

Legislative Council Panel on Constitutional Affairs

**System of Declaration of Interests by the Chief Executive and
Officials under the Political Appointment System**

Purpose

In response to the request of certain Members at the panel meeting held on 19 October 2009, we have prepared this paper to brief Members on the current system of declaration of interests by the Chief Executive (“CE”) and politically appointed officials.

Declaration of Interests by the Chief Executive

2. According to Article 47 of the Basic Law, the CE must be a person of integrity, dedicated to his or her duties. The CE, on assuming office, shall declare his or her assets to the Chief Justice (“CJ”) of the Court of Final Appeal of the HKSAR. The declaration shall be put on record.

3. The CE is the President of the Executive Council (“ExCo”). Similar to other ExCo Members, he declares his interests in “The Register of Interests of Members of the Executive Council” (“ExCo Member’s Declaration”) for the purpose of public inspection.

4. The types of registrable interests on the ExCo Member’s Declaration are as follows :

- (a) remunerated directorships in any public or private company;
- (b) remunerated employments, offices, trades, profession, etc;
- (c) names of clients (if any of the above registrable interests includes provision to clients of personal services which arise out of or relate in any manner to the position as a Member of ExCo);
- (d) land and property owned in Hong Kong or outside Hong Kong;

- (e) names of companies or other bodies in which the Member of ExCo has, to his knowledge, either himself or with or on behalf of his spouse or children, a beneficial interest in shareholdings of a nominal value greater than 1% of the issued share capital; and
- (f) membership of boards, committees and other organisations which might be construed by members of the public as a declaratory interest.

5. A copy of the ExCo Declaration form is at Annex A.

Declaration of Interests by politically appointed officials

6. The Code for Officials under the Political Appointment System (“the Code”) applies to all politically appointed officials, including Secretaries of Department, Directors of Bureau, Director of the CE’s Office, Deputy Directors of Bureau and Political Assistants. In accordance with the Code, politically appointed officials are required to declare their investments and interests. The declarations are made available for public inspection.

7. On appointment and annually thereafter, politically appointed officials are required to complete the relevant declarations.

- (a) Interests which shall be declared in the form available for public inspection include land and buildings (including self-occupied property); proprietorships, partnerships or directorships; and shareholding of 1% or more of the issued share capital in any company (both listed and unlisted).
- (b) Politically appointed officials are required to declare investments and interests that are held in the name of their spouse, children or any other persons or companies but are actually acquired on their account or in which they have a beneficial interest.
- (c) Politically appointed officials are also required to declare the name and occupation of their spouse in the forms available for public inspection.

— A copy of the declaration form is at Annex B.

8. In addition to the declarations mentioned in paragraph 7 above, the Code provides that politically appointed officials shall report to the CE any private interests that might influence, or appear to influence, their judgement in the performance of their duties.

9. If it appears to the CE that there is or may be a conflict of interest between a politically appointed official's investments or interests and his official duties, the CE may require the official to take any one or more of the following measures –

- (a) to divest himself of all or any of the investments or interests;
- (b) to refrain from acquiring or disposing of the investments or interests;
- (c) to freeze any investment transaction for a specified period;
- (d) to place the investments or interests in a “blind trust”;
- (e) to refrain from handling cases with actual or potential conflict of interest; and
- (f) to take other actions as directed by the CE.

10. For Principal Officials under the Political Appointment System, since they are ExCo Members, they are also required to declare their interest in “ExCo Member's Declaration” for the purpose of public inspection, similar to other ExCo Members.

Conclusion

11. The Administration has to strike a balance between maintaining a system to prevent conflict of interest and respecting the privacy of the politically appointed officials and their family members. The current system regarding declaration of investments and interests is effective and transparent.

Constitutional and Mainland Affairs Bureau
November 2009

**Register of Interests of
Members of the Executive Council**

Name of Member: _____

Registrable Interests

Contents

1. Remunerated directorships in any public or private company

[Notes:

- (a) “Remunerated directorships” include all directorships for which a fee, honorarium, allowance or other material benefit is payable.
- (b) Please give the name of the company, briefly stating the nature of the business of the company in each case.
- (c) Remunerated directorships of both Hong Kong companies and those outside Hong Kong are registrable.
- (d) Remunerated directorships through corporate directors are also registrable.
- (e) Where you are a remunerated director of a company, all subsidiary or associated directorships which you hold within the same group, whether remunerated or not, should also be registered.]

* Please provide information on separate sheets if necessary. Please sign on every such separate sheet.

Registrable Interests

Contents

2. Remunerated Employments, Offices, Trades, Profession, etc.

[Notes:

- (a) Indicate the name of the employment, office, trade, or profession.
 - (b) An employment, office, trade or profession is “remunerated” where a salary, honorarium, allowance or other material benefit is payable.
 - (c) “Remunerated offices” should include all “remunerated” public offices.
 - (d) Members who have paid posts as consultants or advisers should indicate the nature of the consultancy in the register; for example, “management consultant”, “legal adviser”, etc.
 - (e) All remunerated employments in Hong Kong and outside Hong Kong are registrable.
3. Please indicate the names of clients if any of the above registrable interests includes provision to clients of personal services which arise out of or relate in any manner to your position as a Member of the Executive Council.

Registrable Interests

Contents

4. Land and property owned in Hong Kong or outside Hong Kong, including those for self-occupation. Land or property which are held in the name of Members' spouses, children or other persons or companies, but are actually owned by Members; or land or property which are not owned by Members, but in which Members have a beneficial interest (e.g. rental income), are all registrable. It is not necessary to provide detailed addresses of the land or property.

5. Names of companies (both listed and unlisted ones) or other bodies in which the Member has, to his knowledge, either himself or with or on behalf of his spouse or children, a beneficial interest in shareholdings of a nominal value greater than 1% of the issued share capital.

6. Membership of Boards, Committees and other organisations which might be construed by members of the public as a declaratory interest - e.g. Hong Kong General Chamber of Commerce, Real Estate Developers Association, etc.

Date: _____

Signature: _____

Declaration of Investments and Interests

Part C : Registration of Financial and Other Interests
(for public inspection upon request)

Name of Principal Official : _____

Spouse : (a) Name : _____

(b) Occupation : _____

Serial No.	Particulars of Interests [see Notes (4)-(7)]

Date : _____ Signature : _____

Part D : Affiliation with Political Parties
(for public inspection upon request)

Name of Principal Official : _____

Political party	Affiliation, membership and/or office held

Date : _____ Signature : _____

Notes

Part C (declaration for public inspection upon request)

- (4) The “interests” which shall be declared for public inspection vide this form include –
 - (a) land and buildings (including self-occupied property);
 - (b) proprietorships, partnerships or directorships; and
 - (c) shareholdings of 1% or more of the issued share capital in any company (both listed and unlisted).
- (5) If the interests mentioned in (4) above are held in the name of the Principal Official’s spouse, children or other persons or companies, but are actually acquired on the Principal Official’s account or in which the Principal Official has a beneficial interest, they shall be declared.
- (6) For reporting information on properties under (4)(a) above, the following information shall be included –
 - (a) location of the land or buildings, including information on city/district; province/state, and country in the case of land or building which is located outside Hong Kong, and district in the case of land or building in Hong Kong. For example, a house in Richmond, British Columbia, Canada; a flat in Eastern District, Hong Kong Island, Hong Kong;
 - (b) nature of the land or building, i.e. whether it is for residential, commercial, industrial, agricultural or other purposes;
 - (c) use of the land or building, i.e. whether it is for self-occupation, occupation by relatives, leasing out, vacant or other use;
 - (d) percentage of interest held in the land or building; and

- (e) if the land or building is owned through a company in which the Principal Official has a beneficial interest, both the land or building and the name of the company shall be reported.
- (7) Where the Principal Official has an interest, as director, shareholder, or in any other capacity, in a private company, the nature of business of the company and its place of registration shall be declared.