

LCQ5: Arrangements governing the taking up of outside work by former senior staff of statutory regulatory boards and bodies

Following is a question by the Hon Kwong Chi-kin and a reply by the Secretary for Home Affairs, Dr Patrick Ho, in the Legislative Council today (December 14):

Questions:

Recently, a former senior staff member of the Hong Kong Monetary Authority joined a private bank after having left service for six months. Regarding former senior staff of statutory regulators taking up outside work after leaving service, will the Government inform this Council:

(a) of the present posts and numbers of senior staff of statutory regulators with remunerations equivalent to directorate civil servants, with a breakdown by institution;

(b) whether statutory regulators impose any regulations on the taking up of outside work by the former senior staff mentioned in (a) after leaving service; if so, of the details of the regulations and whether they are the same as those currently adopted by the Government for directorate civil servants; if there are no regulations or they are different, the reasons for that; and

(c) as the Government plans to implement from January 1 next year the modified policy and arrangements governing the taking up of outside work by directorate civil servants after leaving government service, whether the scope of such policy and arrangements will be extended to the senior staff of the regulators mentioned above; if not, the reasons for that and whether the Government will consider extending the scope?

Reply:

Madam President,

(a) There are currently 46 statutory regulatory boards and bodies on the list of public sector advisory and statutory bodies (ASBs). They comprise:

- 28 regulatory bodies, each responsible for regulating an industry or a sector of the economy in Hong Kong;
- 13 registration boards, each responsible for regulating a profession or trade by way of registering entrants to the profession or trade;
- 3 licensing boards, each responsible for regulating the licensing of premises or equipment for a specific purpose or function; and
- 2 supervisory boards, each responsible for supervising and monitoring a specific activity or range of activities.

Among these 46 statutory regulatory boards and bodies, two have senior staff with remuneration packages comparable to those of directorate officers in the civil service. They are:

- Estate Agents Authority (EAA); and
- Hong Kong Institute of Certified Public Accountants (HKICPA).

Another two regulatory boards and bodies have senior staff with scope of duties and responsibilities comparable to those of directorate officers in the civil service. They are:

- Mandatory Provident Fund Schemes Authority (MPFA); and
- Securities and Futures Commission (SFC).

The post title and number of major management staff of the above four regulatory boards and bodies are at Annex 1.

The Hong Kong Monetary Authority (HKMA) is not a statutory body. The Financial Secretary has appointed the Monetary Authority (MA) in accordance with the Exchange Fund Ordinance to assist him in the performance of his functions under the Ordinance. Hence, HKMA is not included in the list of public sector ASBs. This notwithstanding, the post title and number of staff at the top four levels of the HKMA are listed at Annex 2.

(b) With the exception of the HKICPA, the other three statutory boards and bodies (i.e. EAA, MPFA and SFC) and the HKMA have all imposed rules on the taking up of outside work by their major management staff after leaving service, though the rules are different from those currently adopted by the Government for directorate officers. Details of the rules and reasons for the three regulatory boards and bodies to impose rules different from those of the Government are set out in Annex 3. Information relating to the HKMA is set out in Annex 4.

To summarise, the reasons for the three regulatory boards and bodies to impose different rules include:

- the body is empowered by legislation to determine the remuneration, allowances and other terms and conditions of employment of their staff on their own (e.g. EAA); and
- they are independent statutory bodies.

The HKMA imposes different rules from those for the civil service because the terms and conditions of employment of their staff are different from those of civil servants.

The HKICPA has not imposed any rules on the taking up of outside work by its directorate officers after leaving service. As pointed out by the Institute, it is an independent statutory body incorporated under the Professional Accounts Ordinance, and the Institute's Council is empowered under section 18(1)(b) of the Professional Accountants Ordinance to determine the terms and conditions of employment of its staff.

(c) The Government will not make it mandatory for all statutory regulatory boards and bodies to adopt the modified arrangements (to be implemented as from January 1 next year) governing the taking up of outside work by directorate officers in the civil service after leaving government service. Of the existing 46 statutory regulatory boards and bodies, only four have senior staff comparable to directorate officers. The responsible bureaux which oversee these four statutory regulatory boards and bodies may, having regard to the functions of these bodies, review whether it is necessary for them to follow the Government's modified arrangements governing the taking up of outside work by directorate officers after leaving government service and, where the relevant legislation permits, ask the bodies concerned to review the existing arrangements governing the departure of directorate officers from service.

Thank you, Madam President.

Ends/Wednesday, December 14, 2005

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