

# LCQ18: Policy Holders' Protection Scheme

Following is a question by the Hon Jimmy Ng and a written reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (May 30):

Question:

The Government is currently drafting a legislative proposal for establishing a Policy Holders' Protection Scheme (PPS), which aims to protect policy holders' interest by compensating policy holders or securing the continuity of insurance contracts in case an insurer becomes insolvent. In this connection, will the Government inform this Council:

(1) whether it will put in place measures to reduce the moral hazards (e.g. insurers successively launching insurance products with high expected returns but high risks while members of the public being willing to take out such products as they ignore the related risks and focus on returns only) which may potentially arise from PPS; if so, of the details; if not, the reasons for that;

(2) given that under the relevant protection scheme implemented by the Singapore authorities, claims for non-life policies are completely covered without an upper limit, whether such an arrangement will be adopted for PPS; if so, of the details; if not, the reasons for that;

(3) given that under the relevant protection scheme implemented by the Singapore authorities, a post-funding arrangement has been put in place to empower the authorities to charge a levy from insurers in the event that the total amount of funds is insufficient to settle all claims, whether such an arrangement will be adopted for PPS; if so, of the details; if not, the reasons for that; and

(4) whether PPS will cover policies under the Voluntary Health Insurance Scheme, which will be implemented shortly; if so, of the details?

Reply:

President,

Our response to the various parts of the question is as follows:

(1) In the Consultation Paper on the "Proposed Establishment of a Policyholders' Protection Fund", the Government has already pointed out that one of the principles in formulating the proposals on the Protection Fund is to enhance market stability while minimising the risk of moral hazard. In this regard, we have proposed to set a compensation limit under the Policy Holders' Protection Scheme (PPS), i.e. the compensation is 100% for the first HKD100,000, plus 80% of the balance, and the total amount is subject to a

limit of HKD1 million. As consumers have to bear certain degree of risk of not being compensated in full, they still need to select the suitable insurers and insurance products. On the other hand, the Insurance Authority will continue to exercise prudential monitoring of insurers' financial position, and will not compromise the regulatory standards and requirements on insurers under the Insurance Ordinance (Cap. 41) because of the PPS.

(2) The PPS seeks to provide a safety net for affected policy holders in case of insurer's insolvency. To strike a reasonable balance between the cost and benefit of the PPS and to minimise moral hazard as far as practicable, we consider that there should be a compensation limit for the PPS.

(3) We propose that in case an insurer becomes insolvent and the liquidity of the Fund is insufficient to settle the total amount of claims provided by the PPS, the PPS may borrow from a third party, or collect additional levy from insurers. We propose that the rate of additional levy should require the approval of the Legislative Council.

(4) As policies under the Voluntary Health Insurance Scheme are all personal policies, policy holders under that scheme will be protected by the PPS. When an insurer becomes insolvent, the PPS will meet the claims arising from policies subject to a limit of HKD1 million per claim, whether the insured incident occurs before or after the insolvency, and whether the claim is submitted before or after the insolvency, subject to the time limit specified in the insurance policy (if any).

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## [Appeal for information on missing woman in Wong Tai Sin \(with photo\)](#)

Police today (May 30) appealed to the public for information on a woman who went missing in Wong Tai Sin.

Yeung Man-wai, aged 22, went missing after she was last seen at a shopping centre on Chuk Yuen Road on February 17. Her family made a report to Police on May 22.

She is about 1.6 metres tall, 50 kilograms in weight and of medium build. She has a round face with yellow complexion and long straight black hair. She was last seen wearing a pair of black framed glasses.

Anyone who knows the whereabouts of the missing woman or may have seen her is urged to contact the Regional Missing Person Unit of Kowloon East on 3661 0316 or 9886 0060, or email to [rmpu-ke-2@police.gov.hk](mailto:rmpu-ke-2@police.gov.hk), or contact any police station.



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## [FSDC publishes annual report for 2017-18](#)

The following is issued on behalf of the Financial Services Development Council:

The Financial Services Development Council (FSDC) today (May 30) released its fifth annual report for the period from April 2017 to March 2018.

In 2017-18, the FSDC published six reports covering a wide range of financial services industry topics including the listed structured products market, financial technology (FinTech) and the use of distributed ledger technology, aircraft leasing and financing, tax exemption for offshore private equity funds and group tax loss relief.

In addition, the FSDC played an active role in promoting Hong Kong as a leading financial centre through organising and participating in a number of overseas and local promotional events, including "Think Asia, Think Hong Kong" in London; Hong Kong Financial Seminars held in Osaka, Tokyo and Seoul; the "In Style•Hong Kong" Symposium in Kuala Lumpur; the Belt and Road Summit and the Asian Financial Forum in Hong Kong; and forums covering various topics held in Fuzhou and Hong Kong.

Talent development continued to be another key area of the FSDC's work. The Practitioner Speakers Series was well received by the young generation and seen as a good opportunity to be enlightened by the views and insights shared by expert market practitioners. The Career Day and the FSDC Career

Website ([www.career-fsdc.org.hk](http://www.career-fsdc.org.hk)) also served as effective mediums for young talents to obtain job market information from various segments in the financial services industry.

The Chairman of the FSDC, Mrs Laura M Cha, said, "We are glad to see remarkable progress on the implementation of the FSDC's previous recommendations with regard to the strategic directions of the development of the financial services industry in Hong Kong by the Government. This includes the issuance of green bonds by the Government, as well as the promotion and establishment of green bond certification schemes.

"In view of the dynamic economic atmosphere and intensified challenges from neighbouring financial markets, Hong Kong will have to continue its effort in sharpening its strengths and seize the opportunities ahead. This will include maintaining its leading status in offshore Renminbi business, and its strategic position in relation to the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Bay Area, as well as spearheading the growing development in green finance and FinTech."

Mrs Cha added, "With the plans set out by the Government in the Policy Address to provide the FSDC with additional resources to strengthen its capacity, the FSDC is committed to stepping up its efforts in promoting the development of the financial services industry of Hong Kong."

The report and an updated version of the "Overview of Hong Kong Financial Services Industry" can be downloaded from the FSDC website: [www.fsdc.org.hk](http://www.fsdc.org.hk).

#### About the FSDC

The Hong Kong Special Administrative Region Government established the FSDC in 2013 as a high-level, cross-sectoral advisory body to engage the industry in formulating proposals to promote the further development of Hong Kong's financial services industry and to map out the strategic direction for development.

The FSDC set up five committees, namely the Policy Research Committee, the Mainland Opportunities Committee, the New Business Committee, the Market Development Committee and the Human Capital Committee, as the five streams of its work.

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**[LCQ16: Cleaning and emergency rescue services provided at designated camp](#)**

## sites

Following is a question by the Hon Kenneth Lau and a written reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council today (May 30):

Question:

In recent years, more and more Hong Kong people and Mainland tourists go camping in the rural New Territories to get close to nature, filling most of the popular camp sites (e.g. Ham Tin Wan Campsite) with a hubbub from boisterous campers and overloading the relevant facilities during long holidays. On the other hand, some villagers in the vicinity of the camp sites have relayed to me that some campers litter and cause environmental hygiene problems. In this connection, will the Government inform this Council:

(1) of the respective quantities of refuse collected each month in the past three years at the 41 designated camp sites provided in country parks throughout Hong Kong;

(2) whether it has deployed staff to conduct regular inspections on the hygiene conditions at the various designated camp sites and ticketed persons who littered; if so, of the number of persons ticketed in the past three years;

(3) of the plans to step up its efforts in reminding campers to care for nature and public property;

(4) whether it will review the usage of the various designated camp sites and provide more facilities at the camp sites; if so, of the timetable; if not, the reasons for that;

(5) as it has been reported that the various designated camp sites have not been equipped with first aid facilities such as automated external defibrillators, whether the authorities will provide first aid facilities at designated camp sites so that campers who are injured or suffer from bouts of illness may receive first aid treatment; if not, of the reasons for that; and

(6) as one has to tramp over hill and dale in order to go to Ham Tin Wan Campsite and Sai Wan Campsite at present, which is time consuming, whether the authorities will provide landing facilities near these two camp sites to make them conveniently accessible by sea, so as to facilitate cleaning workers to clean up refuse and ambulance personnel to transfer campers who are injured or suffer from bouts of illness to hospital for medical treatment; if so, of the timetable; if not, the reasons for that?

Reply:

President,

Our reply to the question raised by the Hon Kenneth Lau is as follows:

(1) The Agriculture, Fisheries and Conservation Department (AFCD) deploys its staff or contractors to collect litter along hiking trails, at coastal areas and various recreation sites (e.g. campsites, barbecue sites and picnic sites) within country parks. Since litter is mostly collected from the recreation sites and their adjacent country park areas in one go, the AFCD does not have a separate breakdown of the amount of litter collected at designated campsites in country parks. In the past three years, the total amount of litter collected in country parks is as follows:

Year	Tonnes
2015	3 700
2016	3 400
2017	3 400

(2) The AFCD conducts regular patrol at country parks and their respective recreation facilities, including designated campsites. The AFCD staff will pay attention to the hygiene conditions of the areas during patrol and step up cleansing when needed. If non-compliance behaviour such as littering is detected, law enforcement action will be taken. In the past three years, the AFCD instituted 257 prosecutions against littering in country parks and special areas. However, the AFCD does not have a separate breakdown of prosecution figures for cases at designated campsites.

(3) The AFCD encourages the public to carry out recreation activities that are compatible with the environment in country parks, so as to nurture a sense of responsibility towards the environment while enjoying the outdoor activities. The AFCD has displayed camping codes at the designated campsites in country parks to remind campers of the good practices. The AFCD also disseminates relevant information on its website to encourage campers to plan ahead and get prepared before they go camping, and to adopt environmentally friendly measures. These include measures under the concept of "Leave No Trace", including the proper disposal of waste, preserving the naturalness of the environment, minimising the impact from use of fires, respecting wildlife and other visitors, etc. The "Hints for Campers" and "Green Tips for Campers" are available at the following websites:

[www.afcd.gov.hk/english/country/cou\\_vis/cou\\_vis\\_cam/cou\\_vis\\_rec\\_hin.html](http://www.afcd.gov.hk/english/country/cou_vis/cou_vis_cam/cou_vis_rec_hin.html) and [www.natureintouch.gov.hk/outdoor/activity/nit\\_2011/0/762](http://www.natureintouch.gov.hk/outdoor/activity/nit_2011/0/762).

Besides, the AFCD promotes the relevant codes through publicity and education activities from time to time, such as organising "Go Green Family Camping", roving exhibitions at shopping malls and nature appreciation activities. The AFCD will continue to strengthen its publicity and education efforts, and maintain communication with Tourism Commission to promote to overseas visitors the good practices and codes of green tourism through various channels (including Hong Kong Tourism Board).

(4) The AFCD reviews the usage of campsites from time to time, and improves the facilities and considers the provision of additional campsites according to the needs of the visitors and specific conditions of the sites. To address

the public demand for camping activities, the AFCD has improved campsite services and facilities based on the usage of the campsites and their popularity, e.g. designating the Sai Wan Campsite and Tai Mong Tsai Campsite in Sai Kung in 2014 and 2015 respectively, carrying out turf improvement works of Wan Tsai Campsite in Sai Kung in 2016, and expanding the Chung Pui Campsite in 2017, etc.

Besides, the AFCD has commissioned a consultancy study on the enhancement of the recreation and education potential of country parks for public enjoyment. It is expected that public consultation on the recommendations of the study will commence in 2018.

(5) The AFCD attaches great importance to the safety of country park visitors. At present, all country parks visitor centres are equipped with first aid kits, whereas automated external defibrillators (AEDs) are available at four of these centres for the use of the public when needed. Besides, the Auxiliary Medical Service sets up first aid stations on Sundays and public holidays in country parks and its ambulance motorcycles will patrol country parks and provide first aid services. The first aid stations and ambulance motorcycles are equipped with the AEDs and will provide assistance to visitors as necessary.

Most of the designated campsites are located in the countryside with no offices and shelters. Therefore, there is practical difficulty in providing first aid supplies in the designated campsites. The AFCD will closely monitor the usage of the campsites in country parks and review if the facilities can meet visitors' needs from time to time, and provide the required facilities as far as practicable.

(6) There are currently two kaito routes connecting the vicinity of Sai Wan and Ham Tin Wan to Sai Kung, and there is already a landing facility available at Sai Wan. In consideration of the relevant development plans in the area of Sai Wan and Ham Tin Wan, the Transport and Housing Bureau has no plan to construct a new landing facility near Ham Tin Wan and Sai Wan Campsites at the present stage.

Litter collected in Ham Tin Wan Campsite and Sai Wan Campsite is removed from the sites by contractor's vessels. The operation is generally smooth. In addition, there are helipads in both Sai Wan and Ham Tin Wan for use in cases of emergency such as rescue.

It is never an easy task to manage countryside facilities in remote areas. Visitors could contribute to the upkeep of the environmental hygiene of the relevant sites by adopting the good habit of "Take Your Litter Home" promoted by the Government.

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# LC: Opening remarks by CS for proposed resolution under Basic Law and Court of Final Appeal Ordinance

Following is the opening remarks (translated from Chinese) made by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, for the proposed resolution under Article 73(7) of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China and section 7A of the Hong Kong Court of Final Appeal Ordinance (Cap. 484) in the Legislative Council today (May 30):

Mr President,

I move that the motion under my name, as printed in the Agenda, be passed, that this Council endorses the appointments of the Honourable Mr Justice Andrew Cheung Kui-nung (Mr Justice Cheung) as a Permanent Judge, the Honourable Mr Justice Robert Tang Ching (Mr Justice Tang) as a non-permanent Hong Kong judge (HKNPJ), the Right Honourable the Baroness Brenda Hale of Richmond (Baroness Hale) and the Right Honourable Beverley McLachlin, P.C. (Ms McLachlin) as non-permanent judges from other common law jurisdictions (CLNPJs) to the Court of Final Appeal (CFA).

Constitutional and statutory framework

The CFA is the final appellate court in Hong Kong, hearing both civil and criminal appeals. It consists of the Chief Justice (CJ) and the permanent judges. Non-permanent judges may be invited to sit and they may come from Hong Kong or other common law jurisdictions. When hearing and determining appeals, the CFA is constituted by five judges, comprising the CJ, three permanent judges, and one HKNPJ or one CLNPJ.

Pursuant to Article 88 of the Basic Law and the Judicial Officers Recommendation Commission Ordinance (Cap. 92), judges of the courts of the Hong Kong Special Administrative Region shall be appointed by the Chief Executive (CE) on the recommendation of the Judicial Officers Recommendation Commission (JORC). Pursuant to Article 92 of the Basic Law, judges of the Hong Kong Special Administrative Region shall be chosen on the basis of their judicial and professional qualities and may be recruited from other common law jurisdictions. In addition, Article 90 of the Basic Law provides that in the case of the appointment of judges of the CFA, the CE shall obtain the endorsement of the Legislative Council (LegCo).

The current appointments

With regard to the current appointment exercise, Mr Justice Tang will retire as a Permanent Judge of the CFA on October 25, 2018. The JORC has recommended to the CE to appoint Mr Justice Cheung, Chief Judge of the High



Court to fill the vacancy. Mr Justice Cheung was a pre-eminent counsel when he joined the Judiciary in 2001 and was appointed the Chief Judge of the High Court in 2011. He has dealt with many high profile cases in the Court of Appeal particularly in the areas of administrative and constitutional law. He is a judge of high standing and reputation. His judgments have made a profound impact on Hong Kong jurisprudence. His term as a Permanent Judge of the CFA is set to take effect on October 25, 2018.

As for non-permanent judges, at present, there are 15 non-permanent judges, comprising three HKNPJs and 12 CLNPJs. Considering the heavy caseload of the CFA and in order to provide more flexibility in judicial deployment, there is a need to increase the number of both HKNPJs and CLNPJs.

The JORC noted that Mr Justice Tang will become eligible for appointment as a HKNPJ upon his retirement as a Permanent Judge of the CFA. Appointed as a Permanent Judge of the CFA in 2012, Mr Justice Tang is a judge of the highest quality and utmost integrity. He is versatile with experience in handling appeals in both civil and criminal matters. He would be a remarkable new member to the list of HKNPJs and would continue, in that new capacity, to make valuable contribution to the CFA. Accordingly, the JORC has recommended to the CE his appointment as a HKNPJ for a term of three years with effect from October 25, 2018.

At the same time, the JORC has recommended the appointments of Baroness Hale and Ms McLachlin as CLNPJs. Baroness Hale was appointed to take office as President of the Supreme Court of the United Kingdom in September 2017. Ms McLachlin served as the Chief Justice of the Supreme Court of Canada from January 7, 2000 until she retired from the office on December 15, 2017. They are judges of eminent standing and reputation, and would be invaluable additions to the list of CLNPJs. If appointed, Baroness Hale and Ms McLachlin will be the first female judges to the CFA. As the CE said in announcing the proposed appointments, "their appointment is a historic moment in Hong Kong". Subject to the endorsement of this Council, the appointments of the two CLNPJs shall take effect in July 2018 for a term of three years.

The CE is pleased to accept the recommendations of the JORC on the appointments of the abovementioned four judges as judges of the CFA.

In accordance with the procedures previously endorsed by the House Committee of LegCo, the Government issued papers on March 21, 2018 to inform the House Committee that the CE had accepted the recommendations of the JORC on the appointments. The curriculum vitae of the four judges were also enclosed in the papers. Representatives from the Government and the Secretary to the JORC attended the meeting of the Subcommittee on Proposed Senior Judicial Appointments on April 27, 2018 and answered Members' questions. I would like to thank Dr Honourable Priscilla Leung Mei-fun, Chairman of the Subcommittee, and other Members of the Subcommittee for their support of the proposed appointments.

President, I invite Members to endorse the appointments. Thank you.

