

LegCo Panel on Financial Affairs

List of follow-up actions arising from discussions in current and previous sessions
(Position as at 30 January 2004)

Subject	Date(s) of relevant meeting(s)	Follow-up actions	Outcome
1. Reinsurance cover for employee compensation insurance policies	20 December 2001	The Administration was requested to provide written reports, on a quarterly basis, 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 \$10 billion facility as approved by Finance Committee on 11 January 2002.	The eighth quarterly report provided by the Administration was circulated to members vide LC Paper No. CB(1)787/03-04(01) on 14 January 2004.
2. Boundary facilities improvement tax (BFIT)	19 February 2003	<p>The Administration was requested to provide the following information:</p> <p>(a) Similar taxes levied by other jurisdictions; and</p> <p>(b) Details of the Automatic Vehicle Recognition System for collection of BFIT and comparing the cost-effectiveness against installing a new charging regime.</p>	<p>The Administration's reply to item (b) was circulated to members vide LC Paper No. CB(1)1446/02-03 on 15 April 2003.</p> <p>The Administration's interim reply to item (a) was circulated to members vide LC Paper No. CB(1)246/03-04(01) (English version) and LC Paper No.</p>

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			CB(1)261/03-04 (Chinese version) on 4 and 5 November 2003 respectively.
3. Loan Guarantee Scheme for Severe Acute Respiratory Syndrome Impacted Industries	Referred by the Finance Committee at its meeting held on 25 April 2003	The Administration undertook to report the operation of the Scheme to the Panel one year after its implementation, and to submit progress report at six month intervals thereafter.	The Scheme commenced in May 2003. The Administration's response awaited.
4. Examination of the regulatory work in respect of authorized institutions in the light of the "Report of the Special Committee on the Corporate Governance, Credit Approval Process, Risk Management and Internal Control Mechanism of Bank of China (Hong Kong) Limited"	6 December 2003	<p>The Administration and the Hong Kong Monetary Authority (HKMA) were requested to take the following actions:</p> <ul style="list-style-type: none"> (a) To review Financial Services and the Treasury Bureau's role in monitoring how HKMA exercises its banking supervisory function; (b) To advise the Panel of the Administration (including HKMA)'s further follow-up actions on the case of Bank of China (Hong Kong), if any; and (c) To research on practices of overseas regulators regarding requirements on banks and their senior management for cooperation with the regulators in undertaking supervisory actions and to 	The Administration's reply to item (a) was circulated to members vide LC Paper No. CB(1)824/03-04(01) on 20 January 2004. Replies on items (b) and (c) awaited.

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		provide the information to the Panel.	
5. Briefing by Financial Secretary on Hong Kong's latest overall economic situation	6 December 2003	The Administration was requested to provide information in due course regarding the estimated number of jobs created in Hong Kong as a result of the "individual visit" scheme for the Mainland visitors to Hong Kong and the Closer Economic Partnership Arrangement between the Mainland and Hong Kong.	Information from the Administration awaited.
6. Accrual-based consolidated accounts of the Government	5 January 2004	<p>The Administration was requested to take the following actions:</p> <p>(a) To provide an information paper on the Government accounting practices in Canada, Australia and New Zealand where accrual accounting has been adopted in preparation of budgets; and</p> <p>(b) To provide information on the value of land among the fixed assets of the Hong Kong Housing Authority as at 31 March 2003.</p>	Information from the Administration awaited.
7. Resolution to authorize the Government to borrow by way of securitizing Government revenue receivable from tolls on	5 January 2004	<p>The Administration was requested to take the following actions:</p> <p>(a) To provide more detailed information about the securitization exercise, including the estimated</p>	The Administration's reply to items (a) and (b) was circulated to members vide LC Paper No. CB(1)735/03-04(01) on 8 January 2004. The reply to item (c) was

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bridges and tunnels		<p>costs and structure of the exercise;</p> <p>(b) To consider, in the light of Members' views expressed at the Panel meeting, on whether it is appropriate to include Lantau Link in the securitization exercise, and whether it is appropriate for the Government to provide direct payments in respect of business interruption events due to force majeure;</p> <p>(c) To provide a breakdown of the gross revenue of about \$1.5 billion generated in 2002-03 from Lantau Link and the five tunnels referred to in paragraph 18 of the LegCo Brief (ref. FIN CR1/4651/01); and</p> <p>(d) To include in the Secretary for Financial Services and the Treasury's speech when moving the proposed resolution that the aim of the resolution is to authorize the Government to borrow for the purposes of the Capital Works Reserve Fund.</p>	circulated to members vide LC Paper No. CB(1)717/03-04(01) on 6 January 2004.
8. Briefing by the Secretary for Financial Services and the Treasury on the relevant policy initiatives featuring in	15 January 2004	<p>The Administration was requested to take the following actions:</p> <p>(a) To provide results of the survey conducted in</p>	The English version of Administration's reply was circulated to members vide LC Paper No. CB(1)861/03-04(01) on

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the Chief Executive's 2004 Policy Address		2000 on fund management activities of various international financial centres including Switzerland and Hong Kong; and (b) To find out whether the Hong Kong and Shanghai Banking Corporation Limited plans to move/has moved its private banking headquarter to Singapore; if so, to find out whether the move is due to any tax concession policy implemented in Singapore.	29 January 2004.