

**立法會**  
**Legislative Council**

LC Paper No. CB(1) 1689/02-03  
(These minutes have been seen  
by the Administration)

Ref: CB1/BC/6/01/2

**Bills Committee on Companies (Amendment) Bill 2002**

**Minutes of the eighteenth meeting  
held on Tuesday, 6 May 2003, at 10:45 am  
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Audrey EU Yuet-mee, SC, JP (Chairman)  
Dr Hon David CHU Yu-lin, JP  
Hon Eric LI Ka-cheung, JP  
Hon NG Leung-sing, JP  
Hon CHAN Kwok-keung  
Hon CHAN Kam-lam, JP  
Hon Miriam LAU Kin-yee, JP  
Hon Emily LAU Wai-hing, JP  
Hon Henry WU King-cheong, BBS, JP
- Members absent** : Hon Albert HO Chun-yan  
Hon SIN Chung-kai
- Public officers attending** : Financial Services and the Treasury Bureau  
  
Mr Esmond LEE  
Principal Assistant Secretary for Financial Services and  
the Treasury (Financial Services)4  
  
Mr Arthur AU  
Assistant Secretary for Financial Services and the  
Treasury (Financial Services) (4)1  
  
Companies Registry  
  
Mr G W E JONES  
Registrar of Companies  
  
Mr Edward LAU  
Secretary  
Standing Committee on Company Law Reform

Ms D SILKSTONE  
Registry Solicitor

Department of Justice

Mr Vidy CHEUNG  
Senior Government Counsel

**Clerk in attendance** : Miss Becky YU  
Chief Assistant Secretary (1)1

**Staff in attendance** : Miss Monna LAI  
Assistant Legal Adviser 7

Mrs Mary TANG  
Senior Assistant Secretary (1)2

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**I Meeting with the Administration**

- (LC Paper No. CB(1) 1597/02-03(01) -- List of follow-up actions arising from the discussion on 24 April 2003
- LC Paper No. CB(1) 1597/02-03(02) -- Response of the Hong Kong General Chamber of Commerce to the Administration's reply to its previous submission
- LC Paper No. CB(1) 1597/02-03(03) -- Department of Justice's reply to the further submission from Real Estate Developers Association of Hong Kong dated 11 April 2003 on section 157I of the Bill (LC Paper No. CB(1) 1436/02-03)
- LC Paper No. CB(1) 1597/02-03(04) -- Assistant Legal Adviser 7's letter dated 23 April 2003 to the Administration
- LC Paper No. CB(1) 1597/02-03(05) -- Administration's response to CB(1) 1597/02-03(04)
- LC Paper No. CB(1) 1597/02-03(06) -- Assistant Legal Adviser 7's letter dated 2 May 2003 to the Administration
- LC Paper No. CB(1) 1597/02-03(07) -- Response of the Hong Kong Bar Association to LC Paper No. CB(1) 1092/02-03(04) on the interpretation of proposed sections 157I(2) and 157I(3)(b) of the Bill)

2. The Committee deliberated (Index of proceedings attached at **Annex A**).
3. The Administration was requested to -
  - (a) consider including a separate section in the Bill for one-member company so that all provisions governing this type of company could be grouped together for the sake of clarity and ease of reference;
  - (b) respond to the further submission of the Hong Kong General Chamber of Commerce regarding the provision on reserve director. The nomination of reserve directors should be valid until the time when the sole member and director at the time of nomination ceased to be the sole member and director. Consideration should also be given to the appropriateness of introducing a system for registering the grant of administration in relation to a one-member company whose member was its sole director;
  - (c) provide a paper explaining the different scenarios where the sole member and director of a one-member company died, became mentally incapacitated or imprisoned, and whether a reserve director could be nominated under these scenarios and, if so, the mechanism on how the reserve director could be activated; and
  - (d) advise the scope of the term “conditional sales agreement”.
4. Members agreed to the following schedule of meetings -
  - (a) Tuesday, 3 June 2003, at 8:30 am;
  - (b) Friday, 6 June 2003, immediately after the House Committee meeting;
  - (c) Tuesday, 10 June 2003, at 8:30 am; and
  - (d) Thursday, 12 June 2003, at 10:45 am.
5. There being no other business, the meeting ended at 12:55 pm.

**Proceedings of the meeting of the  
Bills Committee on Companies (Amendment) Bill 2002  
Meeting on Tuesday, 6 May 2003, at 10:45 am  
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000000 – 000901	Chairman Mr CHAN Kam-lam Ms Miriam LAU Mr Eric LI	Proposed section 157I on civil consequence of contravening section 157H (LC Paper Nos. CB(1) 1597/02-03(02) and (07))	The Clerk to write to the Real Estate Developers Association of Hong Kong and the Bar Association of Hong Kong informing them of the Bills Committee's decision on proposed section 157I
000902 – 001528	Ms Emily LAU Chairman Mr Eric LI Mr CHAN Kam-lam	Date of next meetings	
001529 - 003232	Chairman ALA7 Administration	Submission from the Hong Kong General Chamber of Commerce on the proposed provisions relating to reserve directors (LC Paper No CB(1) 1597/02-03(02))	
003233 – 003520	Chairman ALA7 Administration	Mechanism of appointment of reserve directors	
003521 – 004650	Ms Miriam LAU Chairman Administration	Concern about the overly-complicated drafting of proposed section 153A and the need to provide a mechanism for registration of grant of administration	The Administration to consider including a separate section in the Bill for one-member company so that all provisions governing this type of company could be grouped together for the sake of clarity and ease of reference. Consideration should also be given to the appropriateness of introducing a system for registering the grant of administration in relation to a one-member company whose member was its sole director

Time marker	Speaker	Subject(s)	Action required
004651 – 005532	ALA7 Mr Eric LI Chairman Ms Miriam LAU Administration	Validity of appointment of reserve directors upon subsequent changes in directorship	The Administration to respond to the further submission of the Hong Kong General Chamber of Commerce regarding the provision on reserve director. The nomination of reserve directors should be valid until the time when the sole member and director at the time of nomination ceased to be the sole member and director
005533 – 010647	Chairman ALA7 Administration	ALA7's letter dated 2 May 2003 to the Administration regarding proposed section 153A(2), (5) and (6) (LC Paper No CB(1) 1596/02-03(06))	
010648 - 011641	Chairman Mr Eric LI Administration	Different scenarios where the sole member and director of a one-member company died, became mentally incapacitated or imprisoned	The Administration to provide a paper explaining the different scenarios where the sole member and director of a one-member company died, became mentally incapacitated or imprisoned, and whether a reserve director could be nominated under these scenarios and, if so, the mechanism on how the reserve director could be activated
011642 - 011927	Chairman ALA7	Proposed section 157H	
011928 –013744	Administration Chairman ALA7 Mr Eric LI	Extension of prohibition from making credit transaction and quasi loans by relevant companies to their directors	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
013745 – 020900	ALA7 Chairman Mr Eric LI Administration Ms Emily LAU	Definition of conditional sales agreement under proposed section 157H(7)	The Administration to advise the scope of the term “conditional sales agreement”
020901 - 020958	Chairman Mr Eric LI Ms Emily LAU Administration	Need to consult relevant associations on the proposed extension of prohibition from making quasi loans and credit transactions as well as the definition of conditional sales agreement	The Clerk to write to the Law Society of Hong Kong, the Bar Association of Hong Kong, the Real Estate Developers Association, and the Estate Agents Authority to seek their views on the proposed extension and the definition of conditional sales agreement