

LegCo Panel on Financial Affairs

List of follow-up actions arising from discussions in current and previous sessions
(Position as at 27 February 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	The Administration was requested to provide the following information: (a) Similar taxes levied by other jurisdictions; and (b) Details of the Automatic Vehicle Recognition System for collection of BFIT and comparing the cost-effectiveness against installing a new charging regime.	The Administration's reply to item (b) was circulated to members vide LC Paper No. CB(1)1446/02-03 on 15 April 2003. The Administration's reply to item (a) was circulated to members vide LC Paper No. CB(1)929/03-04(01) on 4 February 2004.

Subject	Date(s) of relevant meeting(s)	Follow-up actions	Outcome
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 provide the information to the Panel. 	<p>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.</p> <p>The Administration's replies to items (b) and (c) were circulated to members vide LC Paper No. CB(1)1007/03-04(01) on 17 February 2004.</p>

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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	The Administration was requested to take the following actions: (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 (b) To provide information on the value of land among the fixed assets of the Hong Kong Housing Authority as at 31 March 2003.	The Administration's responses were circulated to members vide LC Paper No. CB(1)1006/03-04(01) on 17 February 2004.

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<p>7. Resolution to authorize the Government to borrow by way of securitizing Government revenue receivable from tolls on bridges and tunnels</p>	<p>5 January 2004</p>	<p>The Administration was requested to take the following actions:</p> <ul style="list-style-type: none"> (a) To provide more detailed information about the securitization exercise, including the estimated costs and structure of the exercise; (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; (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 (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 	<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 circulated to members vide LC Paper No. CB(1)717/03-04(01) on 6 January 2004.</p> <p>As regards item (d), the Secretary for Financial Services and the Treasury has done so when moving the resolution at the Council meeting on 18 February 2004.</p>

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	<p>Referred by Subcommittee on proposed resolution under section 3(1) of the Loans Ordinance at its meeting held on 16 January 2004</p>	<p>Reserve Fund.</p> <p>The Administration agreed to report on the overall outcome of the securitization exercise of future revenue from toll bridges and tunnels to the Panel in due course.</p>	<p>Information from the Administration awaited.</p>
<p>8. Briefing on the work of the Hong Kong Monetary Authority (HKMA)</p>	<p>2 February 2004</p>	<p>HKMA was requested to take the following actions:</p> <p>(a) On chart 41 of the presentation material, to provide information and figures on the non-interest income of authorized institutions (AI) derived from brokerage, share registry and wealth management services in recent years; and</p> <p>(b) To provide information on supervisory actions taken on AIs' securities business since the commencement of the Securities and Futures Ordinance (Cap. 571) on 1 April 2003.</p>	<p>Information from HKMA was circulated to members vide LC Paper No. CB(1)1111/03-04(01) on 25 February 2004.</p>

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