

Posting of workers: Council confirms the compromise text agreed with the European Parliament

Press contacts

Evi Liaskou

Press officer
+32 2 281 52 72
+32 470 96 04 77

Equal pay for equal work – EU is ensuring fair wages and conditions for posted workers

On 11 April 2018, EU ambassadors approved the compromise text negotiated with the European Parliament on the revision of the posting of workers directive. The final adoption of the directive will come at a later stage, once the legislation has been voted in the Parliament.

With today's agreement, the EU delivers on the important principle of equal pay for equal work, ensuring that all workers are treated fairly across the Union. Local or posted workers doing the same job at the same place will have the same working and wage conditions. The agreement is also fair and balanced since it helps preserve the free provision of services.

Biser Petkov, Minister for Labour and Social Policy of Bulgaria and President of the Council

The aim of the revised directive is to facilitate the transnational provision of services whilst ensuring fair competition and respect for the rights of those workers who are employed in one member state and sent to work temporarily in another by their employer (posted workers).

More specifically, the directive aims at ensuring fair wages and a level playing field between posting and local companies in the host country whilst maintaining the principle of free movement of services.

In particular, the new directive provides for the following:

- **Remuneration** will apply from day 1 of posting, so that posted workers will benefit from the same rules on remuneration as local workers of the host member s The rules on **allowances** are also clarified.
- The concept of **long-term posting** is introduced. This means that a worker will be considered to be posted long-term after 12 months (with the possibility of a 6 months extension subject to a justified notification

by the service provider). After this period, the posted worker will be subject to nearly all aspects of the labour law of the host country.

- The number of potential **collective agreements** which may apply in member states having a system for declaring collective agreements or arbitration awards of universal application is increased. Collective agreements can be applied to posted workers not only in the construction sector, as it is so far, but in all sectors and branches.
- **Temporary work agencies** are to guarantee to posted workers the same terms and conditions which apply to temporary workers hired in the member state where the work is carried out.
- **Cooperation on fraud and abuse** in the context of posting is enhanced.
- For the **international road transport** sector, the rules would be stipulated in the forthcoming sector-specific legislation.
- The deadline for **transposition** and the date of **application** will be 2 years after the entry into force of the directive.

The revision of the 1996 directive was launched with the objective of adapting the legislation to new economic and labour market conditions. It focuses on those issues covered by the EU regulatory framework established by the original 1996 directive. The revised posting of workers directive and the enforcement directive therefore complement each other and are mutually reinforcing.

[Download as pdf](#)

[Press release: Foreign flagged ships detained in the UK during March 2018](#)

During March, there were four new detentions of foreign flagged vessels in a UK port, four vessels remained under detention from previous months. A total of four vessels remain under detention at the end of March.

1. In response to one of the recommendations of Lord Donaldson's inquiry into the prevention of pollution from merchant shipping, and in compliance with the EU Directive on Port State Control (2009/16/EC as amended), the Maritime and Coastguard agency (MCA) publishes details of the foreign flagged vessels detained in UK ports each month.
2. The UK is part of a regional agreement on port state control known as the Paris Memorandum of Understanding on Port State Control (Paris MOU) and information on all ships that are inspected is held centrally in an electronic database known as THETIS. This allows the ships with a high risk rating and poor detention records to be targeted for future inspection.

3. Inspections of foreign flagged ships in UK ports are undertaken by surveyors from the Maritime and Coastguard Agency. When a ship is found to be not in compliance with applicable convention requirements, a deficiency may be raised. If any of their deficiencies are so serious they have to be rectified before departure, then the ship will be detained.
4. All deficiencies should be rectified before departure if at all possible.
5. When applicable, the list includes those passenger craft prevented from operating under the provisions of the EU Directive on Mandatory Surveys for the safe operation of regular Ro-Ro ferry and high speed passenger craft services (1999/35/EU).

Notes on the list of detentions

- Full details of the ship.
The accompanying detention list shows ship's International Maritime Organization (IMO) number which is unchanging throughout the ship's life and uniquely identifies it. It also shows the ship's name and flag state at the time of its inspection.
- Company.
The company shown in the vessel's Safety Management Certificate (SMC) or if there is no SMC, then the party otherwise believed to be responsible for the safety of the ship at the time of inspection.
- Classification Society.
The list shows the Classification Society responsible for classing the ship only.
- Recognised Organisation.
Responsible for conducting the statutory surveys: and issuing statutory certificates on behalf of the Flag State
- White (WL), Grey (GL) and Black lists (BL) are issued by the Paris MoU on 01 July each year and shows the performance of flag State.

SHIPS DETAINED IN MARCH 2018

Vessel Name: ANNA

GT: 39709

IMO: 9255593

Flag: Bahamas (White List)

Company: Adelfia Navigation SA

Classification Society: LR

Recognised Organisation: LR

Recognised Organisation for ISM Doc: LR

Recognised Organisation for ISM SMC: LR

Date and Place of Detention: 31st March at Immingham

Summary: Fifteen deficiencies with two ground for detention

| Defective item | Nature of defect | Ground for Detention |
|--|-------------------------|----------------------|
| 15150 – ISM | Not as required | Yes |
| 10127 – Voyage or passage plan | Not as required | No |
| 11101 – Lifeboats | Inoperative | Yes |
| 10101 – Pilot ladders and hoist/pilot transfer arrangements | Missing | No |
| 04109 – Fire drills | Lack of control | No |
| 02105 – Steering gear | Not as required | No |
| 04108 – Muster list | Incomplete | No |
| 05105 – MF/HF Radio installation | Not as required | No |
| 01331 – Collective bargaining agreement | Missing | No |
| 11117 – Lifebuoys incl. provision and disposition | Not as required | No |
| 18432 – Risk evaluation, training and instruction to seafarers | Missing | No |
| 11124 – Embarkation arrangement survival craft | Not properly maintained | No |
| 18416 – Ropes and wires | Damaged | No |
| 11116 – Distress flares | Insufficient | No |
| 11103 – Stowage and provision of Lifeboats | Not as required | No |

This vessel was still detained on 31st March 2018

Vessel Name: K DADAYLI

GT: 5751

IMO: 9513191

Flag: Panama (White List)

Company: Dadaylilar Denizcilik Nakliyat

Classification Society: RINA

Recognised Organisation: PHRS

Recognised Organisation for ISM Doc: PHRS/BV

Recognised Organisation for ISM SMC: PHRS/BV

Date and Place of Detention: 26th March at Immingham

Summary: Twenty nine deficiencies with four ground for detention

| Defective item | Nature of defect | Ground for Detention |
|--|-------------------------|----------------------|
| 01316 – Cargo Information | Missing information | No |
| 07199 – Other (fire safety) | Other | Yes |
| 09235 – Fitness for duty – work and rest hours | Rest hours insufficient | No |
| 10101 – Pilot ladders and hoist/pilot transfer arrangements | Missing | No |
| 04108 – Muster list | Incomplete | No |
| 10127 – Voyage or passenger plan | Lack of information | No |
| 11131 – On board training and instructions | Missing information | No |
| 11131 – On board training and instructions | Lack of training | No |
| 11117 – Lifebuoys incl. provision and disposition | Not as required | No |
| 05104 – MF Radio installation | Not as required | No |
| 07111 – Personal equipment for fire safety | Not properly maintained | No |
| 18418 – Winches & capstans | Inoperative | No |
| 03108 – Ventilators, air pipes, casing | Not as required | Yes |
| 18432 – Risk evaluation, training and instruction to seafarers | Missing | No |
| 03113 – Bulwarks and freeing ports | Not as required | No |
| 11105 – Rescue boat inventory | Not as required | No |
| 11104 – Rescue boats | Missing equipment | No |
| 15150 – ISM | Not as required | Yes |
| 01333 – Ship specific plans for the recovery of persons from water | Incomplete | No |
| 11104 – Rescue boats | Not properly maintained | No |
| 05116 – Operation/maintenance | Not properly maintained | No |
| 06105 – Atmosphere testing instrument | Missing | No |
| 03108 – Ventilators, air pipes, casings | Not properly maintained | Yes |
| 04103 – Emergency, lighting, batteries and switches | Inoperative | No |
| 07114 – Remote means of control (opening, pumps, ventilation, etc.) Machinery spaces | Not as required | No |
| 07106 – Fire detection and alarm system | Not properly maintained | No |
| 11101 – Lifeboats | Not ready for use | No |
| 07125 – Evaluation of crew performance (fire drills) | Lack of familiarity | No |
| 07106 – Fire detection and alarm system | Not as required | No |

This vessel was still detained on 31st March 2018

Vessel Name: AMIRA MARIAM

GT: 15349

IMO: 9167631

Flag: Tuvalu (Not Listed)

Company: Elamira for Maritime Agencies Co Sae

Classification Society: BV

Recognised Organisation: BV

Recognised Organisation for ISM Doc: IS Class

Recognised Organisation for ISM SMC: IS Class

Date and Place of Detention: 22nd March 2018 at Liverpool

Summary: Sixteen deficiencies with four ground for detention

| Defective item | Nature of defect | Ground for Detention |
|--|-------------------------|----------------------|
| 11110 – Stowage & provision of liferafts | HRU improperly fitted | Yes |
| 07105 – Fire doors/openings in fire resisting divisions | Not as required | Yes |
| 18405 – Electrical | Unsafe | No |
| 07113 – Fire pumps & IT's pipes | Inoperative | No |
| 01209 – Manning specified by the minimum safe manning doc. | Not as required | Yes |
| 01220 – Seafarer employment agreements (SEA) | Not as required | No |
| 01306 – Shipboard working arrangements | Not properly filled | No |
| 10101 – Pilot ladders and hoist/pilot transfer arrangement | Damaged | No |
| 07108 – Ready availability of fire fighting equipment | Missing | No |
| 10116 – Nautical publications | Missing | No |
| 10129 – Navigation records | Missing | No |
| 18302 – Sanitary facilities | Not properly maintained | No |
| 11101 – Lifeboats | Not properly maintained | No |
| 10133 – Bridge operations | Lack of familiarity | No |
| 04108 – Muster list | Incomplete | No |
| 15150 – ISM | Not as required | Yes |

This vessel was released on 30th March 2018

Vessel Name: FRISIAN LADY

GT: 3666

IMO: 9246906

Flag: Netherlands (White List)

Company: Boomsma Shipping BV

Classification Society: LR

Recognised Organisation: LR

Recognised Organisation for ISM Doc: LR

Recognised Organisation for ISM SMC: LR

Date and Place of Detention: 7th March at Immingham

Summary: Twelve deficiencies with four ground for detention

| Defective item | Nature of defect | Ground for Detention |
|--|-------------------------|----------------------|
| 10114 – Voyage data recorder (VDR)/Simplified Voyage data recorder (S-VDR) | Inoperative | Yes |
| 01105 – Cargo Ship Safety (including exemption) | Missing | No |
| 10109 – Lights, shapes, sound-signals | Missing | Yes |
| 11117 – Lifebuoys incl. provision and disposition | Not as required | No |
| 03108 – Ventilators, air pipes, casings | Damaged | No |
| 09235 – Fitness for duty – work and rest hours | Rest hours insufficient | No |
| 11104 – Rescue boats | Damaged | Yes |
| 18420 – Cleanliness of engine room | Not as required | No |
| 18408 – Electrical | Unsafe | No |
| 13101 – Propulsion main engine | Not as required | No |
| 03199 – Other (load lines) | Other | No |
| 15150 – ISM | Not as required | Yes |

This vessel was released on 13th March 2018

DETENTIONS CARRIED OVER FROM PREVIOUS MONTHS**Vessel Name: SOUTHERN BREEZE**

GT: 4109

IMO: 9437763

Flag: Malta (White List)

Company: Sonata D00

Classification Society: BV

Recognised Organisation: BV

Recognised Organisation for ISM Doc: BV

Recognised Organisation for ISM SMC: BV

Date and Place of Detention: 28th February 2018 at Fowey

Summary: Eight deficiencies with one ground for detention

| Defective item | Nature of defect | Ground for Detention |
|---|----------------------|----------------------|
| 18203 – Wages | Missing | Yes |
| 18203 – Wages | Missing | No |
| 18204 – Calculation and payment of wages | Not according to SEA | No |
| 01220 – Seafarers' employment agreement (SEA) | Not properly filled | No |
| 18199 – Other (Minimum requirements) | Not as required | No |
| 15150 – ISM | Not as required | No |
| 02103 – Stability/strength/ loading information and instruments | Not as required | No |
| 11102 – Lifeboat inventory | Not properly stowed | No |

This vessel was released on 6th March 2018

Vessel Name: DEEPSEA WORKER

GT: 3345

IMO: 7905285

Flag: St Vincent & Grenadines

Company: Seaway Offshore LLC

Classification Society: DNV GL

Recognised Organisation: DNV GL

Recognised Organisation for ISM Doc: DNV GL

Recognised Organisation for ISM SMC: DNV GL

Date and Place of Detention: 19th January 2018 at Sunderland

Summary: Fifteen deficiencies with one grounds for detention

| Defective item | Nature of defect | Ground for Detention |
|---|---------------------|----------------------|
| 16105 – Access control | Not as required | No |
| 01214 – Enforcement by flag state | Missing | No |
| 01137 – Civil liability for oil pollution damage cert | Missing | No |
| 10127 – Voyage or passage plan | Lack of information | No |
| 10116 – Nautical publications | Missing | No |
| 18399 – Other (Accommodation, recreational facilities) | Other | No |
| 07122 – Fire control plan | Not updated | No |
| 15150 – ISM | Not as required | Yes |
| 07109 – Fixed fire extinguishing installation | Not as required | No |
| 18302 – Sanitary Facilities | Not as required | No |
| 18324 – Cold room, cold room cleanliness, cold room temperature | Inoperative | No |
| 14499 – Other (Marpol Annex IV) | Other | No |
| 07114 – Remote means of control (opening, pumps, ventilation etc.) Machinery spaces | Inoperative | No |
| 03108 – Ventilators air pipes, casings | Corroded | No |
| 14108 – 15ppm alarm arrangements | Inoperative | No |

This vessel was released on 29th March 2018

Vessel Name: SEA TRIDENT

GT: 964.

IMO No: 7393169.

Flag: PANAMA (white list)

Company:

Classification Society: Expired

Recognised Organisation: Expired

Recognised Organisation for ISM DOC:

Recognised Organisation for ISM SMC:

Date and Place of Detention: 17 June 2016, West Cowes

Summary: Seventeen deficiencies with seventeen grounds for detentions

| Defective item | Nature of defect | Ground for Detention |
|--|------------------|----------------------|
| 01101 – Cargo ship safety equipment cert | Expired | Yes |

| | | |
|--|-----------------|-----|
| 01102 – Cargo Ship safety construction cert | Expired | Yes |
| 01104 – Cargo ship safety radio cert | Expired | Yes |
| 01108 – Loadline cert | Expired | Yes |
| 01117 – IOPP (International Oil Pollution Prevention cert | Expired | Yes |
| 01119 – International Sewage Pollution Prevention cert | Expired | Yes |
| 01124 – International Air Pollution Prevention cert | Expired | Yes |
| 01137 – Civil liability for bunker oil pollution damage cert | Expired | Yes |
| 01199 – Other certs (Certificate of class) | Expired | Yes |
| 01201 – Certificates for master and officers | Missing | Yes |
| 10111 – Charts | Not updated | Yes |
| 10116 – Publications Nautical | Not updated | Yes |
| 11108 – Inflatable liferafts | Expired | Yes |
| 11116 – Distress flares | Missing | Yes |
| 07109 – Fixed fire fighting extinguishing installation | Not as required | Yes |
| 07110 – Fire fighting equipment & appliances | Not as required | Yes |
| 01140 – Declaration of Maritime Labour Compliance | Missing | Yes |

This vessel was still detained on 31st March 2018

Vessel Name: CIEN PORCIENTO (General Cargo)

GT: 106.

IMO No: 8944446.

Flag: Unregistered.

Company: Open Window Inc.

Classification Society: Unclassed.

Recognised Organisation: Not applicable.

Recognised Organisation for ISM DOC: Not applicable.

Recognised Organisation for ISM SMC: Not applicable

Date and Place of detention: 4 March 2010, Lowestoft

Summary: Thirty deficiencies including seven grounds for detention

This vessel was still detained on 31 March 2018

Notes to Editors

- The MCA is a partner in the Sea Vision UK campaign to raise awareness and understanding of the sea and maritime activities. Sea Vision promotes the importance and economic value of the sector and works to highlight the exciting range of activities and career opportunities available to young people within the UK growing maritime sector at www.seavision.org.uk
- Follow us on Twitter: @MCA_media

For further information please contact
Maritime and Coastguard Agency Press Office, on:
+44 (0) 2380 329 401
Press releases and further information about the agency is available [here](#).

[Internet Economy Summit to explore “New Impetus for the New Economy”](#)

Themed “New Impetus for the New Economy”, the two-day 3rd Internet Economy Summit (IES) will take place from tomorrow (April 12). Industry leaders, experts and entrepreneurs from multinational technology enterprises, leading Internet firms and “unicorn” start-ups will share their insights on the latest trends of the Internet economy and examine with the audience strategies for capturing the enormous opportunities that arise.

Four forums, namely the Visionary Forum, the Chambers Forum: Business Breakthrough, the Entrepreneurship Forum and the Technovation Forum, have been tailored for the Summit to explore the interactive development among the Internet and innovation and technology as well as the economy. Over 50 speakers will dive into the agenda, encompassing areas such as artificial intelligence (AI), smart city, data industry, cloud technology and e-commerce and enlighten the industry on how to seize the chances ahead.

The Summit will bring together top minds in the industry including the Under-Secretary-General of the United Nations and Executive Secretary of the Economic and Social Commission for Asia and the Pacific, Dr Shamshad Akhtar, who is a veteran in economic and financial development; the Chairman of International Technologies, Mr Yossi Vardi, who as a veteran Israeli entrepreneur has established and sponsored over 80 hi-tech companies; Chief Executive Officer and Co-Founder of Illumio as well as cyber security expert Mr Andrew Rubin; and the Chief Technology Officer of Didi Chuxing, Mr Bob Zhang, who is a specialist in AI. They will address the Summit from the perspectives of the global economy, innovation and entrepreneurship, cyber security and new technology respectively. Experts from renowned enterprises such as Google, IBM, JD.com, Amazon, Ping An Technology, Facebook, Microsoft, Alibaba Cloud and Huawei Technologies will also present their thoughts and experience at the Summit.

The Government Chief Information Officer, Mr Allen Yeung, said, “Powered

by innovation and technology advancement, the Internet applications have evolved rapidly in recent years. It is now the fuel for economic prosperity and agent for transformation of society. I hope that through this annual flagship Summit, the brilliant sharing by speakers will enlighten the business sectors in the area of digital transformation, which will eventually boost their competitiveness.”

The IES is organised by the Office of the Government Chief Information Officer and the Hong Kong Cyberport Management Company Limited, with the China Internet Development Foundation as the supporting organisation.

The summit agenda and speaker information are available at the IES website (www.ieconomysummit.hk).

[Appeal for information on missing man in Sau Mau Ping \(with photo\)](#)

Police today (April 11) appealed to the public for information on a man who went missing in Sau Mau Ping.

Chung Yi-hong, aged 32, went missing after he left his residence in Man Wah House, Lok Wah Estate on 31 March morning. His family made a report to Police on 6 April.

He is about 1.71 metres tall, 54 kilograms in weight and of medium build. He has a square face with yellow complexion and short straight black hair. He was last seen wearing white jacket, red and black checkered shirt, black long trousers, black shoes and carrying a black rucksack.

Anyone who knows the whereabouts of the missing man or may have seen him is urged to contact the Regional Missing Person Unit of Kowloon East on 3661 0316, or email to rmpu-ke-2@police.gov.hk, or contact any police station.



LC: CS presents Government Minute in response to Report of Public Accounts Committee No. 68A

Following is the speech (translated from Chinese) by the Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, in presenting the Government Minute in response to the Report of the Public Accounts Committee No. 68A in the Legislative Council today (April 11):

President,

Laid on the table today is the Government Minute (GM) responding to Report No. 68A of the Public Accounts Committee (PAC).

First of all, I welcome the submission of Report No. 68A by the Chairman of PAC to the Legislative Council on January 17, which offered comments on two chapters in the Director of Audit's Report, namely, "Government's support and monitoring of charities" and "Provision of district council funds for community involvement projects".

I am also grateful for the time and effort that the Chairman and Members of PAC devoted to investigating these subjects. The Government accepts PAC's various recommendations and sets out in detail the specific responses of the relevant bureaux and departments (B/Ds) in the GM. Now, I would like to briefly address the major concerns of PAC.

Government's support and monitoring of charities

On "Government's support and monitoring of charities", the Law Reform Commission (LRC) published its Report on the regulation of charitable organisations and charitable fund-raising activities in which some of the recommendations had far-reaching implications on the operation and development of charities in Hong Kong and the issues involved were very complicated.

While the recommendations of LRC touch upon the duties and responsibilities of a number of B/Ds, the Home Affairs Bureau (HAB) has been assigned to co-ordinate inputs from relevant B/Ds and is actively following up the co-ordination with a view to formulating a response to LRC's recommendations for the Government's overall consideration as soon as possible.

Meanwhile, HAB is co-ordinating with relevant departments to explore feasible administrative measures by making reference to the recommendations in the LRC Report, the Audit Report and the PAC Report, with a view to enhancing the transparency of charitable fund-raising activities and

safeguarding the rights and interests of donors. These measures include, among others, making public the relevant financial information of charitable fund-raising activities granted with a licence or a permit; enhancing the "1823" hotline and the charitable fund-raising activities webpage on the "GovHK" portal; reviewing and enhancing the "Reference Guide on Best Practices for Charitable Fund-raising Activities" issued by the Social Welfare Department; stepping up promotion efforts and encouraging charities to follow such practices.

On the other hand, the Inland Revenue Department (IRD) has enhanced the periodic review of tax-exempt charities. With effect from January 2018, IRD will conduct the first review of all newly recognised tax-exempt charities two years after its tax-exempt status is recognised. For existing tax-exempt charities, the review cycle has been shortened from at least once every four years to once every three years. Currently, under section 88 of the Inland Revenue Ordinance, IRD's role is to consider whether the organisation is within the legal meaning of charity. IRD is seeking legal advice from the Department of Justice to explore if there is room to enhance its work within the existing legislative framework.

Besides, Lands Department (LandsD) generally accepts the comments and recommendations made by PAC on the monitoring of charities under lease.

Regarding PAC's recommendation to review and improve the protocol on Private Treaty Grants (Protocol) issued in 2014, LandsD issued a refined Protocol in the first quarter of 2018. LandsD has also completed Phase 1 of the stock-taking exercise for those Private Treaty Grants (PTGs) granted at nil, nominal or concessionary premium during the period from January 1, 2016 to December 31, 2017, and would continue to undertake the stock-taking exercise in phases and share the findings with relevant B/Ds, subject to priority of other tasks in hand and resources available, with a view to reminding the relevant B/Ds of their monitoring roles in respect of the relevant PTGs, taking into account their responsibilities under the Protocol.

Besides, LandsD promulgated a new set of internal guidelines in May 2017, under which LandsD will recommend that the concerned sponsoring B/Ds impose "submission of audited accounts" and "no distribution of profits" requirements when processing new PTGs or lease modification/ lease extension of existing PTGs. LandsD will request justifications if the recommendation is not accepted. When applications for lease modification or lease renewal are received for the 11 PTGs named in the Audit report, excluding the three virtually unrestricted leases, LandsD will process the applications by applying the said instruction.

As to PAC's recommendations on the regulation of Chinese temples, HAB and the Chinese Temples Committee (CTC) have actively followed them up and taken measures to enhance the transparency of the operation of its temples. In respect of the issue of renewing the expired delegation agreements of two delegated temples, CTC re-entered into an agreement with one of the delegated organisations in December 2017. The CTC Secretariat has also repeatedly met with the other delegated organisation. The two parties are now finalising

the details with a view to re-entering into an agreement as soon as possible.

Provision of district council funds for community involvement projects

With regard to the "Provision of district council funds for community involvement projects", section 68 of the District Councils Ordinance (Cap. 547) provides that a District Council (DC) may make standing orders for regulating its procedures and those of its committees. The Home Affairs Department (HAD) has provided a model text of standing orders to 18 DCs for reference. Such arrangement has struck a balance between maintaining consistency in DCs' making of standing orders while allowing flexibility to adopt procedures that can cater for the actual situation of different districts.

On the implementation of community involvement (CI) projects, HAD has compiled the "Manual on the Use of District Council Funds" (HAD Manual) to provide further guidance to DCs. The HAD Manual covers different areas such as the funding coverage, vetting criteria, payment arrangements, monitoring mechanism, etc. On the basis of the HAD Manual, each DC has devised its own detailed guidelines for the implementation of CI projects and the district guidelines must comply with the principles set out in the HAD Manual.

In response to the recommendations in the Audit Report, HAD has further enhanced the arrangements on the implementation of CI projects. For example, providing DCs with guidelines to facilitate their review of the list of designated non-governmental organisations; producing analyses of CI projects for DCs to facilitate their management of DC funds; reminding DC secretariats that a proper evaluation system should be put in place to monitor the effectiveness of CI projects; and reminding DC secretariats that DC members, co-opted members or district staff who do not have an interest in the organisation or the project under evaluation should conduct visits or attend the activities on a random basis.

Turning to declaration of interests, HAD has all along formulated provisions on avoidance of conflict of interests under the model text of standing orders on the basis of the guidelines for a two-tier reporting system devised in collaboration with the Independent Commission Against Corruption (ICAC). All DC members declared interests according to the standing orders and the declarations have been uploaded to DC websites for public viewing. The first-tier declaration requires DC members to report their personal interests within one month from the commencement of their term. The second-tier declaration requires that any DC member who has pecuniary or other interests in any matter handled by the DC concerned, or has links with the benefitted party or potential benefitted party, including matters on tender, quotation and DC funds, must, as soon as practicable after being aware of it, declare such to the DC concerned prior to the discussion of the relevant matter.

In addition, the HAD Manual provides further guidance on the second-tier declaration, requiring that DC members shall make declarations on any conflict of interests which may be actual, potential or perceived. They

should also refrain from having business dealings with any party associated with projects financed by DC funds.

The two-tier declaration system is well-established. DC members are familiar with this system and have made declarations accordingly. In consideration of PAC's and Audit's recommendations, HAD has further enhanced the relevant arrangements and systems, including the following:

(a) HAD has, in consultation with the ICAC, formulated guidelines on the "other declarable interests" under the first-tier declaration to facilitate DC members in making the first-tier declaration more comprehensively and accurately. For example, under these guidelines, DC and Committee members' holding of positions in the implementation parties of CI projects are regarded as "other declarable interests" and should be declared;

(b) Regarding the second-tier declaration, HAD has requested DC Secretariats to remind, at every meeting or during circulation of papers, members to declare interests and the chairpersons to make rulings on the interests declared and to record such rulings in the minutes of meetings. Under the current practice, the minutes of meetings are uploaded to DC websites for public inspection;

(c) HAD has worked with DC Secretariats to devise good practice in handling declaration of interests and making rulings at meetings by DC, committee and working group Chairpersons. The good practice has been distributed to DCs for reference.

President, I would like to thank the Chairman and all Members of PAC again for their efforts and guidance. Relevant departments will strictly follow their responses in the GM and implement the improvement measures as soon as possible to ensure the proper use of public funds and compliance with the original policy objectives.

Thank you, President.