立法會 Legislative Council

LC Paper No. CB(1) 2101/01-02 (These minutes have been seen by the Administration)

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Legislative Council Panel on Financial Affairs

Minutes of meeting held on Monday, 4 March 2002 at 10:45 am in the Chamber of the Legislative Council Building

Members present: Hon Henry WU King-cheong, BBS (Deputy Chairman)

Hon Albert HO Chun-yan Hon LEE Cheuk-yan

Hon Eric LI Ka-cheung, JP

Dr Hon David LI Kwok-po, GBS, JP

Hon NG Leung-sing, JP Hon James TO Kun-sun Hon Bernard CHAN Hon CHAN Kam-lam

Hon Jasper TSANG Yok-sing, JP Hon Emily LAU Wai-hing, JP

Members absent: Hon Ambrose LAU Hon-chuen, GBS, JP (Chairman)

Hon James TIEN Pei-chun, GBS, JP

Hon SIN Chung-kai

Dr Hon Philip WONG Yu-hong

Hon MA Fung-kwok

Public officers attending

For item III

Miss AU King-chi

Deputy Secretary for Financial Services

Ms Salina YAN

Principal Assistant Secretary for Financial Services

Mr Andrew SHENG

Chairman

Securities and Futures Commission

Mr Keith LUI

Commission Secretary

Securities and Futures Commission

For item IV

Mr Stanley WONG

Deputy Secretary for Financial Services

Mr Stanley CHAN

Senior Manager (Central Moneymarkets Unit)

Hong Kong Monetary Authority

Mr Ashley Ian ALDER

Member and Executive Director

Securities and Futures Commission

Mr William PEARSON

Director, Corporate Finance Division Securities and Futures Commission

Clerk in attendance: Ms Anita SIT

Chief Assistant Secretary (1)6

Staff in attendance: Mr WONG Tin-yau, Anthony

Senior Assistant Secretary (1)8

As Mr Ambrose LAU, Chairman of the Panel, was out of town, Mr Henry WU, Deputy Chairman of the Panel, took the chair for the meeting.

I Information papers issued since last meeting

LC Paper No. CB(1)1171/01-02(01) - Information paper on the Growth

Enterprise Market provided by

the Administration

LC Paper No. CB(1)1043/01-02 - Securities and Futures

Commission Quarterly Report

2. <u>Members</u> noted the papers issued since last meeting.

II Date and items for discussion for next meeting

LC Paper No. CB(1)1184/01-02(01) - List of outstanding items for discussion

LC Paper No. CB(1)1184/01-02(02) - List of follow-up actions

- 3. <u>Members</u> agreed that the following items would be discussed at the next regular Panel meeting scheduled to be held on 9 April 2002-
 - (a) Proposal on sharing of positive consumer credit data;
 - (b) Proposed amendments to the Third Schedule to the Banking Ordinance (Cap. 155); and
 - (c) Private Member's Bill on the merger of CITIC Ka Wah Bank Limited with The Hong Kong Chinese Bank, Limited.

Regarding item (a) above, <u>members</u> agreed that the Administration (including the Financial Services Bureau (FSB) and the Hong Kong Monetary Authority (HKMA)), the Hong Kong Association of Banks, the DTC Association, the Privacy Commissioner for Personal Data, and the Consumer Council would be invited to take part in the discussion. <u>Miss Emily LAU</u> requested the Clerk to compile relevant background information to facilitate discussion. <u>Members</u> also noted that item (b) was proposed by FSB and item (c) was proposed by the relevant banks with the consent of Mr David LI, who had agreed to sponsor the Bill.

(*Post meeting note:* FSB had subsequently advised that the item on "Proposed amendments to the Third Schedule to the Banking Ordinance (Cap. 155)" would be deferred to a future meeting as further proposals had been made by the banking sector.)

Special meeting on 14 March 2002

- 4. <u>The Deputy Chairman</u> advised that, with the concurrence of the Panel Chairman, a special meeting was scheduled to be held on 14 March 2002 for the following items-
 - (a) Presentation of the research study on "Practices of overseas jurisdictions in building up or maintaining their fiscal reserves" by the LegCo Secretariat; and
 - (b) Initiatives to strengthen Hong Kong's corporate governance regime.
- 5. <u>Miss Emily LAU</u> said that she was aware that the Enron case had caused much concern in regard to corporate governance in the United States (US) as well as in Hong Kong. Although the litigation of the Enron case was still in progress in

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the US, the lessons that could be learnt from the case would be valuable for improving the corporate governance regime in Hong Kong. She felt that Mrs Nellie FONG, who was the chairman of the China operations of Arthur Anderson and Company, the auditing firm for Enron, and Mr Ronnie CHAN Kai-chung, who was formerly a non-executive director and member of the audit committee of Enron, might be able to throw light on the lessons to be learnt from the Enron case. She therefore suggested that they be invited to the meeting on 14 March 2002 to discuss the subject with members.

- 6. Mr CHAN Kam-lam said that while he agreed that Hong Kong might be able to learn some lessons from the Enron case, it would not be appropriate to invite Mrs Nellie FONG and Mr Ronnie CHAN to the Panel to discuss the Enron case which was still under litigation. Mr TO Kun-sun and Mr Bernard CHAN shared Mr CHAN's view.
- 7. The Deputy Chairman suggested and members agreed that the Panel would invite relevant regulatory and industry bodies including the Hong Kong Exchange and Clearing Limited, the Securities and Futures Commission (SFC) and the Hong Kong Society of Accountants (HKSA) to the special meeting on 14 March 2002 to discuss the subject with Members.

III The Securities and Futures Commission Budget for 2002/03

LC Paper No. CB(1)1184/01-02(03) - Paper on "Securities and Futures Commission Budget for the Financial Year 2002-03" (with the Budget attached at the Annex) provided by the Administration

- 8. <u>The Deputy Chairman</u> welcomed representatives from the Administration and SFC. <u>The Deputy Secretary for Financial Services</u> (DS/FS) highlighted the following points in respect of SFC's proposed budget for 2002/03 -
 - (a) SFC's major income source was investor levy on securities transactions. In view of the decline in the daily stock market turnover in 2001-02, it was estimated that SFC's securities levy income in 2002-03 would be further reduced. As a result, a deficit of \$117.6 million was projected for 2002-03.
 - (b) Despite the projected deficit for 2002-03, SFC had decided not to request an annual grant from the Government, but had planned to use its reserves to absorb the projected deficit. As such, it was estimated that SFC's reserves would reduce from \$590.3 million as at end 2001-02 to \$472.7 million in 2002-03, or approximately 13 months of SFC's total operating expenditure for 2002-03.

- (c) The operation of SFC would not be affected by the projected deficit. The Administration would continue to work closely with SFC to develop measures to control expenditure, while ensuring that SFC would continue to effectively perform its regulatory role in the financial markets.
- 9. <u>Mr Andrew SHENG</u>, Chairman of SFC said that unstable market conditions had created some difficulties in drawing up SFC's 2002-03 budget. He then highlighted the following points -

Revenue

- (a) The total revenue was projected to be \$332.7 million, down 8% from the revised estimate for 2001-02, due mainly to a projected decrease in securities levy income.
- (b) Revenue from licensing fees would be reduced, as SFC had proposed to lower the licensing fees under the single licensing regime when the Securities and Futures Ordinance (SFO) (which was scheduled for enactment in late March 2002) came into operation. It was hoped that the measure would reduce the operating cost of the trade under the current unfavourable economic and market conditions. Details would be set out in a consultation paper on the relevant subsidiary legislation to be published shortly.
- (c) Investment income was projected to decline by 13%, or \$7 million, as it was estimated that the operating deficit in 2002-03 would reduce the reserves and hence less funds available to generate investment income.

Expenditure

- (d) While SFC would try to cap expenses at 2001-02 level or scale down costs, certain expenditure items were expected to increase due to external market conditions or structural changes. These items included insurance premiums, office rental, and information and system services expenses.
- (e) Since November 2001, SFC had implemented a number of measures to contain costs. These included freezing SFC's headcount and staff salaries, and reducing expenses on training, external professional services, corporate communications and external relations etc.
- (f) SFC would continue to work closely with the Administration to effectively perform its regulatory role and be responsive to market conditions.

Discussion with members

Market transaction volume and revenue of SFC

- 10. Mr NG Leung-sing noted that SFC would conduct a review in early 2002 to assess whether the downturn in its revenue was cyclical or structural and enquired what underlying factors might be considered as structural. Mr Andrew SHENG replied that it was difficult at this stage to determine the nature of SFC's deficit, and SFC had already commissioned a study on this issue. He remarked that due to external economic conditions, the transaction volume of Hong Kong's stock market had fluctuated enormously over the past two years. For example, the average daily turnover in the Hong Kong Stock Exchange in February 2000 was \$22 billion. This had fallen substantially to around \$6 billion in recent months. He said that while the decline in the daily turnover of the stock market might be attributed to some cyclical factors, the effect of structural factors such as the switch of investors' interest to other financial markets should be carefully examined.
- 11. To further understand the possible underlying causes for the decline in the transaction volume of the local stock market, Miss Emily LAU asked if SFC had observed a trend of investors switching from the stock market to other financial products. In response, Mr Andrew SHENG said that the market value of stocks had generally declined over the past one to two years and this might have an adverse impact on investors' interest in the stock market. Additionally, the fall in property prices had caused many residential property owners to be in negative equity, and this had adversely affected the liquidity position of some investors. On another front, some investors had become increasingly interested in other investment vehicles such as equity-linked notes (ELN) introduced into the local market last year. In this connection, Mr Andrew SHENG remarked that while the switch of investors' interest from stocks to other investment vehicles would adversely affect SFC's revenue, SFC supported the development of diverse financial products as alternative investment channels for investors.
- 12. <u>Miss Emily LAU</u> noted that although the United States (US) was also faced with unfavourable economic conditions, the transaction volume of the US stock market had remained relatively stable. She was concerned that apart from the adverse economic conditions, the low turnover of the local stock market was also attributed to other factors. In response, <u>Mr Andrew SHENG</u> said that while the drop in the transaction volume on technology stocks had been the main factor underlying the decline in the transaction volume of the overall US stock market, the general downturn of the Asian economies had to a great extent contributed to the decline in the transaction volume of Hong Kong's stock market. It should however be noted that the turnover of other stock markets in Asia had fallen even more substantially when compared to Hong Kong. <u>Mr Andrew SHENG</u> concurred that apart from the general economic conditions, revival of Hong Kong's stock market would also depend on the attractiveness of products and services available in the stock market.

- Mr NG Leung-sing and Mr CHAN Kam-lam asked if SFC would 13. consider adjusting the rate of SFC's levies or fees in the light of its deficit position. Noting that under the Securities and Futures Commission Ordinance (Cap. 24), the SFC levies might be reduced if SFC had accumulated reserves equivalent to twice its annual operating expenses, Mr NG asked whether there was any implication that if SFC's reserves were well below this threshold, it should increase the rate of its levies. In response, <u>DS/FS</u> clarified that notwithstanding the said provision, it would be up to SFC to recommend to the Administration, in the light of market conditions and other factors, as to whether there should be any adjustments to its levies on securities and futures transactions. DS/FS further said that although SFC's reserves were expected to decrease to about 13 months of its total operating expenditure for 2002-03, increasing SFC's levy would mean increasing transaction cost, which would have a negative impact on the market transaction volume and might result in further revenue reduction for SFC. A more positive, long-term approach for increasing revenue would be to consider ways to improve the attractiveness of the local financial market. In this regard, the Administration was working with SFC and the Hong Kong Stock Exchange on various possible measures to improve the quality of the securities market, such as abolishing outdated regulations to facilitate the introduction of new products and updating and refining the listing rules to increase market transparency and improve corporate governance of listed companies.
- 14. Mr NG Leung-sing asked how SFC's levies and fees compared with those in other overseas markets. Mr Andrew SHENG replied that different markets had different charging schemes for licensing fees. The implementation of the single licensing regime when the SFO came into effect would place Hong Kong's investment market more in line with the global trend in regard to licensing of intermediaries. He remarked that SFC had not raised licensing fees since 1993-94. At the Deputy Chairman's request, Mr Andrew SHENG agreed to provide a comparison between SFC's levies and fees and charges and those in other major financial markets.

(*Post meeting note*: The requested information provided by SFC was issued to members vide LC Paper No. CB(1)1395/01-02 dated 28 March 2002 (English version), and LC Paper No. CB(1)1399/01-02 dated 8 April 2002 (Chinese version))

Staff costs

15. Mr LEE Cheuk-yan noted that SFC's personnel expenses accounted for almost 80% of its operating expenditure. In view of SFC's deficit position, he asked if SFC had any plan to lay off staff as a cost reduction measure, and/or other plans to control its staff cost. He also noted that the expected increase in life insurance premium was one main reason for the estimated increase in personnel expenses in 2002-03. He thus sought clarification on whether life insurance was provided as a fringe benefit for SFC's employees.

16. Mr Andrew SHENG clarified that the insurance provided to SFC's employees was employees compensation insurance, which SFC, as an employer, was obliged to provide under the Labour Ordinance. The rise in insurance premium was inflicted by the "911" terrorist incident in the United States. As regards measures to control staff cost, Mr Andrew SHENG said that while SFC would do its best to control operating costs, it would avoid any staff lay-off as far as possible. Mr Keith LUI, Commission Secretary, SFC supplemented that as the salaries of SFC staff were adjusted annually to take into account the industry salary trend, there might be general reduction in the salaries of serving SFC staff given the current economic climate. Additionally, the remuneration package for newly recruited staff would be duly adjusted to reflect the prevailing salary levels of the financial services industry. DS/FS further explained that the salary levels of SFC staff were not pegged to those of civil servants, but were set and regularly adjusted in line with industry salary levels/trends. The main consideration was to ensure that SFC maintained a pool of highly qualified professionals to effectively perform its regulatory and enforcement functions. At the Deputy Chairman's request, Mr Andrew SHENG agreed to provide a breakdown of the estimate for personnel expenses in 2002/03 corresponding to the staffing establishment for different functions of SFC.

(*Post meeting note*: The requested information provided by SFC was issued to members vide LC Paper No. CB(1)1395/01-02 dated 28 March 2002 (English version), and LC Paper No. CB(1)1399/01-02 dated 8 April 2002 (Chinese version).)

Rental cost of the SFC's office premises

- Miss Emily LAU noted that SFC had projected that there would be an increase of over \$3 million in its rental expenses for office premises in 2002-03. She sought explanation for this expected increase, which appeared to be contrary to the general downward trend of office rentals. Citing that the Urban Renewal Authority had recently indicated its intention to reduce rental expenses by relocating its offices, Miss LAU asked if SFC had considered moving its offices to a less costly location to save costs. She opined that it was not necessary for public regulatory bodies to be accommodated in Grade A office buildings at prime locations. Mr Albert HO Chun-yan shared this view.
- Mr Andrew SHENG said that it was not SFC's intention to restrict the choices of its office location to the top end of the market. He assured members that SFC would explore the availability of other suitable offices with lower rental offers. He explained that the projected increase in the office rental cost for 2002-03 was a conservative estimate and had taken into account the fact that the current office rental was negotiated in 1998 when the then commercial property market was at a downturn. Mr Andrew SHENG also advised that the current tenancy agreement of SFC was due to expire in 2004 and the negotiation with the landlord for a new tenancy agreement would commence in late 2002. At the Deputy Chairman's request, Mr Andrew SHENG agreed to provide information on the

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current unit rental for SFC's offices, on the condition that such information would not prejudice the impending rental negotiation process.

(*Post meeting note*: The relevant information has been provided by SFC vide LC Paper No. CB(1)1395/01-02 (English version) and LC Paper No. CB(1)1399/01-02 (Chinese version).)

19. Mr HO Chun-yan asked whether there was any long-term plan to colocate SFC and HKMA in the same building and in this connection, whether the new offices at Two International Finance Centre purchased for HKMA had taken into account the future office accommodation need of SFC. Mr Andrew SHENG said that he understood that there had been consideration of co-locating Hong Kong's financial regulatory bodies at one stage, but no concrete decision had been made in this regard. DS/FS supplemented that SFC was not obliged to locate its offices at a particular location nor to rent offices from HKMA or other designated bodies. In deciding the location of its offices, SFC would mainly consider its operational requirements and the financial implications. Miss Emily LAU opined that in the light of the unfortunate "911" incident, it might not be advisable to accommodate key regulatory bodies and establishments of the financial services sector within the same building.

Provision of resources for SFC's new regulatory functions upon implementation of the SFO

- 20. Noting that SFC had planned to freeze its headcount and would reduce the use of external professional services to control costs, Mr HO Chun-yan was concerned whether SFC could handle the increased tasks effectively when the SFO came into effect in late 2002.
- Mr Andrew SHENG replied that as Hong Kong was an international financial centre, the level and quality of monitoring delivered by SFC should be on par with that of similar regulatory bodies in other major financial markets. The SFO had laid down a clear and comprehensive regulatory framework for the market, and SFC's regulatory objectives and powers were well defined therein. SFC reckoned that the refined regulatory framework would demand the market as well as SFC to operate with even higher transparency and accountability. To meet the new challenges, SFC would review its work procedures and approaches with a view to enhancing the efficiency of its resources. More specifically, SFC would strengthen its market risk identification and assessment mechanisms and fortify the monitoring strategies. In this regard, it would work closely with the Administration to successfully meet the challenges.
- 22. <u>DS/FS</u> said that with the establishment of the Market Misconduct Tribunal and the Securities and Futures Appeals Tribunal upon the implementation of the SFO, the workload of SFC staff in respect of initial investigation into market misconduct cases and appeal cases was expected to increase. <u>DS/FS</u> however clarified that the operation of the two tribunals would be funded separately by the

Government to ensure that both tribunals operated independently.

Other issues

- 23. Mr HO Chun-yan highlighted the importance to equip market intermediaries as well as the legal profession with up-to-date knowledge of the legal aspects of securities and futures trading activities. He suggested that as SFC had under its employment a strong team of legal professionals conversant with the operation of the markets, SFC might consider playing a more active role in providing training in the aforesaid area for market intermediaries and legal professionals. Mr Andrew SHENG concurred with Mr HO and advised that SFC was liaising with the Hong Kong Securities Institute and the legal profession to provide education and training on the legal aspects of securities and futures trading.
- 24. In response to the Deputy Chairman's enquiry about SFC's investment income on dated securities, <u>Mr Andrew SHENG</u> clarified that the dated securities referred to bonds and term deposits. SFC had not invested in stocks.
- 25. <u>The Deputy Chairman</u> thanked representatives of the SFC and the Administration for attending the meeting.

IV Development of the retail debt market in Hong Kong LC Paper No. CB(1)716/01-02(05) - Information paper provided by the Administration

26. <u>The Deputy Chairman</u> welcomed representatives from the Administration for attending the meeting. At his invitation, <u>the Deputy Secretary for Financial Services (DS/FS)</u> presented the salient points contained in the information paper provided by the Administration.

Measures to enhance retail investors' interest in bonds

Mr NG Leung-sing agreed that there was room for further development of Hong Kong's retail debt market. He noted that familiarity with the issuers was a critical factor to arouse retail investors' interest in bonds and suggested that the Government and the Housing Authority might explore the feasibility and desirability of issuing retail bonds as an alternative channel to raise funds to finance housing and public works projects. He said that such bond issues could help alleviate the stringent fiscal position of the Government on the one hand and could allow the public to have a share in the ownership of the assets held by the Government/Housing Authority. DS/FS thanked Mr NG and said that he would convey his suggestion to the relevant authorities for consideration. He however remarked that apart from considering the probability of making successful offers of retail bonds, the Government or the Housing Authority also needed to take into account various policy implications of resorting to bond issuance for financing.

- 28. The Deputy Chairman noted that the Hong Kong Mortgage Corporation (HKMC) had made a successful debut issue of dedicated retail bonds in October 2001, but for that issue, HKMC had appointed only three placing banks. To facilitate the purchase of bonds by retail investors in the primary market, he suggested that HKMC and other retail bond issuers should consider expanding the issuance network to include securities brokerage companies.
- 29. <u>DS/FS</u> replied that as a result of various measures taken by the Administration, HKMA, HKMC and other bond issuers, accessibility of the bond market for retail investors had been much improved. Moreover, many of the retail bonds were listed on the Hong Kong Stock Exchange (HKEx), and thus could be transacted through similar channels as listed stocks. As regards the number of placement banks appointed by HKMC as placing agents for its bond issues, <u>DS/FS</u> advised that for the latest bond issue in January 2002, the number of placing banks had been increased to eight. <u>The Deputy Chairman</u> urged the Administration to encourage HKMC and other bond issuers to widen the issuance network by engaging securities brokerage companies.
- 30. As regards the issuance mechanism for Exchange Funds Bills and (EFBNs) Notes issued by HKMA, Senior Manager (Central Moneymarkets Unit), HKMA (SM/HKMA) advised that currently, there were 160 Recognised Dealers for EFBNs. Recognized Dealers were eligible to engage in the tendering, trading and clearing of EFBNs. Among those Recognised Dealers, 27 were additionally appointed as market makers to provide market liquidity for EFBNs in the secondary market transactions. To be eligible for appointment as an authorised market maker for EFNs, the Recognised Dealer was required to meet additional criteria to demonstrate their capability of providing transaction liquidity in the secondary market. Members of the Hong Kong Capital Markets Association were eligible to apply for CMU membership to engage in clearing and settling private sector bonds. Many securities brokerage companies were already members of the Hong Kong Capital Markets Association.
- 31. <u>Miss Emily LAU</u> said that she supported the development of diverse investment vehicles as such development would help enlarge the investor base and in turn help revive the local investment market. She enquired about the Administration's strategies for promoting the retail debt market.
- 32. <u>DS/FS</u> replied that the Administration would continue to promote public awareness of the retail debt market, while educating investors on the risks involved in investing in bonds. It would also encourage bond issuers to explore innovative measures to enhance the accessibility and liquidity of retail bonds in the primary and secondary markets, and to offer bonds of more diverse features in terms of denominations and maturity to attract a broader spectrum of investors. <u>SM/HKMA</u> supplemented that the issuance mechanism enabling investors to subscribe through bank branches was one important measure of enhancing the accessibility of the bond market to retail investors, and this was evident in the recent bond issues of HKMC.

- 33. <u>Miss Emily LAU</u> further enquired how the Administration would assess the potential of the local retail debt market. <u>DS/FS</u> said that judging from the encouraging response to the recent bond issues of HKMC and other issuers, there was strong indication that retail investors were increasingly interested in the debt market. He also highlighted that given the low interest rate environment and the substantial size of Hong Kong dollar deposits, which amounted to HK\$1,800 billion as at January 2002, there was high propensity for investors to divert some of their investment funds to the retail debt market.
- 34. Mr CHAN kam-lam said that bonds had yet to become a popular investment vehicle for retail investors in Hong Kong. The structure of the market, in terms of accessibility, liquidity and product offerings, needed to be further developed to stimulate investor demand in bonds. In reply to his enquiry about the size of the bond market in Hong Kong and how this was compared to other markets, <u>DS/FS</u> said that the comparison of the size of the Hong Kong bond market with that in Japan and the US, based on the figures in 2000, was as follows-

Size of the Bond Market as a % of	<u>HK</u>	<u>Japan</u>	<u>US</u>
GDP	35	137	167
Stock market capitalization	9	118	90
Domestic credit offered by banks	26	143	304

- 35. <u>DS/FS</u> said that the above figures indicated that the Hong Kong's debt market had further room for growth. <u>SM/HKMA</u> supplemented that bank lending and equity financing in Hong Kong had dominated corporate financing in the past. He considered that more could be done to encourage corporations to consider financing from the bond market. He informed members that an article on the cost-benefit analysis of developing debt markets had been published in the November 2001 issue of the Quarterly Bulletin of HKMA.
- 36. At the Deputy Chairman's request, the Administration agreed to provide information on the size of Hong Kong's bond market vis-à-vis the local stock market and the value of domestic credit and a comparison with other countries such as Argentina, the UK and Singapore in regard to the size of the bond market.

(*Post meeting note:* The relevant information provided by the Administration on the above was issued to members vide LC Paper No. CB(1)1245/01-02(01) dated 6 March 2002)

37. <u>The Deputy Chairman</u> thanked representatives of the Administration for attending the meeting.

V Any other business

38. The Deputy Chairman recapitulated that Members were briefed on the Final Report of the Task Force on Public Finances (the Report) by the Secretary for the Treasury on 21 February 2002. He consulted members as to whether a follow-up meeting to further discuss the Report and other related matters would be required. Mr CHAN Kam-lam suggested that it might be more appropriate to discuss the issues arising from the Report after the completion of the 2002-03 Budget Debate. Members agreed.

Reinsurance coverage for employee compensation insurance policies

- 39. Mr Bernard CHAN recalled that the Administration was requested to provide written reports on the up-to-date market situation of reinsurance coverage for terrorist activities on treaty arrangements, and the Administration's assessment of the continued need for the HK\$10 billion facility approved by the Finance Committee on 11 January 2002. He requested the Clerk to remind the Administration that the first quarterly report would be due by end March 2002.
- 40. There being no other business, the meeting ended at 12:40 pm.

Legislative Council Secretariat 24 June 2002