

立法會
Legislative Council

LC Paper No. CB(1) 426/01-02
(These minutes have been seen
by the Administration)

Ref : CB1/BC/12/00/2

**Bills Committee on
Companies (Corporate Rescue) Bill**

**Minutes of fourth meeting held on
Wednesday, 14 November 2001 at 8:30 am
in Conference Room A of the Legislative Council Building**

Members present : Hon Margaret NG (Chairman)
Hon Kenneth TING Woo-shou, JP
Hon Eric LI Ka-cheung, JP
Hon CHAN Yuen-han, JP
Hon SIN Chung-kai
Hon Jasper TSANG Yok-sing, JP
Hon LI Fung-ying, JP
Hon Audrey EU Yuet-mee, SC, JP

Members absent : Hon Albert HO Chun-yan
Hon CHAN Kwok-keung
Hon CHOY So-yuk

Public officers attending : Miss Susie HO
Deputy Secretary for Financial Services

Mr Eamonn O'CONNELL
Official Receiver

Mr Geoffrey FOX
Senior Assistant Law Draftsman

Mr Esmond LEE
Principal Assistant Secretary for Financial Services

Mr Edward LAU
Assistant Official Receiver (Legal Services)

Mr Jeremy GLEN
Assistant Principal Solicitor, Official Receiver's Office

Miss Leonora IP
Government Counsel, Department of Justice

Clerk in attendance : Miss Salumi CHAN
Chief Assistant Secretary (1)5

Staff in attendance : Mr KAU Kin-wah
Assistant Legal Adviser 6

Mrs Queenie YU
Senior Assistant Secretary (1)6

Mr Anthony WONG
Senior Assistant Secretary (1)8

I. Confirmation of minutes of meeting
(LC Paper No. CB(1) 248/01-02)

The minutes of the third Bills Committee meeting held on 22 October 2001 were confirmed.

II. Meeting with the Administration
(LC Paper Nos. CB(1) 259/01-02(01) to (05) — Further submissions from five organizations
LC Paper No. CB(1) 259/01-02(06) — Paper provided by the Administration)

2. The Bills Committee deliberated (Index of proceedings attached at **Appendix**).

3. Whilst supporting the concept of corporate rescue, Mr Kenneth TING Woo-shou, Mr Eric LI Ka-cheung, Mr SIN Chung-kai and Ms Audrey EU Yuet-mee shared the concern of the trade and some professional bodies about the proposed requirement that all outstanding wages and liabilities of employees must be paid, or sufficient funds

must be provided for in a trust account for the purpose, before the commencement of the corporate rescue procedure. As the amounts payable to employees were not capped, they considered it unlikely that a company in financial difficulty would have sufficient money to fulfil this requirement, thus creating a substantial obstacle to the corporate rescue procedure and defeating the purpose of the Bill. They were inclined not to support the Bill if a workable option could not be identified. Miss CHAN Yuen-han and Ms LI Fung-ying however held different views. They were in support of the proposed requirement for the full protection of employees. They indicated that they would not support the Bill if the amounts payable were capped.

4. To facilitate the Bills Committee to decide the way forward, the Administration was requested to explore a workable option, taking into account the views of members and the relevant organizations, and to provide a written response to the further submissions provided by the five organizations. If the Administration decided that the proposed requirement should be maintained, it should provide justifications and explain how the concerns of members and the relevant organizations could be addressed. Members would also consult their respective political affiliation or grouping and constituents on the issue. The Bills Committee would decide at the next meeting on whether the scrutiny of the Bill should be continued.

5. To address members' concern about the proposed insolvent trading provisions, the Administration was requested to provide a paper, setting out clearly the target group of the proposed provisions and the experience of the United Kingdom and Australia in the implementation of similar provisions.

6. The Administration was also requested to provide an early response to the paper prepared by the Assistant Legal Adviser (LC Paper No. CB(1)LS168/00-01).

7. The Bills Committee agreed that the next meeting be held on Friday, 30 November 2001 at 4:00 pm (immediately after the meeting of the House Committee).

(Post-meeting note: As two members would be out of town in end-November, the next meeting was rescheduled for Wednesday, 5 December 2001 at 8:30 am.)

III. Any other business

8. There being no other business, the meeting ended at 9:40 am.

27 November 2001

Appendix

**Proceedings of the Fourth meeting of the
Bills Committee on Companies (Corporate Rescue) Bill
on Wednesday, 14 November 2001 at 8:30 am
in Conference Room A of the Legislative Council Building**

| Time | Speaker | Subject(s) | Action required |
|-----------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <i>Agenda Item I — Confirmation of minutes of meeting</i> | | | |
| 0001-0715 | Chairman | Confirmation of minutes of meeting held on 22 October 2001 and date of next meeting | |
| <i>Agenda Item II — Meeting with the Administration</i> | | | |
| 0716-1132 | Administration | Administration's response to the further submissions from five organizations | |
| 1133-1209 | Chairman | Inviting members' views on the proposed arrangements for payment of outstanding arrears in wages and other statutory entitlements owed by a company to its employees | |
| 1210-1259 | Ms LI Fung-ying | Presentation of views | |
| 1300-1344 | Miss CHAN Yuen-han | -ditto- | |
| 1345-1417 | Chairman | -ditto- | |
| 1418-1429 | Miss CHAN Yuen-han | -ditto- | |
| 1430-1502 | Mr Jasper TSANG | -ditto- | |
| 1503-1713 | Ms Audrey EU | -ditto- | |
| 1714-1734 | Chairman | -ditto- | |
| 1735-1748 | Ms Audrey EU | -ditto- | |
| 1749-1814 | Chairman | -ditto- | |
| 1815-2158 | Mr Eric LI | -ditto- | |
| 2159-2219 | Chairman | -ditto- | |
| 2220-2229 | Mr Eric LI | -ditto- | |
| 2230-2402 | Mr Kenneth TING | -ditto- | |
| 2403-2535 | Mr SIN Chung-kai | -ditto- | |
| 2536-2737 | Chairman | The way forward | Admin |
| 2738-2804 | Administration | Briefing on the paper provided by the Administration | |
| 2805-2900 | Chairman | Summary of members' views | |
| 2901-3039 | Miss CHAN Yuen-han | Presentation of views | |
| 3040-3134 | Mr SIN Chung-kai | Presentation of views | |

| Time | Speaker | Subject(s) | Action required |
|-------------|-----------------|---------------------------------------------------------|------------------------|
| 3135-3818 | Chairman | Proposed insolvent trading provisions | |
| 3819-3859 | Clerk | Summary of main concerns of various organizations | |
| 3900-4009 | Chairman | Discussion on the proposed insolvent trading provisions | |
| 4010-4249 | Administration | -ditto- | |
| 4250-4308 | Chairman | -ditto- | |
| 4309-4337 | Administration | -ditto- | |
| 4338-4512 | Ms Audrey EU | -ditto- | |
| 4513-4546 | Chairman | -ditto- | |
| 4547-4600 | Administration | -ditto- | |
| 4601-4715 | Ms Audrey EU | -ditto- | |
| 4716-4841 | Administration | -ditto- | |
| 4842-4949 | Mr Kenneth TING | -ditto- | |
| 4950-5244 | Administration | -ditto- | |
| 5245-5312 | Mr Kenneth TING | -ditto- | |
| 5313-5436 | Administration | -ditto- | |
| 5437-5622 | Mr Eric LI | -ditto- | |
| 5623-10011 | Administration | -ditto- | Admin |
| 10012-10049 | Chairman | -ditto- | |
| 10050-10159 | Ms Audrey EU | -ditto- | |
| 10200-10209 | Administration | -ditto- | |
| 10210-10332 | Ms Audrey EU | -ditto- | |
| 10333-10351 | Administration | -ditto- | |
| 10352-10412 | Chairman | -ditto- | |
| 10413-10523 | Mr Kenneth TING | -ditto- | |
| 10524-10629 | Chairman | Concluding remarks and date of next meeting | |

Note: The audio records of the above proceedings are kept at the Legislative Council Library

Legislative Council Secretariat
27 November 2001