

**立法會**  
**Legislative Council**

LC Paper No. CB(1)291/20-21  
(These minutes have been seen  
by the Administration)

Ref : CB1/SS/8/20/1

**Subcommittee on Registration of Determinations and Orders of  
Public Interest Entities Auditors Review Tribunal Rules and  
Registration of Orders of Insurance Appeals Tribunal Rules**

**Minutes of the first meeting on  
Tuesday, 10 November 2020, at 8:30 am  
in Conference Room 2A of the Legislative Council Complex**

**Members present** : Hon Kenneth LEUNG (Chairman)  
Hon WONG Ting-kwong, GBS, JP  
Hon CHAN Kin-por, GBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon Claudia MO  
Hon WU Chi-wai, MH  
Hon HUI Chi-fung

**Member absent** : Hon Andrew WAN Siu-kin

[According to the announcement made by the Hong Kong Special Administrative Region Government on 11 November 2020 pursuant to the Decision of the Standing Committee of the National People's Congress on Issues Relating to the Qualification of the Members of the Legislative Council ("LegCo") of the Hong Kong Special Administrative Region, Kenneth LEUNG, KWOK Ka-ki, Dennis KWOK Wing-hang and Alvin YEUNG were disqualified from being members of LegCo on 30 July 2020.]

**Public officers attending** : Ms TSANG Fung Yi, Noel  
Principal Assistant Secretary for Financial Services and  
the Treasury (Financial Services) Insurance and  
Retirement Scheme

Mr AU Ka Shing, Billy  
Principal Assistant Secretary for Financial Services and  
the Treasury (Financial Services)<sup>4</sup>

Mr WONG Man Chung, Indiana  
Assistant Secretary for Financial Services and the  
Treasury (Financial Services) (Insurance and  
Retirement Scheme)1

Miss CHAN Hoi Ting, Gillian  
Assistant Secretary for Financial Services and the  
Treasury (Financial Services)(4)1

Mr NG Long Ting, Wallance  
Government Counsel  
Department of Justice

**Clerk in attendance :** Ms Connie SZETO  
Chief Council Secretary (1)4

**Staff in attendance :** Ms Wendy KAN  
Assistant Legal Adviser 6

Mr Hugo CHIU  
Senior Council Secretary (1)4

Miss Sharon LO  
Senior Council Secretary (1)9

Ms Sharon CHAN  
Legislative Assistant (1)4

Ms Vivian CHAN  
Clerical Assistant (1)4

---

Action

**I Election of Chairman**

Election of Chairman

Mr CHAN Kin-por, the member with the highest precedence among those who were present at the meeting, presided over the election of the

Action

Chairman of the Subcommittee and invited nominations for the chairmanship of the Subcommittee.

2. Mr Kenneth LEUNG was nominated by Mr HUI Chi-fung and the nomination was seconded by Mr CHAN Kin-por. Mr Kenneth LEUNG accepted the nomination. There being no other nomination, Mr CHAN Kin-por declared that Mr Kenneth LEUNG was elected the Chairman of the Subcommittee. Mr LEUNG then took the chair.

Election of Deputy Chairman

3. Members agreed that there was no need to elect a Deputy Chairman.

**II Meeting with the Administration**

- |                            |   |
|----------------------------|---|
| (L.N. 207 of 2020          | — Registration of Determinations and Orders of Public Interest Entities Auditors Review Tribunal Rules                              |
| L.N. 208 of 2020           | — Registration of Orders of Insurance Appeals Tribunal Rules  |
| File Ref: COMM/5/1C (2020) | — Legislative Council Brief on Registration of Determinations and Orders of Public Interest Entities Auditors Review Tribunal Rules |
| File Ref: INS/6/4/1C       | — Legislative Council Brief on Registration of Orders of Insurance Appeals Tribunal Rules   |
| LC Paper No. LS3/20-21     | — Legal Service Division Report)  |

Discussion

4. The Subcommittee deliberated (Index of proceedings attached at **Appendix**).

### **III Any other business**

#### Invitation of views

5. Members considered it unnecessary for the Subcommittee to meet with deputations for views on the Registration of Determinations and Orders of Public Interest Entities Auditors Review Tribunal Rules and the Registration of Orders of Insurance Appeals Tribunal Rules ("the two sets of Rules").

#### Legislative timetable

6. The Chairman concluded that the Subcommittee had completed the scrutiny of the two sets of Rules and would not propose amendments to them.

7. The Subcommittee noted that the two sets of Rules would come into operation on 14 December 2020, and agreed that the Chairman should move a motion on behalf of the Subcommittee at the Council meeting of 18 November 2020 to extend the scrutiny period to the Council meeting of 9 December 2020. If the scrutiny period was extended, the deadline for giving notice of amendment to the two sets of Rules was 2 December 2020. The Chairman would report the deliberations of the Subcommittee at the House Committee ("HC") meeting on 27 November 2020.

*(Post-meeting note: The motion to extend the scrutiny period of the two sets of Rules to the Council meeting of 9 December 2020 was not dealt with at the Council meeting of 18 November 2020, and the scrutiny period of the two sets of Rules expired at the said Council meeting. Mr WONG Ting-kwong reported the deliberations of the Subcommittee at the HC meeting on 27 November 2020.)*

8. There being no other business, the meeting ended at 9:22 am.

**Proceedings of the first meeting of the  
Subcommittee on Registration of Determinations and Orders of  
Public Interest Entities Auditors Review Tribunal Rules and  
Registration of Orders of Insurance Appeals Tribunal Rules  
on Tuesday, 10 November 2020, at 8:30 am  
in Conference Room 2A of the Legislative Council Complex**

Time Marker	Speaker	Subject(s)	Action Required
<b>Agenda item I — Election of Chairman</b>			
000554 – 000837	Mr CHAN Kin-por Mr HUI Chi-fung Mr Kenneth LEUNG	Election of Chairman  Extension of scrutiny period	
<b>Agenda item II — Meeting with the Administration</b>			
<b>Registration of Determinations and Orders of Public Interest Entities Auditors Review Tribunal Rules</b>			
000659 – 000838	Chairman Administration	Briefing by the Administration on the Registration of Determinations and Orders of Public Interest Entities Auditors Review Tribunal Rules ("PIEART Rules")	
001050 – 001638	Chairman Administration Ms Claudia MO	<p data-bbox="603 1151 1220 1261"><u>Composition of the Public Interest Entities Auditors Review Tribunal and the Tribunal panel</u></p> <p data-bbox="603 1301 1220 1480">The Chairman and Ms MO enquired about the composition of the Public Interest Entities Auditors Review Tribunal ("PIEART") and qualification requirements and selection process for its members.</p> <p data-bbox="603 1525 1142 1559">The Administration responded as follows:</p> <p data-bbox="603 1599 1220 1704">(a) the composition and operation of PIEART was provided in the Financial Reporting Council Ordinance (Cap. 588) ("FRCO");</p> <p data-bbox="603 1744 1220 1924">(b) PIEART consisted of a chairman and two ordinary members recommended by the chairman from a Tribunal panel with members appointed by the Chief Executive ("CE") and who were not public officers;</p> <p data-bbox="603 1964 1220 2101">(c) the chairman must be a former Justice of Appeal of the Court of Appeal, a former judge, a former recorder or a former deputy judge of the Court of First Instance, or</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>a person eligible for appointment as a judge of the High Court;</p> <p>(d) FRCO did not specify qualification requirements for the ordinary members of PIEART as the nature of cases handled by the Tribunal would vary, and so CE could appoint persons with the appropriate expertise to serve as members of the Tribunal panel; and</p> <p>(e) The Financial Services and Treasury Bureau ("FSTB") would, having regard to a host of factors including the professional knowledge and expertise of the persons concerned, recommend candidates for CE's appointment as members of the Tribunal panel. Currently, the Tribunal panel consisted of members from various sectors including the legal and accountancy sectors, and academics.</p>	
001639 – 002525	<p>Chairman Mr HUI Chi-fung Administration Ms Claudia MO</p>	<p><u>Inspection of auditors of public interest entities</u></p> <p>Mr HUI enquired how the Financial Reporting Council ("FRC") would carry out inspections on auditors of public interest entities ("PIE").</p> <p>Ms MO asked if the recent amendment to the application form for the Certificate of Particulars of Motor Vehicle by the Transport Department would have any impact on FRC's inspection work concerned.</p> <p>The Administration responded as follows:</p> <p>(a) with the commencement of the Financial Reporting Council (Amendment) Ordinance 2019, FRC had become a full-fledged and independent oversight body regulating PIE auditors, and was responsible for the inspection, investigation and disciplinary functions with regard to PIE auditors; and</p> <p>(b) the purposes of FRC's inspection on PIE auditors were to monitor the quality of audits and ensure PIE auditors' compliance with professional standards. FRC's inspection of PIE auditors had</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>no relationship with the public inspection system of particulars of motor vehicles.</p> <p><u>Operation of the Public Interest Entities Auditors Review Tribunal</u></p> <p>Mr HUI's enquiries about:</p> <p>(a) the appeal mechanism for a party aggrieved by a determination of a review made by PIEART; and</p> <p>(b) the workload of and manpower for PIEART.</p> <p>The Administration responded as follows:</p> <p>(a) under FRCO, a party dissatisfied with a determination of a review made by PIEART could appeal to the Court of Appeal; and</p> <p>(b) FSTB was currently providing support for the Secretariat of PIEART in handling applications of review on specified decisions made by FRC or the Hong Kong Institute of Certified Public Accountants. Since its establishment in October 2019, PIEART had not received any application of review. FSTB would monitor the caseload of PIEART and adjust the manpower of the Secretariat for the Tribunal accordingly.</p>	
<p>Section-by-section examination of the Registration of Determinations and Orders of Public Interest Entities Auditors Review Tribunal Rules</p>			
<p>002526 – 002801</p>	<p>Chairman Administration</p>	<p><u>Registration of Determinations and Orders of Public Interest Entities Auditors Review Tribunal Rules (L.N. 207 of 2020)</u></p> <p>Section 1 - Commencement</p> <p>Section 2 - Registration of determinations and orders</p> <p>Schedule</p> <p>In response to the Chairman's enquiry, the Administration confirmed that the</p>	

Time Marker	Speaker	Subject(s)	Action Required
		determinations and orders of PIEART would be made public.	
<b>Registration of Orders of Insurance Appeals Tribunal Rules</b>			
002802 – 002946	Chairman Administration	Briefing by the Administration on the Registration of Orders of Insurance Appeals Tribunal Rules ("IAT Rules")	
002947 – 003013	Chairman Mr CHAN Kin-por Administration	Mr CHAN expressed support for the IAT Rules.	
003014 – 004429	Chairman Dr Priscilla LEUNG Administration	<p><u>Regulation of insurance intermediaries and protection for policy holders</u></p> <p>Dr LEUNG's enquiries and views as follows:</p> <p>(a) the effectiveness of the new statutory licensing regime administered by the Insurance Authority ("IA") in enhancing regulation of insurance intermediaries;</p> <p>(b) respective regulation of insurance intermediaries who were self-employed persons or employed by insurance companies, and their liabilities for mis-selling of insurance products under the regulatory regime;</p> <p>(c) IA should step up publicity on its work, particularly channels for the public to lodge complaints against mis-selling of insurance products; and</p> <p>(d) comparison on the number of appeal cases before and after the establishment of the Insurance Appeals Tribunal ("IAT").</p> <p>The Chairman's enquiries about:</p> <p>(a) whether a statutory compensation fund was in place for insurance policy holders; and</p> <p>(b) whether IAT's jurisdiction covered handling disputes relating to the sale of insurance products.</p>	



<b>Time Marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
		<p>The Administration responded as follows:</p> <p>(a) IA had taken over the regulation of insurance intermediaries from the then three Self-Regulatory Organizations ("SROs") with effect from 23 September 2019. Since then, IA had taken a number of measures to enhance the regulation of insurance intermediaries, including issuing various rules, codes and guidelines, as well as imposing continuing professional development requirements for individual licensees;</p> <p>(b) under the new regulatory regime for insurance intermediaries, all intermediaries carrying on regulated activities had to obtain licenses from IA. An insurance intermediary could be an agent (i.e. an individual acting on behalf of the appointing insurance company/companies), an agency (i.e. a company acting on behalf of the appointing insurance company/companies), or a broker (i.e. a company acting on behalf of the consumer for arranging an insurance contract);</p> <p>(c) any persons who were dissatisfied with the sales process of insurance products could lodge complaints to IA against the insurance intermediary and/or insurance company concerned. IA would, in accordance with its functions and powers under the Insurance Ordinance (Cap. 41) ("IO"), decide each case with reference to individual circumstances of the case. Should IA's decision be a specified decision under Schedule 9 to IO, a party aggrieved by the decision could apply to IAT for a review;</p> <p>(d) with effect from 23 September 2019, IAT had powers to deal with appeals relating to insurance intermediaries, in addition to insurance companies. As at 31 October 2020, IAT had received 19 appeal cases, all of which were outstanding cases transferred from the appeal tribunals of the then SROs. As at 31 October 2020, IAT had completed</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>the processing of 16 cases, and was processing the remaining three cases;</p> <p>(e) the IAT Rules prescribed the form and way of registering an order made by IAT in the Court of First Instance; and</p> <p>(f) for the protection of policy holder, IA had arranged publicity on the complaint channels to facilitate members of the public in lodging complaints relating to insurance companies and intermediaries. Dr LEUNG's views for IA to enhance its publicity on complaint channels against insurance intermediaries would be conveyed to IA.</p>	
004430 – 004737	Chairman Ms Claudia MO Administration	<p><u>Processing of appeal cases by the Insurance Appeals Tribunal</u></p> <p>Ms MO's enquiries about:</p> <p>(a) the reasons for IAT to take so long to process the remaining three appeal cases; and</p> <p>(b) the outcome of the 16 appeal cases which IAT had completed the processing.</p> <p>The Administration responded as follows:</p> <p>(a) after IAT had received the 19 appeal cases from the appeal tribunals of the then SROs, it had to review each case afresh to ensure procedural fairness;</p> <p>(b) for nine of the 16 appeal cases which IAT had completed processing, the appellants concerned had withdrawn their appeals.</p>	
Section-by-section examination of the Registration of Orders of Insurance Appeals Tribunal Rules			
004738 – 004831	Chairman Administration	<p><u>Registration of Orders of Insurance Appeals Tribunal Rules (L.N. 208 of 2020)</u></p> <p>Section 1 - Commencement</p> <p>Section 2 - Registration of orders</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>Schedule</p> <p>Members raised no question.</p>	
004832 – 005430	<p>Chairman Ms Claudia MO Administration Dr Priscilla LEUNG</p>	<p>In respect of the PIEART Rules, Ms MO's enquiry about the reason of using the term "determination" instead of "ruling" as the English rendition of the term "裁定".</p> <p>The Chairman's enquiry about whether the term "determination" was defined in FRCO.</p> <p>Dr LEUNG's view that the term "determination" was acceptable as the term was also commonly used in the legislation/documents of other tribunals in Hong Kong.</p> <p>The Administration responded that although the term "determination" was not defined in FRCO, it was adopted as the English rendition of the term "裁定" in FRCO. As the PIEART Rules were subsidiary legislation made under FRCO in which the term "determination" was used, the same term was adopted in the Rules.</p>	
<b>Agenda item III — Any other business</b>			
005431 – 005518	<p>Chairman Mr WONG Ting-kwong</p>	<p>Members agreed that it was unnecessary for the Subcommittee to meet with deputations for views on the two sets of Rules.</p> <p>Legislative timetable and concluding remarks</p>	