes Authority Agenda Item VII Mr CHENG Yan-chee Chief Corporate Affairs Officer and Executive Director Mandatory Provident Fund Schemes Authority Mr Dick TSANG Chief Manager (Finance) Mandatory Provident Fund Schemes Authority
Clerk in attendance	**:**	Ms Connie SZETO Chief Council Secretary (1)4
Staff in attendance	**:**	Miss Sharon LO Senior Council Secretary (1)9 Ms Sharon CHAN Legislative Assistant (1)4

Action

I Confirmation of minutes of meeting and matters arising

(LC Paper No. CB(1)306/18-19 — Minutes of policy briefing on 30 October 2018)

The minutes of the policy briefing held on 30 October 2018 were confirmed.

Action

II Information papers issued since the regular meeting on 5 November 2018

(LC Paper No. CB(1)181/18-19(01)	—	Third Quarter Economic Report 2018 and the press release
LC Paper No. CB(1)292/18-19	—	Quarterly Report of the Securities and Futures Commission (July to September 2018)
LC Paper No. CB(1)304/18-19(01)	—	Letter dated 29 November 2018 from Hon Charles MOK on personal data protection issues relating to credit reference agencies (Chinese version only)
LC Paper No. CB(1)304/18-19(02)	—	Letter dated 30 November 2018 from Dr Hon Elizabeth QUAT on personal data protection issues relating to credit reference agencies (Chinese version only)
LC Paper No. CB(1)308/18-19(01)	—	Administration's paper on "Collection of User Fees by the Insurance Authority"
LC Paper No. CB(1)333/18-19(01)	—	Submission from Mr David M. Webb on issues relating to the Company Registry and the Companies Registry Trading Fund (English version only)
LC Paper No. CB(1)335/18-19(01)	—	Accrual-based consolidated financial statements of the Government for the year ended 31 March 2018)

Action

2. Members noted the information papers issued since the regular meeting held on 5 November 2018.

III Date of next meeting and items for discussion

(LC Paper No. CB(1)309/18-19(01) — List of outstanding items for discussion)

3. Members agreed to discuss the following items proposed by the Administration at the regular meeting scheduled for 7 January 2019, from 10:00 am to 12:30 pm:

(a) Plan for the 2021 Population Census;

(b) Implementation of the Securities and Futures Commission's Code on Real Estate Investment Trusts; and

(c) Personal data protection issues relating to credit reference agencies.

IV Briefing by the Financial Secretary on Hong Kong's latest overall economic situation

(LC Paper No. CB(1)309/18-19(02) — Administration's paper on Hong Kong's recent economic situation and near-term outlook)

Briefing by the Administration

4. At the invitation of the Chairman, the Financial Secretary ("FS") briefed members on Hong Kong's latest overall economic situation and short-term economic forecasts.

(*Post-meeting note*: The press release containing the speaking note of FS (Chinese version only) was issued to members vide LC Paper No. CB(1)374/18-19(01) on 19 December 2018.)

5. The Government Economist ("G Econ") gave a powerpoint presentation on Hong Kong's recent economic situation and near-term economic outlook.

(*Post-meeting note*: The notes of the powerpoint presentation (LC Paper No. CB(1)371/18-19(01)) were issued to members vide Lotus Notes email on 19 December 2018.)

Discussion

Property market

6. Mr Jeffrey LAM expressed concern that due to recent cooling down in the property market and downward adjustment in prices, the commercial and industrial sectors might face difficulties in obtaining mortgages and credit facilities. He enquired if the Administration would consider lifting some of the demand-side management measures, and introducing measures to alleviate the financing burden of the small and medium enterprises ("SMEs").

7. FS advised that to assist SMEs in obtaining loans from financial institutions amid the unstable and volatile environment with increasing downside risks, a number of enhancements had been introduced to the special concessionary measures under the SME Financing Guarantee Scheme as announced in October 2018, including reducing the annual guarantee fee rate, increasing the maximum facility amount, and lengthening the maximum guarantee period. Moreover, the Hong Kong Monetary Authority ("HKMA") had also reminded banks to review the credit line and mortgage lending of SMEs in a sensible and pragmatic manner to avoid an over-tightening credit environment. As regards the demand-side management measures of the property market, he stressed that such measures were introduced with the purposes of combating short-term speculation and reducing investment demand. The Government considered the property market was adjusting in an orderly manner and it was not the opportune time to relax the demand-side management measures. The Government would continue to monitor the situation closely.

8. Mr LUK Chung-hung expressed concern about the prevalence of "nano flats" (e.g. residential flats with a usable area of less than 20 square metres) in the market in recent years and enquired whether the Administration would consider regulating the development of "nano flats" in Hong Kong, such as imposing a minimum standard on the flat size to be built by developers. FS responded that it might be inappropriate to forbid developers from selling "nano flats" if minimum flat size requirement had not been imposed as a sale condition of the residential site concerned at the time of land sale.

9. Mr CHAN Chun-ying commented that the information shown on page 11 of the powerpoint provided by the Administration had only reflected Hong Kong people's debt servicing capability but not their home purchase affordability. To

Action

better reflect the home purchase affordability ratio, Mr CHAN suggested that the Administration should consider providing information to facilitate comparison of the total value of flats with the gross domestic product of Hong Kong and/or comparison of the total value of flats with the income of taxpayers in Hong Kong. He also sought information on the actual residential flat supply in the past few years, and suggested that the Administration should provide such information in the powerpoint for briefings in the future.

10. FS said that the projected supply of first-hand domestic units in the next few years included unsold units in completed projects, units under construction but not yet included in presale, and units from disposed sites where construction might start anytime. The number of completed units in each year from 2012 to 2017 were 10 100 units, 8 300 units, 15 700 units, 11 300 units, 14 600 units and 17 800 units respectively, and the number in 2018 was estimated to be above 17 000 units. Moreover, there were about 22 300 unsold units readily available for sale or presale in completed and uncompleted projects as at the end of October 2018. He further took note of Mr CHAN's suggestion regarding improvement to the presentation of information relating to Hong Kong people's ability to afford home purchase.

Measures to mitigate impact of the trade conflict between China and the United States

11. Mr LUK Chung-hung enquired about the Administration's measures to mitigate the impact of the trade conflict between China and the United States ("China-US trade conflict") on the Hong Kong economy, in particular whether the Administration would consider increasing the number of statutory holidays for employees so as to stimulate local consumption and domestic demand.

12. FS said given that the Hong Kong economy was external-oriented, domestic demand would be subject to pressure from the less favorable economic environment. The Government would play the role of "facilitator" and "promoter" in economic development and continue to enhance Hong Kong's competitiveness through diversifying the economy including promoting the development of emerging industries in addition to enhancing the competitiveness of traditional key industries like financial services and high value-added logistics services. The Government had already committed over $100 billion to boost the development of innovation and technology ("I&T") and the I&T ecosystem of Hong Kong had been growing. The Government had also allocated resources to promote the cultural and creative industries. With a view to stepping up support for SMEs, the Government had injected new funds into the Dedicated Fund on Branding, Upgrading and Domestic Sales ("BUD Fund"), and increased the cumulative funding ceiling from $500,000 to $1 million for individual enterprises

Action

to undertake projects in the Mainland. The geographical scope of the BUD Fund had also been expanded to include the ASEAN markets and the cumulative funding ceiling for individual enterprises undertaking projects in the ASEAN markets would also be $1 million. Furthermore, the Hong Kong Trade Development Council ("TDC") would provide consultation services to assist SMEs in exploring new markets and new business opportunities overseas.

13. Referring to page 14 of the powerpoint, Mrs Regina IP sought details on the Mainland's policies for sustaining its stable economic development. G Econ explained that the Mainland authorities had introduced various measures such as cutting the reserve requirement ratio for banks, encouraging banks to extend loans to small and micro enterprises, reducing taxes and government fees and charges, and issuing special-purpose bonds to finance infrastructure projects. FS added that the Mainland authorities had also introduced various measures to facilitate foreign businesses in accessing the Mainland market. While it would be possible to make use of the monetary policy to stimulate the economy, FS noted that the Mainland authorities had reiterated that Renminbi ("RMB") depreciation would not be adopted as a measure to counter the US' tariff measures. He supplemented that more details on the Mainland's economic policies should be available after the Central Economic Work Conference.

14. Mr WU Chi-wai enquired how the Administration would help Hong Kong enterprises and manufacturers cope with the challenges brought by the China-US trade conflict and possible subsequent economic restructuring. He would like to know in particular whether the Administration would formulate measures to facilitate Hong Kong enterprises and manufactures to move existing factories in other South East Asian countries back to Hong Kong, and promote the development of headquarter economy in Hong Kong. Moreover, in view of the increasing competition from the Guangdong-Hong Kong-Macao Bay Area, such as the development of bonded zones in Zhuhai, Mr WU asked if the Administration would consider utilizing land at Sunny Bay for the development of storage and logistics industries in Hong Kong.

15. FS said the Government would render necessary assistance to Hong Kong enterprises to help them tide over the challenges ahead. For Hong Kong manufacturers considering relocation of their Mainland factories, TDC was providing them with relevant consultation services. He added that the Government and TDC had been organizing business delegation to various regions for Hong Kong enterprises and manufacturers, with a view to helping them to better understand the economic policies and development opportunities in these regions and allowing them to establish local contacts. Moreover, the Government had placed great emphasis on the development of headquarter economy and would continue to expand Hong Kong's free trade agreement and tax treaty

Action

networks in order to attract enterprises to set up headquarters and offices in Hong Kong. As regards the development of logistics industry, FS said Hong Kong's air cargo industry was rather competitive. To sustain its continued growth, land resources had been reserved and support measures had been introduced. He added that the Government had also set aside land in Kwai Chung, Tsing Yi and Tuen Mun for the development of the logistics industry.

16. Mr CHU Hoi-dick expressed concern that Mainland enterprises might make use of Hong Kong's international platform to evade sanctions imposed by the United Nations and/or export restrictions imposed by the US. He enquired how the Administration would ensure Hong Kong could fulfill its obligations under various international and bilateral trade agreements.

17. FS emphasized that Hong Kong had all along been striving uncompromisingly to fulfill its international obligations including combating money laundering and terrorist financing activities in accordance with the relevant international standards. The international community had acknowledged the integrity of Hong Kong's legal system and the effectiveness of the enforcement actions taken by relevant departments.

Macroeconomic conditions

18. Mr Holden CHOW pointed out that continual normalization of monetary policies in major advanced economies, particularly the US, had led to a reversal in international capital flows and increased global financial volatility which exerted pressure on emerging economies with weak fundamentals. In view of increased downside risks in the global financial markets in 2019, he enquired about the Administration's plans to counter such risks including plans to review the investment strategy of the Exchange Fund ("EF").

19. Mr Tony TSE considered that despite increasing volatilities in the global financial markets and downside risks in 2019, the Government should continue to invest in infrastructures and community facilities.

20. FS stressed that the Government would continue to invest in infrastructure and community facilities and implement suitable counter-cyclical measures during economic downturn. As regards EF, FS said that the Exchange Fund Advisory Committee had taken into consideration the volatility of the financial markets when advising him on EF's investment policies and strategies. HKMA would manage risks prudently in order to minimize the impact of high volatility of the financial markets on the performance of EF.

Action

Labour market

21. Mr Charles MOK said that the latest overall unemployment rate of 2.8% reflected a tight labour supply in Hong Kong. He expressed concern that the shortage of workforce and talent could impede the economic development and undermine Hong Kong's competitiveness and urged the Administration to formulate suitable training and retraining strategies for the local labour force to help them adapt to economic restructuring, and to develop measures for attracting multinational corporations to establish regional headquarters in Hong Kong so as to create more employment opportunities and quality jobs.

22. G Econ responded that labour market conditions remained favourable, with wages and earnings sustaining solid and broad-based growth in real terms. FS acknowledged that the labour market was tight in Hong Kong, and emphasized that the Government would continue to diversify the economy and promote the development of I&T, with a view to providing more quality employment opportunities for the local workforce, in particular the young people. The Government had been providing financial support to promote the development of I&T and was working on the establishment of two research clusters (one on healthcare technologies and another one on artificial intelligence and robotics technologies) in the Hong Kong Science Park. By attracting major overseas institutions to set foot in these research clusters, the Government aimed to provide stronger impetus to the growth of I&T in Hong Kong.

23. Mr Tony TSE enquired about the Administration's measures to tackle the challenges arising from aging working population and downward pressure on productivity, particularly the strategies to nurture talent for meeting Hong Kong's social and economic needs. Mr SHIU Ka-fai expressed concern about the serious manpower shortage facing many sectors and urged the Administration to develop measures to address the issue including considering importation of labour.

24. FS said that talent was among the important elements underpinning Hong Kong's development. He advised that the current-term Government had increased resources for improving the quality of education. To encourage members of the public to pursue self-enhancement, the Government had also substantially increased the salaries tax deduction for self-education expenses and the subsidy under the Continuing Education Fund. In parallel, the Government would continue to invest in training and retraining to enhance the quality and competitiveness of the local workforce to help them cope with the changing economic structure. The Government would also encourage the use of I&T to enhance productivity of the workforce. Moreover, the Government would continue to provide the Vocational Training Council and the Construction Industry Council with funding for meeting the demand for manpower

Action

development and enhancement of the skills of respective industries in Hong Kong, particularly with the increased adoption of I&T.

Inbound tourism

25. Noting that visitor arrivals in 2018 would probably exceed 60 million, Mr CHU Hoi-dick expressed concern about the impact of an excessive number of visitors on the livelihood of Hong Kong people, particularly after the commissioning of the Hong Kong-Zhuhai-Macao Bridge ("HZMB"). He enquired about the Administration's measures to alleviate the problem.

26. FS said that to ensure a sustainable and healthy development of the tourism industry in the long run, it was necessary to provide sufficient supporting facilities to minimize disturbance caused to the daily lives of the community. With good planning and implementation, Hong Kong would develop into a tourism destination drawing high value-added visitors.

27. Mr SHIU Ka-fai said that the China-US trade conflict would have significant impact on Hong Kong's economy next year, in particular the wholesale and retail industry. With the depreciation of RMB in recent months and another round of import tariff cuts in the Mainland with effect from 1 January 2019, it was expected that the spending of Mainland visitors might significantly decrease. To assist the wholesale and retail industry in weathering the challenges ahead, he urged the Administration to consider relaxing visa approval and simplifying application procedures to attract foreign visitors to Hong Kong, in particular visitors from the Belt and Road countries. FS took note of Mr SHIU's suggestion.

V 2019-2020 Budget Consultation

(LC Paper No. CB(1)309/18-19(03) — Information pack for the Financial Secretary's consultations on the 2019-2020 Budget)

Briefing by the Administration

28. FS said that the Government would announce the 2019-2020 Budget on 27 February 2019 and the relevant consultation work had commenced in November 2018. He said that in face of the China-US trade conflict, rising US interest rates, volatilities in the global financial markets and uncertainties in the external environment, local business sentiment had become more cautious in recent months and the economic outlook in the period ahead was subject to

increasing downside risks. The Government would continue to monitor the latest market situation and stay vigilant to ensure stability of the financial markets. The Government would also adhere to the principle of prudent management of public finances and maintain adequate fiscal reserves for economic and social development, as well as continue investments in capital works. The Government would carefully consider the views of Members and the public in preparing the 2019-2020 Budget.

(*Post-meeting note*: The press release containing the speaking note of FS (Chinese version only) was issued to members vide LC Paper No. CB(1)374/18-19(02) on 19 December 2018.)

Discussion

Invest for the sustainable development of Hong Kong

29. Mr Tony TSE reiterated the need for the Administration to invest in capital works and nurturing talent to facilitate sustainable development of the Hong Kong economy. He suggested that the Administration should increase resources to improve the provision of training and development for the civil service, as well as to upgrade the computer and communication systems of various departments with a view to enhancing the operational capabilities and efficiencies of civil servants through increased application of innovation technologies.

30. FS said that to enhance operational efficiency and improve various services provided to the public, the Innovation and Technology Bureau had established the TechConnect Block Vote to assist government bureaux/departments ("B/Ds") in implementing various technology projects. Moreover, B/Ds could also make use of their annual budgets and other funding support to implement technology projects to improve their provision of services. Furthermore, the Government would provide additional training to the civil service to enhance their capability in making better use of innovation technologies.

31. Mr Holden CHOW considered that a rail link connecting Tuen Mun, Tsuen Wan and Sha Tin was indispensable in the railway network of the New Territories and enquired whether the Administration would study the feasibility of constructing the proposed rail link. He also suggested that the Administration should consider increasing the resources for supporting patients with rare diseases.

Action

32. FS said that the Government would continue to invest in infrastructure projects to improve transport links. The Transport and Housing Bureau would conduct relevant studies having regard to public demand and development needs in accordance with established procedures and subject to the merits and readiness of individual projects.

Tax related issues

33. Mr Holden CHOW sought FS' views on the proposals to introduce an education tax allowance for children to alleviate the financial burden of middle-class families, and to provide tax incentives for promoting the development of emerging industries in Hong Kong, such as high value-added maritime services making reference to the existing profits tax concessions offered to the aircraft leasing business.

34. FS responded that he was very concerned about the tax burden on salary earners. The Government had implemented various tax concessionary measures in the past years benefitting taxpayers including increasing the number of tax bands, widening the tax bands, and increasing the tax allowances for maintaining children, dependent parents and grandparents. He added that in considering whether to provide tax incentives for promoting the development of certain industries, the Government would take into account factors including whether such arrangements would indeed effectively foster the development of the industries concerned, generate economic benefits and/or create employment opportunities and more career choices in Hong Kong. Moreover, the Government would consider tax measures to promote the development of marine insurance industry in Hong Kong and welcome further suggestions from Members.

35. Mr Kenneth LEUNG referred to the amendment bill currently under scrutiny by the Legislative Council ("LegCo") for providing profits tax exemption to eligible funds operating in Hong Kong. He said that the Council of the European Union ("EU") had concerns over the ring-fencing features of Hong Kong's offshore tax regimes under the latest standards of the Organisation for Economic Co-operation and Development ("OECD"). He further said that EU had expressed concerns on issues including the commencement date and the proposed definition of "fund" in the Bill.

36. The Secretary for Financial Services and the Treasury ("SFST") said that EU had asked Hong Kong to modify the tax regimes for funds by end of 2018. In view of the lead time for completing the necessary legislative procedures, the Government had committed to introduce the legislative amendments into LegCo by end of 2018 and would endeavor to complete the legislative procedures in the first quarter of 2019. As regards the proposed definition of funds, SFST

Action

explained that the amendment bill aimed to remove the ring-fencing features of Hong Kong's tax regimes for privately offered offshore funds. The tax treatment for offshore non-fund entities was not a subject of the current legislative exercise. The Government would keep in view OECD's latest requirements (if any) and separately consider them as appropriate.

37. Mr CHAN Chun-ying enquired whether the Administration would consider introducing new tax items in the coming Budget, and raising the cost recovery rates set for government fees and charges to expedite recovery of the full cost in providing the services concerned.

38. On whether new tax measures would be introduced, FS responded that this would only be announced in the 2019-2020 Budget given the sensitivity of tax measures. Regarding increasing government fees and charges, FS said that the Government would duly consider various factors, including the overall economic situation and the possible impact on people's livelihood, before proposing such a move.

Utilization of fiscal reserves and budget surplus

39. Mr CHAN Chun-ying noted that there were satisfactory investment returns from the Long-Term Growth Portfolio ("LTGP") under EF. He enquired whether the Administration would consider increasing the investment under LTGP. He also asked if the Administration would consider setting up a designated department for monitoring its direct investments in private enterprises, such as the MTR Corporation Limited ("MTRCL") and the Hongkong International Theme Parks Limited ("HKITP"), in which the Government was a major shareholder.

40. FS said that there had been stable investment returns from LTGP with an annualized internal rate of return of around 13% from 2009 to 2017. There was further room to increase the investments under LTGP and the Administration and HKMA would exercise prudence in selecting suitable projects with stable returns. As regards Government's investments in MTRCL and HKITP, FS advised that MTRCL was a listed corporation with its operation supervised by its Board of Directors. The Government had been monitoring the financial positions and the progress of the expansion and development plan of the Hong Kong Disneyland Resort ("HKDL") through regular meetings with HKITP's management team. FS said that B/Ds were subject to value for money audits conducted by the Audit Commission and the Administration had no plan to set up a designated office to oversee the investments in these companies.

Action

41. The Chairman pointed out that a number of one-off concessionary measures were introduced in the 2018-2019 Budget having regard to the large fiscal surplus in 2017-2018. Given that the estimated fiscal surplus in 2018-2019 would substantially reduce due to anticipated lower revenue from stamp duty from property and stock transactions, the Chairman asked if the Administration would continue to implement one-off concessionary measures in the 2019-2020 Budget. FS said that the Government would make good use of the annual budget surplus taking into account community needs and the economic conditions.

Optimizing land resources

42. Mr WU Chi-wai emphasized that land resources were scarce in Hong Kong and expressed grave reservation towards the Administration's plan to develop leisure and entertainment facilities at the proposed reclamation sites at Sunny Bay, as well as the private sector proposal of developing an European design flower-themed garden at the site reserved for the possible phase 2 development of HKDL ("phase 2 site"). He enquired if the Administration had plans to use the land at Sunny Bay and the phase 2 site for the development of logistics supporting facilities.

43. FS advised that the development plan of Sunny Bay reclamation area was yet to be finalized. He said that the Government would normally undertake planning and engineering studies to explore the detailed land uses for individual reclamation sites. Development of logistics facilities was one of the potential land use options given the western part of Hong Kong had great potential for logistics development with the commissioning of HZMB and the Tuen Mun-Chek Lap Kok Link. As regards the possible uses of phase 2 site, FS explained that the Government had to take into account the earlier agreement reached between the Government and HKITP which provided HKITP with an option to purchase the phase 2 site for taking forward HKDL's further development. Before HKITP exercised the said option for the phase 2 site, the site could be put to short-term uses in accordance with the permitted land uses as listed in the Deed of Restrictive Covenant.

Other issues

44. Mr Kenneth LEUNG noted that under the Companies Ordinance (Cap. 622) ("CO"), a company incorporated in Hong Kong was only required to keep a list of its shareholders at its registered office and making the list available for inspection at present. A company was not required to keep or file information about its ultimate beneficial owners. He enquired if the Administration would consider enhancing the disclosure requirement on ultimate beneficial owners by

Action

requiring companies to file with the Company Registry their lists of shareholders so as to ensure that the information in the lists was accurate and up-to-date.

45. SFST said that the existing disclosure requirements under CO had been developed after consultation with the relevant stakeholders. Such arrangements had struck a proper balance between enhancing corporate transparency and reducing compliance costs of companies. The Administration would review relevant provisions of CO when and where necessary in the light of operational experience of CO and feedback from stakeholders.

(*At 4:22 pm, the Chairman ordered that the meeting be suspended for five minutes. The meeting resumed at 4:29 pm.)*

VI Funding requirements for a centralized electronic platform for the administration of Mandatory Provident Fund registered schemes

(LC Paper No. CB(1)309/18-19(04) — Administration's paper on "Funding requirements for a centralized electronic platform for the administration of Mandatory Provident Fund registered schemes and related expenses"

LC Paper No. CB(1)309/18-19(05) — Background brief on the centralized electronic platform for the administration of Mandatory Provident Fund registered schemes prepared by the Legislative Council Secretariat)

Briefing by the Administration

46. At the invitation of the Chairman, Deputy Secretary for Financial Services and the Treasury (Financial Services)2 ("DS(FS)2") briefed members on the Administration's proposal to set up a centralized platform ("CP") to facilitate standardization, streamlining and automation of Mandatory Provident Fund ("MPF") scheme administration processes to maximize operational efficiency so as to create room for fee reduction. The Administration proposed to provide

Action

$3,367.15 million for the development of CP and related expenses. The Mandatory Provident Fund Schemes Authority ("MPFA") would set up a wholly owned subsidiary company, which was neither a trustee nor a regulatee of MPFA, to own and operate CP. Subject to funding approval from LegCo, the Administration planned to submit the relevant legislative amendments to LegCo in 2021. It was envisaged that the phased commencement of CP would begin in 2022.

(*Post-meeting note*: The powerpoint presentation materials (LC Paper No. CB(1)371/18-19(02)) were issued to members vide Lotus Notes e-mail on 19 December 2018.)

Discussion

Costs for and challenges in the development of the centralized platform

47. Mr CHAN Chun-ying expressed support for the Administration's proposal. Noting that the development of CP would last for some nine years, he was concerned whether the proposed miscellaneous and contingency fees of about $239.4 million for the project, which accounted for around 7% of the total project cost, was sufficient. He enquired how the estimate had been worked out and whether the estimate had taken into account factors such as inflation. He further enquired about the estimated cost to be incurred by the existing 14 trustees for upgrading their existing information technology systems in order to tie in with the development of CP.

48. Chief Corporate Affairs Officer and Executive Director, Mandatory Provident Fund Schemes Authority ("CAO/MPFA") advised that the percentage of the proposed miscellaneous and contingency fees mentioned by Mr CHAN Chun-ying was based on the total project cost. If based on capital expenditure (which stood at some $1.865 billion) of the project for developing CP, the miscellaneous and contingency fees accounted for around 10%, which was considered reasonable for projects of similar nature carried out by the Office of the Government Chief Information Officer. He also advised that as revealed in MPFA's consultancy studies, the total expenditure to be incurred by the existing 14 trustees was roughly estimated to be less than half of the capital expenditure of the project. The expenditure for each trustee would depend on the scale of its operation.

49. Mr CHAN Chun-ying enquired about the estimated time for CP to operate in parallel with the paper-based MPF scheme administration system as it would take time to encourage employers and scheme members to use CP and to boost its

Action

digital take-up rate, and whether the proposed funding of $3,367.15 million had catered for such a scenario.

50. While expressing support for the Administration's proposal to set up CP for MPF schemes, Mr CHAN Kin-por considered that the promotion of digital take-up was vital to the success of the project. He enquired if CP would have the ability to handle both digital and paper-based MPF scheme administration processes, whether CP would cover MPF Industry Schemes, and about the details of division of work between CP and trustees. Mr CHAN considered the Administration's proposed development plan aggressive, and opined that a sufficient transitional period would be necessary to ensure smooth transition to the new centralized mechanism. With a view to encouraging more potential operators in the market to participate in operating CP, he suggested that MPFA should consider allowing a longer contract (say, ten years) for outsourcing the operation of CP. He cautioned that it would take time to realize the benefits of CP and the public should not expect a drastic reduction in MPF administration costs in the inception years of CP.

51. On the handling of paper-based MPF scheme administration processes, DS(FS)2 advised that the Working Group on eMPF ("the Working Group"), which comprised representatives of the existing 14 trustees, had developed a set of technical specifications covering 18 major areas of MPF scheme administration processes. The Working Group would examine the feasibility to digitalize the various processes in each of the 18 areas to facilitate their handling by CP. For those administration processes that could not be digitalized, MPFA would discuss with trustees to explore ways to standardize the processes concerned where possible. He added that it was inevitable to have a certain level of paper-based transactions. He also envisaged there could be few IT-challenged users who might not readily adapt to full electronic transactions. Hence, there would be service centres to assist users during the inception years of CP. As for the division of work between CP and trustees, DS(FS)2 advised that after the launch of CP, trustees would continue to owe fiduciary duties to their scheme members and perform certain statutory duties including undertaking anti-money laundering measures. It was believed that with the implementation of CP, the processing time of time-consuming administration tasks (particularly those relating to the submission of contribution payments by employers) could be significantly reduced.

52. Regarding the promotion of digital take-up rate, CAO/MPFA advised that a dedicated task force had been formed under the Working Group to tackle this issue. MPFA together with trustees would formulate and implement relevant measures to raise the digital take-up rate prior to the launch of CP. While all trustees had been providing digital tools for use by employers and scheme

Action

members, it was noticed that the usage rate of such tools varied greatly among trustees. The dedicated task force would examine the practices of trustees with higher digital take-up rates and encourage them to share the successful experience with their counterparts. On the development schedule of the project, DS(FS)2 pointed out that while the Administration was confident that the hardware of CP could be completed by 2022 as scheduled, certain tasks (especially those relating to master data management), which expected to take longer time for development, might cause delay to the launch of CP. The Administration and MPFA would not underestimate the complications involved.

53. In response to Mr CHAN Kin-por's enquiry on whether trustees could charge users for paper-based transactions so as to urge users to go digital, DS(FS)2 advised that while trustees could in theory charge employers and scheme members for paper-based transactions, an incremental approach would be adopted. The Administration would first focus on public education and promotion of digital take-up, before considering the need to charge users for paper-based transactions should persuasion failed.

Benefits of the centralized platform for scheme members

54. Mr LUK Chung-hung noted that according to MPFA's analysis, the launch of CP could result in an estimated annual saving of some $1.1 billion for 20 years. He enquired about measures the Administration and MPFA would take to ensure scheme members could benefit from the savings. He also asked if MPFA had set any targets for reducing the management fees of MPF schemes, and details of the timeframe of the review of the fee cap level for the two Constituent Funds ("CFs") under the Default Investment Strategy ("DIS").

55. DS(FS)2 pointed out that during the passage of the Mandatory Provident Fund Schemes (Amendment) Bill 2015, the Administration had undertaken that a review of the fee cap level for the two CFs under DIS would be conducted by April 2020 with a view to lowering the fee cap further. The Administration would introduce the relevant legislative amendments for this purpose into LegCo after the review. As regards how scheme members could benefit from the savings arising from CP, DS(FS)2 and CAO/MPFA advised that MPFA was empowered under the Mandatory Provident Fund Schemes Ordinance (Cap. 485) ("MPFSO") to require trustees to provide detailed cost breakdown of their MPF schemes (including trustee fees, administration fees, fund management fees, custodian fees and sponsor fees) and conduct inspections to verify the information if necessary. Currently, MPFA was conducting a transparency exercise to collect and disclose such information to facilitate scheme members' comparison. As the service charges of CP would be transparent and imposed on trustees on a cost-recovery basis, it would be easier for scheme members to compare the administration costs

Action

and management fees of various trustees after the launch of CP. The benchmarking effect resulting from the further lowering of the fee cap level of CFs under DIS would also motivate trustees to reduce the management fees of their MPF schemes.

56. Mr LUK Chung-hung enquired whether the Administration and MPFA would consider the suggestion raised by the Hong Kong Federation of Trade Unions of providing an investment fund with stable return and low management fee level to be managed by HKMA as an alternative for scheme members to invest through their trustees, similar to a public default investment fund. The Administration and MPFA noted Mr LUK's suggestion.

Interface between the development of the centralized platform and the abolition of the arrangement to offset severance payments and long service payments against mandatory provident fund accrued benefits

57. Mr LUK Chung-hung enquired about the interface between the launch of CP and the abolition of the arrangement of offsetting severance payments ("SP") and long service payments ("LSP") against MPF accrued benefits ("the offsetting arrangement"). He opined that the abolition of the offsetting arrangement could be implemented earlier and needed not ride on CP.

58. DS(FS)2 advised that the abolition of the offsetting arrangement involved preparatory work on various fronts. These included introducing amendments to the Employment Ordinance (Cap. 57), MPFSO and the Occupational Retirement Schemes Ordinance (Cap. 426), the establishment of the proposed designated saving account ("DSA"), to which each employer would contribute 1% of his/her employees' monthly income so as to save up in advance to meet his/her SP/LSP liabilities, as well as the administration of the proposed two-tier government subsidies for employers. The Administration would set up two subsidy schemes for small and medium-sized enterprises. The Administration would examine how CP could facilitate the abolition of the offsetting arrangement.

Conclusion

59. The Chairman concluded that Panel members had no objection to the Administration seeking funding approval from LegCo in due course, and introducing the relevant amendment bill into LegCo in 2021.

Action

VII Charging Mandatory Provident Fund approved trustees the Annual Registration Fee

(LC Paper No. CB(1)309/18-19(06) — Administration's paper on "Charging Mandatory Provident Fund approved trustees the Annual Registration Fee")

Briefing by the Administration

60. At the invitation of the Chairman, DS(FS)2 briefed members on the Administration's proposal to enable MPFA start charging MPF approved trustees the statutory Annual Registration Fee ("ARF") with effect from 1 January 2020. He explained that under section 22B of MPFSO, MPF trustees shall pay MPFA ARF so as to provide MPFA with a stable source of income for achieving self-financing. No ARF had been collected since the commencement of the operation of MPF System. The Administration planned to amend the Mandatory Provident Fund Scheme (Fees) Regulation (Cap. 485C) to set ARF at a level of 0.03% of the net asset value ("NAV") with respect to registered schemes under management for the first six years with effect from 1 January 2020. The ARF rate would be revised with effect from the seventh year after a review, with a view to achieving full cost recovery. To protect the interests of MPF scheme members, the Administration also planned to amend the Mandatory Provident Fund Schemes (General) Regulation (Cap. 485A) to prohibit trustees from charging any CF of the scheme, the scheme or a scheme member a new ARF fee item. The Administration aimed to introduce the relevant legislative amendments into LegCo in the first quarter of 2019.

(*Post-meeting note*: The powerpoint presentation materials (LC Paper No. CB(1)371/18-19(03)) were issued to members vide Lotus Notes e-mail on 19 December 2018.)

Discussion

Determination and review of the Annual Registration Fee rate

61. Mr CHAN Kin-por acknowledged that the Administration had considered the industry's view to lower the ARF rate, although the industry had suggested setting the ARF rate at 0.02% (instead of 0.03% as proposed by the Administration) of NAV with respect to registered schemes under management in the first six years. Pointing out that the aggregate NAV of registered schemes would increase over time, he considered that it might not be necessary to increase

Action

the ARF rate in order to achieve full cost-recovery when MPFA conducted the review on ARF rate in the future.

62. DS(FS)2 responded that the proposed rate of 0.03% was considered reasonable and the total ARF to be collected under this rate could only recover about 50% of MPFA's cost for providing services to MPF approved trustees in 2018. He agreed that as the aggregate NAV of registered schemes was growing, it was possible that MPFA would not need to increase the rate for ARF significantly after the review. The rate might in fact be adjusted downward in the long run.

Expenditure of the Mandatory Provident Fund Schemes Authority

63. Mr CHAN Kin-por suggested that MPFA should, as the cases of the Securities and Futures Commission and the Insurance Authority, enhance the transparency of its expenditure by briefing the Panel on Financial Affairs ("FA Panel") on the main features of its proposed budget prior to seeking approval from FS. DS(FS)2 agreed to consider Mr CHAN's suggestion for MPFA to brief the FA Panel on its proposed budget.

Conclusion

64. The Chairman concluded that Panel members had no objection to the Administration's plan to introduce the relevant legislative amendments into LegCo.

VIII Possible modifications to the Rates Concession Mechanism

(LC Paper No. CB(1)309/18-19(07)	—	Administration's paper on "Possible modifications to the Rates Concession Mechanism"
LC Paper No. CB(1)309/18-19(08)	—	Background brief on rates concession mechanism prepared by the Legislative Council Secretariat
LC Paper No. CB(1)359/18-19(01)	—	Submission from Hong Kong Art Craft Merchants Association, Ltd. (Chinese version only)

Action

LC Paper No. CB(1)364/18-19(01) — Submission from Hong Kong Retail Management Association (English version only))

Briefing by the Administration

65. At the invitation of the Chairman, SFST briefed members on the possible modifications to the current rates concession mechanism that the Administration had explored, in response to the earlier views expressed by some LegCo Members. Among the five options explored (details were set out in Annex A to the discussion paper CB(1)309/18-19(07)), the Administration considered that Option 1, relatively speaking, might be a more feasible approach to modify the current rates concession mechanism. Under Option 1, rates concession would be granted to one rateable property (which could be domestic or non-domestic) for each owner (individual or company); and for a co-owned rateable property, only one owner might opt to receive rates concession for that property. Option 1 would help address the perception that property developers and owners with many rateable properties would receive a considerable sum of rates concession under the current mechanism, and hence would achieve a more equitable distribution of the concessions. The Administration would like to seek members' views on whether the current rates concession mechanism should be changed and if so, whether Option 1 should be pursued.

(*Post-meeting note*: A written submission received from Hong Kong & Kowloon Electric Trade Association (Chinese version only), which was tabled at the meeting, was issued to members vide LC Paper No. CB(1)366/18-19 on 19 December 2018.)

Discussion

66. Mr CHEUNG Kwok-kwan and Ir Dr LO Wai-kwok expressed grave reservation over Option 1 due to the implications on existing beneficiaries of the rates concession measure, in particular tenants who paid rates under tenancy agreements including many SMEs which rented premises. They pointed out that some people might hold more than one property for meeting various needs, such as one for self-use and another for use by family members, or one for residential use and one for doing business. The proposed change would exclude some property owners from rates concession or reduce their benefits. They considered that the proposed change would create controversies and not be conducive to social harmony.

67. Mr CHEUNG Kwok-kwan further enquired if the Administration would consider amending Option 1 to provide rates concession to more than one rateable property (which could be domestic or non-domestic) for each owner, and to provide rates concession to tenants if the tenants were responsible for paying rates under the tenancy agreements.

68. Ir Dr LO Wai-kwok opined that all ratepayers should be treated equally and deserve a share of rates concession. It would be unfair to restrict owners with a number of properties (such owners included SMEs and members of the middle class) to enjoy rates concession for only one of such properties while they paid rates for all. He sought information on the amount of rates paid by each of the top 10 ratepayers who were estimated to receive the largest amounts of rates concession in 2018-2019. Ir Dr LO further noticed that over 82% of the tenancies of the top 10 ratepayers in 2018-2019 (mainly involving non-domestic properties) were rates-exclusive and hence the rates concessions would be rebated to the tenants by the owners. Given that the Rating and Valuation Department ("RVD") would not trace the ultimate beneficial owners of property holding companies, he said that some individuals might hold each property through a separate limited company and would still be able to benefit from the rates concession in respect of more than one property if Option 1 was to be adopted.

(*Post-meeting note*: The information provided by the Administration on the amount of rates paid by the top 10 ratepayers was issued vide LC Paper No. CB(1)412/18-19(02) on 4 January 2019.)

69. SFST said that allowing each owner to enjoy rates concession for say, two or three eligible rateable properties or providing rates concession to tenants as suggested by members would complicate the rates concession mechanism and create difficulties to RVD as it had to make different rates concession arrangements. Apart from setting up a new computer system for capturing information on property ownership and tenancies, there would be significant manpower implications on RVD as it had to update the system on an ongoing basis, as well as to handle related enquiries and complaints. It was considered not cost-effective to invest considerable resources to keep track of changes to tenancies (e.g. changes arising from the signing of new tenancy agreements and termination of agreements). Moreover, at present 4% of the domestic tenancies and 53% of non-domestic tenancies were rates-exclusive. If Option 1 was to be adopted, only a small number of tenants might continue to benefit from rates concession as the relevant tenancies had to be rates-exclusive and they had been chosen by the owners to receive rates concession. As regards the tenancies of the top 10 ratepayers in 2018-2019, the Deputy Secretary for Financial Services and the Treasury (Treasury)2 said that over 82% of these tenancies were

Action

rates-exclusive, meaning that the rates concessions were rebated to the tenants and not received by owners.

70. Mr Kenneth LEUNG sought details on the costs and time for setting up the new property ownership system under Option 1 to cater for different types of owners including individuals, onshore companies, offshore companies and trust companies. He cast doubt on whether implementation of Option 1 could achieve social justice, and suggested that should the Administration continue with the rates concessionary measure in the future, it should consider reducing the concession amount or concession rates per property so as to allay the concern that owners with many properties could reap a large proportion of the total rates concessions.

71. Mr CHAN Chun-ying considered Option 1 not a feasible approach for providing rates concession. He commented that the proposed change would complicate the existing rates concession mechanism and cause inconvenience to owners because owners would need to inform RVD of the ownership status of their properties and owners with more than one rateable property would need to elect one of the properties to receive the rates concession. Moreover, individuals might hold properties through limited companies, or even hold each property through a separate limited company. These individuals would still be able to enjoy rates concession in respect of more than one property. Given that rates concession was a one-off budget measure, he expressed grave concern for RVD to invest considerable resources to develop and maintain the required computer system, as well as to update the information therein.

72. Mr SHIU Ka-fai raised strong opposition regarding the Administration's proposed change to the current rates concession mechanism. He commented that the rates concession measure should not be considered as an unfair enrichment to the rich. It should be noted that the top 10 ratepayers in 2018-2019 included charitable organizations, and 82% of the tenancies of the top 10 ratepayers were rates-exclusive and hence the rates concessions were rebated to tenants. Such tenants included many SMEs and small business operators renting non-domestic properties. Under Option 1, these tenants could no longer benefit from the rates concession, and this would be very unfair to them. He cautioned that the proposed change would reduce the benefits of individuals holding more than one property for meeting their legitimate needs, in particular elderly people who relied on rental income to support their living.

73. SFST said that when considering possible changes to the current rates concession mechanism, the Administration was mindful that rates concession was by nature only a one-off relief measure. As regards the new computer system for capturing property ownership information under Option 1, SFST advised that the

set-up costs required in the initial two years to gear up for the implementation of the revised mechanism would amount to $200 million to $300 million.

74. Mr WU Chi-wai said that during past discussions on the rates concession mechanism, Members had raised grave concern that property developers and owners with many rateable properties (especially large corporates holding a number of non-residential properties, e.g. office premises and shopping malls) could receive a considerable sum of rates concession under the current mechanism. Developers were likely to be the parties with a large number of domestic properties but the Government's plan to levy Special Rates on vacant first-hand residential units would already incentivize the developers to reduce the holding of newly completed domestic units. Pointing out that most of the tenancies of the top 10 ratepayers in 2018-2019 were rates-exclusive, Mr WU opined that any proposed change to the existing mechanism should not affect the benefits of tenants who were responsible for paying rates under the tenancy agreements. He also expressed reservation over investing $200 million to $300 million for setting up the new property ownership system as rates concession was a one-off budget measure and might not be granted every year.

75. Mr Alvin YEUNG shared members' views that any proposed change to the existing rates concession mechanism should not affect the benefits of SMEs and small business operators, people holding more than one property for meeting legitimate needs, and tenants who were responsible for paying rates under the tenancy agreements. He added that the Civic Party was of the view that if changes were to be made to the existing rates concession mechanism, consideration might be given to providing rates concession to more than one rateable property for each owner. Moreover, the Administration should consider developing a system to capture property ownership information including the ultimate beneficial owners of properties held by companies, with a view to facilitating implementation of the rates concession measure to achieve a more equitable distribution of the concessions in the future.

76. SFST noted that Members had expressed diverse views on the rates concession mechanism. While some Members considered that vacant properties held by developers should be excluded from rates concession, some other Members opined that all ratepayers should be treated equally. The Administration would take into account the various views and concerns expressed by Members when considering rates concession arrangements. On the other hand, to address the issue of property developers holding vacant residential properties, the Government would amend the Rating Ordinance (Cap. 116) to introduce Special Rates on vacant first-hand private residential units. Since the announcement of the proposed implementation of Special Rates, it was noted that

Action

developers had become more proactive in selling first-hand residential flats in completed projects.

Motions

77. At 5:47 pm, the Chairman informed the Panel that he had received a motion from Mr Kenneth LEUNG, and said that the Panel would deal with the motion after members had finished asking questions on agenda item. At 6:09 pm, the Chairman said that he considered that Mr LEUNG's motion was directly related to the agenda item. He then invited Panel members to proceed dealing with the motion. Members had no objection.

78. Mr Kenneth LEUNG spoke on his motion. The terms of the motion were as follows –

"本委員會認為—

(i) 方案一的實施可能並未能符合真正公平原則；及

(ii) 建立新物業業權系統可能不符合「衡工量值」原則，

故要求政府暫時擱置方案一。"

(Translation)

" That this Panel considers that—

(i) the implementation of Option 1 may not be in line with the principle of genuine fairness; and

(ii) the building of the new property ownership system may not be in line with the "value for money" principle,

and therefore requests that the Government should shelve Option 1 for the time being."

79. The Chairman put Mr Kenneth LEUNG's motion to vote. Mr Kenneth LEUNG requested the voting bell be rung for five minutes to notify Panel members of the voting and a division of the votes. The voting bell rang for five minutes. Five members voted for, one member voted against the motion, and one member abstained. The Chairman declared that the motion was passed. The votes of individual members were as follows:

Action

For
Mr Christopher CHEUNG
Ir Dr LO Wai-kwok,
Mr CHAN Chun-ying
Mr Kenneth LEUNG
Mr SHIU Ka-fai
(5 members)

Against
Mr Alvin YEUNG
(1 member)

Abstain
Mr LUK Chung-hung
(1 member)

(*Post-meeting note*: The terms of the motion were circulated to members vide LC Paper No. CB(1)373/18-19(01) on 19 December 2018. The Administration's written response was circulated to members vide LC Paper No. CB(1)412/17-18(02) on 4 January 2019.)

IX Proposed revision of fees and charges for services under the Customs and Excise Department

(LC Paper No. CB(1)309/18-19(09) — Administration's paper on "Proposed revision of fees and charges for services under the Customs and Excise Department")

Briefing by the Administration

80. At the invitation of the Chairman, the Principal Assistant Secretary for Financial Services and the Treasury (Treasury)(R1) ("PAS(Tsy)(R1)") briefed members on the Administration's plan to revise the fees of 17 items relating to dutiable commodities and motor vehicles managed under the Customs and Excise Department ("C&ED"). PAS(Tsy)(R1) advised that of the 17 fee items proposed to be revised, 14 were under the Dutiable Commodities Regulations (Cap. 109A) ("the Regulations") and three were under the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330) ("the Ordinance"). The fee revision was expected to have very limited impact on the business cost of the relevant trades. After the proposed fee revision, the cost recovery ratios of the 17 items would improve, ranging from 29.6% to 90.2%. C&ED had also consulted stakeholders on the

Action

proposed fee revision, and no adverse feedback was received. The Administration planned to introduce the revision of the 14 fee items under the Regulations by tabling the legislative amendments at LegCo meeting of 9 January 2019 for negative vetting, and publish a gazette notice on 4 January 2019 for adjusting the three fee items under the Ordinance.

Conclusion

81. No member raised question on the Administration's proposal. The Chairman concluded that the Panel had no objection to the Administration's proposed revision of fees and the related legislative proposals.

X Any other business

82. There being no other business, the meeting ended at 6:20 pm.

Council Business Division 1
Legislative Council Secretariat
28 March 2019