

LCQ16: Monitoring of operation of international schools

â€‹Following is a question by the Hon Chan Hok-fung and a written reply by the Secretary for Education, Dr Choi Yuk-lin, in the Legislative Council today (July 10):

Question:

Regarding the monitoring of the operation of international schools, will the Government inform this Council:

(1) as it has been reported that the parents of students of an international kindergarten originally intended to cease operation at the end of July this year have been notified that the kindergarten may continue to operate with the current governing team in the next school year, whether any international schools and kindergartens, having applied for cessation of operation, have been approved by the authorities to continue operation in the past five years; if so, of the number, details and vetting and approval criteria of such cases;

(2) whether the Education Bureau (EDB) ultimately invoked section 14(1)(i) of the Education Ordinance (Cap. 279) in the past five years to refuse to register an international school due to the fact that the composition of the proposed management committee or incorporated management committee was such that the school might not be managed satisfactorily; if so, of the number and details of such cases;

(3) as it is reported that a number of international schools plan to increase tuition fees by four per cent to eight per cent in the next school year, of the specific role of the EDB in the determination of the rate of tuition fee adjustments and the financial arrangements by such schools and their sponsoring bodies; and

(4) as it has been reported that in January 2020, the Office of The Ombudsman issued a direct investigation report criticising the EDB for not setting up an approval mechanism in respect of the collection of charges other than tuition fees by international schools (e.g. construction fees and the requirement for parents to purchase debentures) over the years, and in June 2020, the then Secretary for Education indicated that international schools had to seek the EDB's approval for collection of such charges starting from the 2020/2021 school year, of the implementation situation and progress of the relevant measure?

Reply:

President,

The education system in Hong Kong provides parents with diversified and high-quality choices. Apart from publicly-funded schools, private schools (including international schools) in Hong Kong have been playing a unique role in offering local and non-local curricula according to their mission. In particular, the Government is committed to developing a vibrant international school sector to meet the demand for international school places from non-local families living in Hong Kong and families coming to Hong Kong for work or investment. In the 2023/24 school year, there are 54 international schools (including one special school) in Hong Kong which admit 42 100 students, accounting for 6.4 per cent of some 650 000 primary and secondary students in Hong Kong. Apart from international schools, there are about 100 other private schools (Note) in Hong Kong.

(1) According to the Education Ordinance (Cap. 279) (the Ordinance), all schools must be registered with the Education Bureau (EDB). To obtain the registration for offering education, schools must comply with the regulations prescribed in the Ordinance in respect of the premises, safety, management and teaching staff. In the event that a school has ceased operation and cancelled its registration, any relevant persons intending to reopen a school at the old premises must submit application to the EDB for registration of a new school according to the relevant regulations. On the contrary, if a school has not ceased operation or cancelled its registration, there is no need to apply for school registration again. However, applications for a change in the school name and management of the school such as the school supervisor, the school manager and/or the school principal, have to be submitted to the EDB and obtain approval in accordance with the Ordinance before commencing operation.

(2) Schools have to comply with the relevant statutory requirements upon school registration. From our record, the EDB did not exercise the power under the concerned provision of the Ordinance to refuse applications for school registration in the past five years.

(3) In accordance with Regulation 65 of the Education Regulations (Cap. 279A), no change in fees shall be made by all schools (including international schools) without the prior written approval of the EDB. Schools which plan to adjust their school fees in the new school year are required to apply to the EDB. Private schools (including international schools) are self-financing and market-driven in their operation. The EDB will critically consider justifications provided by the schools (e.g. rent increase, salary adjustment of school staff, employment of additional teachers, purchase of teaching materials and major repair works, etc), the schools' financial position, as well as the schools' communication with parents on the relevant issues and response to parents' concerns when examining the applications.

(4) The EDB had been actively following up on the recommendations made in the Ombudsman (OMB)'s report of January 2020 about establishing the more comprehensive application and approval mechanism regarding other charges (such as debentures, capital levies and fees for nomination rights) collected by private schools (including international schools). As it took time to establish a more comprehensive mechanism, the EDB had first introduced the

transitional arrangement in the 2020/21 school year, allowing private schools which wished to continue collecting other charges for the 2020/21 school year to submit applications to the EDB. The EDB would examine the information submitted by the schools before granting the time-limited approval.

In the meantime, the EDB established the "Advisory Committee on Processing Applications for Collection of Capital Levies/Debentures/Nomination Rights" (the Committee), with members who were professional accountants, to formulate the more comprehensive application and approval mechanism to regulate the collection of other charges by private schools for long-term school development. The EDB also met with representatives of private schools with a view to understanding their operations. Following the recommendations of the Committee, the EDB issued the circular to private schools on August 22, 2023, to promulgate the implementation details of the application and approval mechanism for collection of other charges by private schools and started handling applications according to the new mechanism with effect from that date. On August 29, 2023, the EDB conducted a briefing session to give details of the mechanism to school representatives. Furthermore, after being informed of our work progress, the OMB concluded that the EDB had implemented the recommendations made in its investigation report.

Note: "Other private schools" refer to private ordinary primary and secondary day schools registered with the Education Bureau. They include day schools offering local or non-local curriculum day courses but not special schools and primary and secondary day courses operated by private schools offering tutorial, vocational and adult education courses.

LCQ7: External secondment and exchange of public servants

Following is a question by the Hon Sunny Tan and a written reply by the Secretary for the Civil Service, Mrs Ingrid Yeung, in the Legislative Council today (July 10):

Question:

Regarding the external secondment and exchange of public servants, will the Government inform this Council:

(1) as it is learnt that some Asian countries such as Singapore and Japan have put in place mechanisms whereby civil servants are seconded to work in public organisations and quasi-government organisations for a period of time, so that the civil servants can have a better grasp of the frontline work of these organisations, policy implementation and public opinion, whether the

Government has put in place a mechanism for external secondment of civil servants to take up temporary positions in public organisations, statutory bodies and quasi-government organisations; if so, of the specific details and examples; if not, whether it will study the establishment of such mechanism for external secondment of civil servants to public organisations, statutory bodies or quasi-government organisations within the scope of their work (e.g. the Hospital Authority, the MTR Corporation Limited, post-secondary education institutions, research and development centres and scientific research institutions, as well as social welfare organisations), so that the work of civil servants will be more down-to-earth, feel the pulse of society and connect with people's real lives; and

(2) given that as indicated in the paper submitted by the Government to the Panel on Public Service of this Council in April this year, the Civil Service Bureau jointly organised a civil service staff exchange programme with the Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) last year, and with the first phase of the exchange programme having been completed earlier, the authorities will consolidate the experience gained and discuss the arrangements for the next phase of the programme with the receiving units in Guangdong Province and Shenzhen Municipality, while at the same time the authorities are also actively preparing for exchange programmes with other Mainland cities beyond the GBA, of the details and progress of the preparatory work for the next phase of the exchange programme, and what further measures will be taken in the future to enable more civil servants to enhance their understanding of the systems, policies and government operations in the Mainland, so as to deepen co-operation between Hong Kong and the Mainland in the future?

Reply:

President,

The Government places a high priority on communication and interaction between civil servants and citizens, seeking to understand the citizens' actual living conditions and public sentiment. In addition, as Hong Kong is an international city with an externally-oriented economy, we emphasise cultivating international perspectives in civil servants. To this end, we encourage civil servants from all departments to reach out to the community and various sectors to gain first-hand understanding of social issues and the operation of various sectors. In terms of civil service training, the Government organises a variety of training and exchange activities for civil servants to broaden their horizons and exposure, as well as enhance their overall abilities, so as to continuously improve the quality of public services.

The Government's consolidated reply to the two parts of the question is as follows:

The Civil Service College of the Civil Service Bureau (CSB) arranges for promising departmental officers to attach to policy bureaux for a period of six months, acquiring hands-on experience in handling different areas of

policy work, including handling of Legislative Council business, assisting with public consultations and policy promotion, co-ordinating the work of taskforces. The Secretariat Attachment Scheme helps enhance departmental officers' understanding of policy implementation outside of their own professions, provides more opportunities for them to engage with different sectors of the community, and fosters a culture of mutual learning and collaboration in the civil service.

To further widen the exposure of civil servants, various departments collaborate with international organisations to second civil servants to work in the relevant organisations (e.g. the International Criminal Police Organization, the United Nations Commission On International Trade Law Secretariat, the Financial Action Task Force Secretariat, the Asia-Pacific Economic Cooperation Secretariat, etc) for a limited period of time in order to facilitate exchanges and collaboration between the two sides, and cultivate an international perspective in the civil service.

With the support of the Central People's Government and the Office of the Commissioner of the Ministry of Foreign Affairs in the Hong Kong Special Administrative Region (HKSAR), the first two batches comprising 17 young public officers have been recommended by the Ministry of Foreign Affairs to participate in the United Nations (UN) Junior Professional Officer Programme as Chinese personnel and work in the UN headquarters or its affiliated bodies (e.g. the UN Secretariat, the UN Environment Programme, the UN Conference on Trade and Development, the World Intellectual Property Organization and the UN Economic Commission for Europe, etc). We will continue to explore opportunities for our civil servants to enrich their experience in the international arena, give play to their strengths, tell good stories of Hong Kong and contribute to the country.

In terms of fostering exchange and collaboration with civil servants from the Mainland, since 2002, the CSB has organised the Civil Service Staff Exchange Programme jointly with a number of Mainland municipalities. Under the programme, officers from Hong Kong and the Mainland are attached to each other's side to share experience and expertise so as to better understand each other's structure, regulations, policy, operation, etc, foster co-operation and communication, and gain first-hand experience of the host city's latest developments. The exchange programme was suspended during the epidemic.

In 2023, the Government resumed civil service exchange with the Mainland, starting with the launch of an exchange programme with the Mainland municipalities in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). The first batch comprising 10 participants from Hong Kong went to Shenzhen in December 2023. They were assigned to different government departments in Futian and Qianhai to perform specific duties and to have in-depth exchanges with officers from Shenzhen. The participating middle and senior-ranking civil servants came from eight departments and grades, including the Administrative Officer Grade, the Executive Officer Grade, the Environmental Protection Department, the Highways Department, the Innovation and Technology Commission, the Office of the Government Chief Information Officer, the

Planning Department and the Transport Department. The CSB is discussing arrangements for the next phase of the programme with the Guangdong Provincial Government, including the arrangements for selecting civil servants of Guangdong Province for exchanges with HKSAR government departments. We are also preparing for resumption of exchange programmes with other major Mainland cities beyond the GBA and plan to sign exchange agreements with them in the second half of 2024. Specific arrangements have yet to be finalised.

In addition to the exchanges co-ordinated by the CSB for civil servants to perform specific tasks in Mainland cities, bureaux/departments will make their own arrangements for training and study tours related to their business to strengthen liaison with their Mainland counterparts, thereby fostering mutual exchanges and co-operation.

Result of tenders of RMB Sovereign Bonds held on July 10, 2024

The following is issued on behalf of the Hong Kong Monetary Authority:

Result of the tenders of RMB Sovereign Bonds held on July 10, 2024:

Tender Result

Tender Date	:	July 10, 2024
Bonds available for Tender	:	2-year RMB Bonds
Issuer	:	The Ministry of Finance of the People's Republic of China
Issue Number	:	BCMKFB24001 (Further Issuance)
Issue and Settlement Date	:	July 12, 2024
Maturity Date	:	March 15, 2026 (or the closest coupon payment date)
Coupon Rate	:	2.20 per cent
Application Amount	:	RMB 9,417 million
Issue Amount	:	RMB 3,000 million
Average Accepted Price	:	100.14
Lowest Accepted Price	:	100.08
Highest Accepted Price	:	100.66
Allocation Ratio (At Lowest Accepted Price)	:	Approximately 22.21 per cent

Tender Date	:	July 10, 2024
Bonds available for Tender	:	3-year RMB Bonds
Issuer	:	The Ministry of Finance of the People's Republic of China
Issue Number	:	BCMKFB24002 (Further Issuance)
Issue and Settlement Date	:	July 12, 2024
Maturity Date	:	March 15, 2027 (or the closest coupon payment date)
Coupon Rate	:	2.28 per cent
Application Amount	:	RMB 9,479 million
Issue Amount	:	RMB 3,000 million
Average Accepted Price	:	100.34
Lowest Accepted Price	:	100.21
Highest Accepted Price	:	101.12
Allocation Ratio (At Lowest Accepted Price)	:	Approximately 24.20 per cent

Tender Date	:	July 10, 2024
Bonds available for Tender	:	5-year RMB Bonds
Issuer	:	The Ministry of Finance of the People's Republic of China
Issue Number	:	BCMKFB24003 (Further Issuance)
Issue and Settlement Date	:	July 12, 2024
Maturity Date	:	March 15, 2029 (or the closest coupon payment date)
Coupon Rate	:	2.39 per cent
Application Amount	:	RMB 10,039 million
Issue Amount	:	RMB 3,000 million
Average Accepted Price	:	100.70
Lowest Accepted Price	:	100.41
Highest Accepted Price	:	102.19
Allocation Ratio (At Lowest Accepted Price)	:	Approximately 80.00 per cent

[LCQ17: The Exchange Fund's assets managed by Hong Kong Monetary](#)

Authority

Following is a question by the Hon Adrian Ho and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (July 10):

Question:

It is learnt that, apart from directly managing most of the Exchange Fund (EF)'s assets, the Hong Kong Monetary Authority (HKMA) has also placed part of EF's assets under the management of external fund managers. In this connection, will the Government inform this Council:

(1) of the respective total values of EF's assets managed by HKMA directly and those by external fund managers appointed by HKMA as well as their ratio in each of the past five years, and the latest balances of the various current portfolios;

(2) of the following information on the investment managers appointed by HKMA: the respective numbers of local managers and those from other countries or regions as well as their ratio, their appointment periods and yearly management fees charged, with a tabulated breakdown by name of manager; among the managers from other countries or regions, of the number of those which have established offices in Hong Kong; and

(3) whether HKMA has set annual minimum return rates for EF's assets managed by external fund managers so as to ensure that the managers will regard securing a higher return as their prime objective in managing the relevant assets and drawing up investment strategies; if so, of the criteria for determining those minimum return rates; if not, the reasons for that?

Reply:

President,

In consultation with the Hong Kong Monetary Authority (HKMA), the consolidated reply to various parts of the question is as follows:

The HKMA, in addition to managing the Exchange Fund's investments directly, has external investment managers to manage the Exchange Fund's assets including the listed equity portfolios and other specialised asset classes. The purpose of engaging external investment managers is to leverage on the best investment expertise available in the market to serve the Exchange Fund, while facilitating the Exchange Fund to draw on more diversified and complementary investment styles for sustainable returns and benefit from the market insights and investment expertise of external investment managers.

In the past five years, the percentages of the Exchange Fund's assets

managed by external investment managers are as follows:

Year	Percentage of Exchange Fund's Assets Managed by External Managers
2023	29%
2022	30%
2021	29%
2020	28%
2019	29%

The Exchange Fund is primarily used for regulating the exchange value of the Hong Kong dollar, and maintaining the stability of Hong Kong's monetary and financial systems with a view to maintaining Hong Kong as an international financial centre. To ensure a high level of liquidity of the Exchange Fund, and to avoid putting additional pressure in the event that the Hong Kong market is under shocks and assets need to be sold in pursuit of the above policy objectives, the Exchange Fund has been mainly holding overseas assets.

The HKMA has in place a robust procedure to select and appoint investment managers. The selection process is holistic and based on a set of criteria such as the professional knowledge of the institutions concerned and the teams, their experience and investment track record, risk management and compliance record, extent of presence in Hong Kong, environmental, social and governance practices and fees, etc. Among other things, the HKMA attaches great importance to the operating situation of the investment managers in Hong Kong. For instance, their business scale and whether there have been business expansion in Hong Kong in recent years. The HKMA has gradually increased the investment exposure to investment managers whose major operations are in Hong Kong in recent years to encourage the expansion of their business in Hong Kong.

At present, the HKMA employs for its open market investments about 80 investment managers, who manage funds of about HK\$690 billion in total, of which about 90 per cent of the assets are managed by investment managers with offices in Hong Kong. In line with market practice, external investment managers are not appointed for a specified period of time, but the HKMA regularly reviews their investment performance and makes appropriate adjustments where necessary. All Hong Kong stock investments are managed by a local team of about 20 external investment managers with extensive investment experience. Over the past few years, the Exchange Fund has also invested in 32 local hedge funds through various channels.

For private market investments, the Long-Term Growth Portfolio under the Exchange Fund currently manages investment projects of about HK\$517 billion, including global private equity and overseas real estates, with a general investment period of ten years. The Long-Term Growth Portfolio mainly works with internationally renowned investment managers by appointing them as general partners under the portfolio, where over 60 per cent of them have

established offices in Hong Kong. These general partners focus on investing in global or regional assets. On the other hand, the HKMA has also been supporting a number of investment managers who focus on local investments through other investment channels, and attracting other experienced investment managers to set up offices in Hong Kong.

The overall management fees of the external investment managers in 2023 were approximately 0.43 per cent of their amounts under management. The fees charged by investment managers in the market are varied in general, subject to the characteristics of different assets.

Nevertheless, the HKMA has well-established mechanisms in place to regularly monitor and assess the performance of external investment managers, making reference to factors such as the general market performance and that of investment managers with similar investment targets. If the performance of an external investment manager is not satisfactory, the HKMA will take appropriate actions, including request for improvement, issuing warning, allocation reduction, termination of appointment, etc.

[ICAC Complaints Committee annual report tabled in LegCo](#)

The 2023 Annual Report of the Independent Commission Against Corruption (ICAC) Complaints Committee was tabled in the Legislative Council today (July 10). The report gives a summary of the Committee's work in 2023.

The Committee is tasked with the responsibility of monitoring the handling of non-criminal complaints against the ICAC and its officers. The Committee takes an independent view on the ICAC's investigation findings on the complaints received, reviews the ICAC's procedures which may lead to complaints, and makes recommendations for improvement.

In 2023, the Committee received 19 complaints involving 47 allegations against the ICAC or its officers. Among the allegations registered in 2023, 75 per cent were related to neglect of duties by ICAC officers, 15 per cent to inadequacies of ICAC procedures, 6 per cent to abuse of power, and 4 per cent to misconduct.

The ICAC submits investigation reports to the Committee after conducting full investigations on complaint cases, while assessment reports are submitted for complaints which do not warrant a full investigation. During 2023, the Committee considered the investigation reports of 16 complaint cases including 15 cases received in 2023 and one case received in 2021 for which the related investigation was completed in 2023. These complaints contained a total of 37 allegations in which one allegation involving one

ICAC officer was found to be substantiated. In this year, the Committee also considered and endorsed eight assessment reports. Preliminary assessment showed that the eight cases were irrational complaints and repeated complaints previously disposed of through the Committee, and the Committee agreed that no further investigative actions should be taken.

The ICAC has carefully examined the investigation reports and strengthened training programmes for frontline officers to enhance their professionalism and vigilance in discharging their duties. In particular, officers were advised to act professionally when handling enquiries from members of the public and treat them with courtesy and respect.

The annual report of the Committee is available on the Administration Wing's website (www.admwing.gov.hk/eng/links/icac.htm) and also at the ICAC's regional offices.