

Appendix G (iii)

3 November 1989

His Excellency Sir David Wilson, K.C.M.G.,
Governor of Hong Kong.

Your Excellency,

Creation of a New Grade of Insurance Officer

We have been invited by the Administration to advise, under Clause I(b) of our Terms of Reference, on a proposal to create a new grade of Insurance Officer in the Office of the Commissioner for Insurance. The Office is to be established within the Monetary Affairs Branch of the Government Secretariat towards the end of the year. In view of the urgency, we agreed to examine the proposal outside the context of the 1989 overall salary structure review.

2. Under the Insurance Companies Ordinance enacted in 1983, the Registrar General is the authority responsible for the prudential supervision of the insurance industry. His powers are currently exercised through a team of officers of the Assistant Registrar grade under the supervision of Senior Securities Officers in the Insurance Division of his Department.

3. The Administration decided in January 1989 to establish an Insurance Commission under the Monetary Affairs Branch to replace the Insurance Division in the Registrar General's Department. This change is in recognition of the fact that the Registrar General's Department is essentially a legal services department whereas the functions of the Insurance Division are basically non-legal in nature.

4. We are informed by the Administration that the prudential supervision of the insurance industry involves investigation of new companies which apply for permission to operate, close monitoring of the financial condition and market conduct of authorised insurers, special

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investigations into companies which give cause for concern, and interventionary action against companies with problems for the protection of policy holders. Competent performance of these tasks requires professional expertise and knowledge in insurance or accounting, as well as an understanding of the techniques of prudential supervision through a lengthy period of on-the-job training. The level of duties and responsibilities is considered by the Administration to be beyond the qualification and experience of the Assistant Registrar grade, which is a matriculation grade. The existing staffing arrangements in the Insurance Division do not fully reflect the specialisation and professionalism required for the effective regulation of the insurance industry under the Insurance Companies Ordinance. The transformation of the Insurance Division into the Insurance Commission under the Monetary Affairs Branch provides an opportunity for the situation to be rectified.

5. In order to reflect the responsibilities and specialisation of the Insurance Commission more fully and to enable it to recruit and retain staff of an appropriate calibre in terms of professional expertise and experience, the Administration has proposed to create a new professional grade of Insurance Officer for the effective discharge of responsibilities under the Insurance Companies Ordinance.

6. The Administration has also proposed to include the new grade of Insurance Officer in Group I of the Professional, Degree and Related Grades with the following structure and pay scales : -

<u>Rank</u>	<u>Pay Scales</u>
Assistant Insurance Officer	MPS 20 - 31 (\$9,100 - \$15,225)
Insurance Officer	MPS 33 - 47 (\$16,655 - \$31,275)
Senior Insurance Officer	MPS 48 - 51 (\$32,740 - \$37,170)

7. The appointment requirement for the Assistant Insurance Officer rank will be an intermediate qualification in accountancy or an Associateship Diploma from the U.K. Chartered Insurance Institute (CII). Exceptionally, candidates possessing a degree, preferably in a field with accountancy or economics as one of the subjects taken may also be appointed. As for the Insurance Officer rank, appointment will require associate membership of the appropriate institutions.

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8. We consider the proposed creation of a new grade of Insurance Officer appropriate. We are also satisfied that the proposed structure and pay scales of the grade are in line with the norm for corresponding grades in Group I of the Professional, Degree and Related Grades, and we so recommend.

9. We note that there is an existing arrangement for candidates without the necessary professional qualifications but with a degree and relevant post-graduate experience to be directly recruited to the first full professional rank at several salary points below the normal entry point in the Assessor and Auditor grades. We consider, however, that this arrangement should not be applied to the Insurance Officer rank at this stage since this will be a new grade and it remains to be seen whether it will have any recruitment difficulties. In any case, we shall review the whole question of direct entry with slightly lower qualifications to full professional ranks in the context of the current overall review.

10. If our recommendations are accepted, we propose that they should be implemented as soon as possible.

We have the honour to be
Your Excellency's obedient servants,

(Sidney Gordon)
Chairman
For and on behalf of
Members of the Standing Commission

Appendix G (iv)

19 December 1989

His Excellency Sir David Wilson, K.C.M.G.,
Governor of Hong Kong.

Your Excellency,

Creation of a New Grade of Intellectual Property Examiner

We have been invited by the Administration to advise, under Clause I(b) of our Terms of Reference, on a proposal to create a new grade of Intellectual Property Examiner in the new Intellectual Property Department. Since the Department is planned to be established in April 1990, we have examined the proposal outside the context of the 1989 overall salary structure review as requested by the Administration.

2. The registration of patents and trade marks is at present performed by the Assistant Registrar grade in the Registrar General's Department. Following a recent review, the Administration concluded that the registration of patents and trade marks should be transferred to a new Intellectual Property Department.

3. The new Department will be responsible for the registration of trade marks, patents and other forms of intellectual property, the administration of all existing and new legislation relating to intellectual property rights and the promotion of public awareness of such rights. It will also provide facilities for the search of technological information contained in patents and other literature by members of the public. Initially the Department will assume responsibility for the registration of patents and trade marks for goods. At a later stage, the Department will extend its registration functions to cover services.

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4. We are informed by the Administration that in performing the registration functions, the staff have to interpret and apply the provisions of the Trade Marks Ordinance. The work requires an understanding of the complex concept of registrability and the principles established from precedent cases. It also demands from the staff a very high standard of English and the ability to exercise sound judgement. The work is complex and difficult.

5. To enable the new Department to recruit and retain staff specifically for the duties of the registration of trade marks and patents, the Administration has proposed to create a new grade of Intellectual Property Examiner. This will also reflect more appropriately the level of responsibilities entailed and the specialisation required.

6. The appointment requirements for the Intellectual Property Examiner will be a university degree and a very good command of spoken and written English. The Administration has also proposed that, exceptionally, candidates with a polytechnic professional diploma might also be accepted but would enter at a lower salary point.

7. The Administration has also proposed the following structure and pay scales for the new grade:-

<u>Rank</u>	<u>Proposed Pay Scale</u>
Intellectual Property Examiner	MPS 20 - 31 (\$9,100 - \$15,225)
Senior Intellectual Property Examiner	MPS 32 - 37 (\$15,915 - \$20,010)
Chief Intellectual Property Examiner	MPS 38 - 47 (\$20,940 - \$31,275)
Principal Intellectual Property Examiner	MPS 48 - 51 (\$32,740 - \$37,170)

8. We have examined the Administration's proposal and are satisfied that a new grade with the proposed structure and pay scales should be created for the new Department. The new grade should be classified under Group III of the existing Professional, Degree and Related Grades.

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9. As regards the titles of the four ranks in the proposed structure, we recommend the following:-

Intellectual Property Examiner II	MPS 20 - 31
Intellectual Property Examiner I	MPS 32 - 37
Senior Intellectual Property Examiner	MPS 38 - 47
Chief Intellectual Property Examiner	MPS 48 - 51

This nomenclature is in line with the general practice used in the titling of grades in this group.

10. Having regard to the established principle that recruitment of candidates with lower qualifications should be resorted to only where persistent recruitment difficulties are experienced, we consider it inappropriate at this stage to provide for the exceptional appointment of polytechnic professional diploma holders as proposed by the Administration. This provision, if needed in future, can be pursued separately.

11. If our recommendations are accepted, we propose that they should be implemented from a current date.

We have the honour to be
Your Excellency's obedient servants,

(Sidney Gordon)
Chairman
For and on behalf of
Members of the Standing Commission