

立法會
Legislative Council

LC Paper No. CB(1) 72/01-02
(These minutes have been seen
by the Administration)

Ref : CB1/BC/12/00/2

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

**Minutes of second meeting held on
Thursday, 27 September 2001 at 10:45 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Margaret NG (Chairman)
Hon Kenneth TING Woo-shou, JP
Hon Albert HO Chun-yan
Hon Eric LI Ka-cheung, JP
Hon CHAN Kwok-keung
Hon CHAN Yuen-han, JP
Hon SIN Chung-kai
Hon Jasper TSANG Yok-sing, JP
Hon CHOY So-yuk
Hon LI Fung-ying, JP
Hon Audrey EU Yuet-mee, SC, JP
- Public officers attending** : Mr Esmond LEE
Principal Assistant Secretary for Financial Services
- Mr Eamonn O'CONNELL
Official Receiver
- Mr Edward LAU
Assistant Official Receiver
- Mr J A GLEN
Assistant Principal Solicitor
- Miss Leonora IP
Government Counsel

Mr TING Lup-wong
Assistant Secretary for Financial Services (Companies)

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

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

Ms Rosalind MA
Senior Assistant Secretary (1)3

I. Confirmation of minutes of meeting
(LC Paper No. CB(1) 2071/00-01)

The minutes of the first Bills Committee meeting held on 12 July 2001 were confirmed.

II. Internal discussion
(LC Paper Nos. CB(1) 2026/00-01 to CB(1) 2029/00-01 and LS168/00-01)

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

III. Meeting with the Administration
(LC Paper Nos. CB(1) 2073/00-01(01) and (02))

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

4. The Bills Committee would, at its future meetings, study the need for a statutory corporate rescue procedure; and if the need was established, the best and simplest way for implementation. In this connection, the Administration was requested to provide further information on the following to facilitate the work of the Bills Committee:

- (a) To prepare a comprehensive response to the submissions received by the Bills Committee by addressing the major areas of concern listed in the summary of submissions prepared by the Legislative Council Secretariat;
- (b) To respond to the issues and concerns raised by the Assistant Legal

Adviser in LS Paper No. LS 168/00-01;

- (c) To consider whether the contributions/compensations under other relevant ordinances, such as the Occupational Retirement Schemes Ordinance (Cap. 426) and the Employees' Compensation Ordinance (Cap.282), should be covered by clause 3(d)(i) of Schedule 2 of the Bill;
- (d) To provide a comparison of the proposed corporate rescue provisions in the Bill with relevant provisions in other jurisdictions, in particular the major provisions on which various organizations had expressed their concern in their submissions;
- (e) To provide a comparison of the powers and liabilities of a provisional supervisor with those of a liquidator as well as the requirements to be fulfilled before the appointment of a provisional supervisor and a liquidator should take effect; and
- (f) To further explore the feasibility of providing flexibility in the requirement for settlement of outstanding wages and other entitlements of employees before starting the corporate rescue procedures. The Administration was requested to consider the two proposals: setting an upper limit on employees entitlements, and offering statutory protection to employees of lower levels of income and other options to employees of higher levels of income.

5. The Bills Committee agreed that the next meeting be held on Monday, 22 October 2001 at 4:30 pm to receive oral presentations from deputations.

(Post-meeting note: Invitation letters were sent to the 12 relevant organizations on 28 September 2001.)

6. There being no other business, the meeting ended at 12:45 pm.

Legislative Council Secretariat
18 October 2001

Appendix

**Proceedings of the Second meeting of the
Bills Committee on Companies (Corporate Rescue) Bill
on Thursday, 27 September 2001 at 10:45 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> | | | |
| 0001-0626 | Chairman | Confirmation of minutes of meeting held on 12 July 2001 and opening remarks | |
| <i>Agenda Item II — Internal discussion</i> | | | |
| 0627-2518 | Clerk | Briefing on background of the Bill | |
| 2519-2601 | Mr Eric LI | Feasibility of the proposed corporate rescue procedures | |
| 2602-2706 | Chairman | -ditto- | |
| 2707-2823 | Mr SIN Chung-kai | Administration's response to submissions | |
| 2824-2903 | Clerk | Briefing on summary of submissions | |
| 2904-2947 | Chairman | Administration's response to submissions | Admin |
| 2948-3025 | Ms Audrey EU | Comparison of relevant provisions in other jurisdictions | |
| 3026-3035 | Chairman | -ditto- | |
| 3036-3038 | Mr Eric LI | -ditto- | |
| 3039-3048 | Chairman | -ditto- | Admin |
| 3049-3108 | Ms Audrey EU | -ditto- | |
| 3109-3126 | Chairman | -ditto- | |
| 3127-3220 | Mr Eric LI | Comparison of provisional supervisor and liquidator | Admin |
| 3221-3342 | Chairman | -ditto- | |
| 3343-4500 (file 1) 0001-0554 (file 2) | ALA6 | Briefing on legal aspects of the Bill | |
| 0555-0639 | Chairman | -ditto- | |
| 0640-0655 | Ms LI Fung-ying | -ditto- | |
| 0656-0722 | Chairman | -ditto- | |
| 0723-0756 | Mr Eric LI | Administration's response to submissions | |
| <i>Agenda Item III — Meeting with the Administration</i> | | | |
| 0757-0941 | Chairman | Welcoming remarks | |
| 0942-1225 | Administration | Briefing on the Bill | |

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| 1226-1422 | Chairman | Administration's response to submissions and comparison of relevant provisions in other jurisdictions | |
| 1423-1503 | Ms Audrey EU | Administration's response to LC Paper No. LS 168/00-01 | |
| 1504-1549 | Chairman | -ditto- | Admin |
| 1550-1706 | Ms LI Fung-ying | Clause 3(d)(i) of Schedule 2 | Admin |
| 1707-2430 | Mr Eric LI | Provision of flexibility to the requirement to settle all arrears due and owing by the company to its employees | |
| 2431-2636 | Administration | -ditto- | |
| 2637-2818 | Mr Eric LI | -ditto- | |
| 2819-2855 | Administration | -ditto- | |
| 2856-3014 | Chairman | -ditto- | |
| 3015-3139 | Admin | -ditto- | |
| 3140-3337 | Mr Albert HO | -ditto- | |
| 3338-3434 | Chairman | -ditto- | |
| 3435-3618 | Ms LI Fung-ying | -ditto- | |
| 3619-3658 | Chairman | -ditto- | |
| 3659-3714 | Ms LI Fung-ying | -ditto- | |
| 3715-3753 | Administration | -ditto- | |
| 3754-3805 | Chairman | -ditto- | |
| 3806-4219 | Mr Eric LI | -ditto- | |
| 4220-4430 | Administration | -ditto- | |
| 4431-4500 (file 2) 0001-0328 (file 3) | Administration | Application of moratorium | |
| 0329-0419 | Mr Eric LI | -ditto- | |
| 0420-0431 | Chairman | -ditto- | |
| 0432-0546 | Mr Albert HO | Provision of flexibility to the requirement to settle all arrears due and owing by the company to its employees | |
| 0547-0606 | Chairman | -ditto- | |
| 0607-0612 | Clerk | -ditto- | |
| 0613-0634 | Mr Eric LI | -ditto- | |
| 0635-0825 | Chairman | -ditto- | |
| 0826-0921 | Administration | -ditto- | |
| 0922-0938 | Chairman | -ditto- | |
| 0939-1008 | Mr Albert HO | -ditto- | |
| 1009-1050 | Chairman | -ditto- | Admin |
| 1051-1113 | Mr Albert HO | -ditto- | |
| 1114-1200 | Chairman | -ditto- | |

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| 1201-1247 | Ms Audrey EU | The need for a statutory corporate rescue procedure and the best way of implementation | |
| 1248-1413 | Administration | -ditto- | |
| 1414-1538 | Ms Audrey EU | -ditto- | |
| 1539-1607 | Administration | -ditto- | |
| 1608-1625 | Chairman | -ditto- | |
| 1626-1645 | Ms Audrey EU | -ditto- | |
| 1646-1655 | Administration | -ditto- | |
| 1656-1852 | Ms Audrey EU | -ditto- | |
| 1853-2014 | Administration | -ditto- | |
| 2015-2244 | Chairman | -ditto- | |
| 2245-2344 | Mr Eric LI | -ditto- | |
| 2345-2444 | Chairman | Arrangements for the next meeting | |
| 2445-2726 | Clerk | -ditto- | |
| 2727-2743 | Chairman | -ditto- | |
| 2744-2801 | Clerk | -ditto- | |
| 2802-2812 | Chairman | -ditto- | |
| 2813-2826 | Mr Eric LI | -ditto- | |
| 2827-2835 | Chairman | -ditto- | |

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

Legislative Council Secretariat

18 October 2001