

LEGISLATIVE COUNCIL BRIEF

CUSTOMS AND EXCISE SERVICE CHILDREN'S EDUCATION TRUST FUND BILL 1999

INTRODUCTION

At the meeting of the Executive Council on 8 June 1999, the Council ADVISED and the Chief Executive ORDERED that the Customs and Excise Service Children's Education Trust Fund Bill 1999, at the Annex, should be introduced into the Legislative Council, to establish a trust fund to provide financial assistance for post-primary education for children of customs officers and for education and training for handicapped children of such officers.

BACKGROUND AND ARGUMENT

2. At present some disciplined services, such as the Police and Correctional Services, have established statutory trust funds to accept and apply donations providing financial assistance for the education of children of these services. There is however no similar mechanism for the Customs and Excise Service.

3. The Board of Management of the Chinese Permanent Cemeteries donated a sum of HK\$300,000 to C&ED in October 1997 to provide financial assistance for the education of children of customs officers. The money has been deposited in a local bank since, pending the establishment of a mechanism to govern the use of the donation and future similar donations.

4. At present, children of customs officers enjoy the same education benefits as other civil servants of similar seniority and years of service, such as allowance for school fees. Additional financial assistance for higher education, mainly in the form of bursaries and book grants, and for children with special needs (e.g. those who are handicapped), will therefore be welcomed by these officers and will be good for maintaining their morale as

disciplined staff.

5. We consider that a statutory trust fund should be set up for the purpose. This would allow the objectives and application of the Fund to be spelled out clearly and the operations of the fund be strictly regulated. In addition, in line with the arrangement for other disciplined service trust funds, the proposed trustee is the Commissioner of Customs and Excise, who will be carrying out his responsibility as the trustee in his official capacity. It would therefore be appropriate for the proposed fund to be a statutory one.

THE BILL

6. The main provisions of the Bill are –

- (a) **Clauses 3 and 4** establish the fund and provide for the incorporation of the Commissioner of Customs and Excise as the trustee of the fund.
- (b) **Clause 5** sets out the objects and application of the fund.
- (c) **Clause 6** establishes the Customs and Excise Service Children's Education Trust Committee (the Committee) and sets out its constitution.
- (d) **Clauses 7 and 8** make standing orders of the Committee established by Clause 6 and specify that officers of the Committee shall be honorary.
- (e) **Clause 9** empowers the trustee to invest fund moneys in investments authorized under the Trustee Ordinance or otherwise recommended by the Investment Advisory Board established by Clause 10.
- (f) **Clause 10** establishes an Investment Advisory Board and sets out its functions and constitution.
- (g) **Clause 11** requires the trustee to keep proper accounts for the fund and to table an audited statement of accounts to be laid before the Legislative Council annually.

- (h) **Clause 12** makes provision for the cost of administration of the fund.

LEGISLATIVE TIMETABLE

7. The legislative timetable will be –

Publication in the Gazette	17 June 1999
First reading and commencement of Second reading debate	23 June 1999
Resumption of Second reading debate, committee stage and third reading	To be notified

BASIC LAW IMPLICATIONS

8. The Department of Justice advises that the proposed Bill is consistent with the Basic Law.

HUMAN RIGHTS IMPLICATIONS

9. The Department of Justice advises that the proposed Bill has no human rights implications.

BINDING EFFECT

10. The Bill does not bind the State by express provision.

FINANCIAL AND STAFFING IMPLICATIONS

11. Administration of the proposed statutory fund by C&ED will generate some workload for the department, which however should not be significant and will be absorbed within C&ED's existing resources. There are no financial and staffing implications for Government.

ECONOMIC IMPLICATIONS

12. There will be no economic implications.

PUBLICITY

13. A press release will be issued on 16 June 1999. A spokesman will be available to handle media enquiries.

ENQUIRIES

14. Enquiries may be directed to Miss Estrella Cheung, Assistant Secretary for Trade and Industry, on 2918 7483 (Fax: 2869 4420).

Trade and Industry Bureau

June 1999

[c:\data\customs matters\legal\trust fund\legco_eng]