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Mr Tommy Yuen
PAS (Tsy) I
Financial Services and the Treasury Bureau
Rm 537, East Wing
CGO, Hong Kong

By Fax (2801 7126) and By Post

27 April 2004

Dear Mr Yuen,

Airport Authority (A) Bill 2004

I refer to the Airport Authority (A) Bill 2004 and would be pleased if you could explain the following:-

(a) Long Title

As paragraph 11 of the LegCo Brief (ref: FIN CR 4/2/951/00) rightly points out, clause 2 of the Bill provides for the reduction of the Airport Authority's ("AA") capital by means of a resolution of the Legislative Council made on the recommendation of the Financial Secretary after consulting AA. In other words, the Bill provides *a mechanism* by which AA's capital may be reduced. It is noted that the long title of the Bill provides as follows:-

"Amend the Airport Authority Ordinance to provide for *a reduction of the capital* of the Airport Authority established under that Ordinance, and for related matters."

As such, the long title does not appear to be an accurate description of the provisions of the Bill.

(b) Mechanisms for Increase and Reduction of AA's Capital

Section 23(2) of the Airport Authority Ordinance (Cap. 483) provides that the Financial Secretary may, after consulting AA, increase AA's capital to an amount specified in an order published in the Gazette for this purpose. The Bill provides that any reduction of AA's capital is to be effected by means of a resolution

of the Legislative Council made on the recommendation of the Financial Secretary after consulting AA. Please explain why different procedural treatments are given to the increase and reduction of AA's capital.

I would be pleased if you let me have a reply in bilingual form or on before 5 May 2004.

Yours sincerely,

Kitty Cheng
Assistant Legal Adviser

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