

立法會
Legislative Council

LC Paper No. CB(1) 1849/02-03
(These minutes have been seen
by the Administration)

Ref: CB1/BC/6/01/2

Bills Committee on Companies (Amendment) Bill 2002

**Minutes of the nineteenth meeting
held on Tuesday, 20 May 2003, at 8:30 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 Albert HO Chun-yan
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
- Member absent** : 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 J E GUNTER
Senior Assistant Law Draftsman

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

Miss Mandy POON
Legislative Assistant 4

I. Confirmation of minutes

- (LC Paper No. CB(1) 1627/02-03 -- Minutes of the meeting held on
24 April 2003
LC Paper No. CB(1) 1689/02-03 -- Minutes of the meeting held on
6 May 2003)

The minutes of meeting on 24 April and 6 May 2003 were confirmed.

II. Meeting with the Administration

- (LC Paper No. CB(1) 1690/02-03(01) -- List of follow-up actions arising from
the discussion on 6 May 2003
LC Paper No. CB(1) 1690/02-03(02) -- Administration's responses to the lists
of follow-up actions arising from the
discussion on 24 April and
6 May 2003

LC Paper No. CB(1) 1690/02-03(03) -- Further submission from the Democratic Alliance For Betterment of Hong Kong)

2. The Committee deliberated (Index of proceedings attached at **Annex A**).
3. The Administration was requested to -
 - (a) provide before the next meeting on 30 May 2003 the proposed Committee Stage amendments (CSAs) to section 161C and the outcome of consultation with the Hong Kong Society of Accountants on the CSAs;
 - (b) consider putting in place a simple alternative to section 114B of the Companies Ordinance (Cap. 32) for the registration of grant of administration of a deceased sole member and director of a one-member company in the absence of a reserve director; and
 - (c) advise as far as practicable the extent of malpractice in the property market which prompted the proposed extension of prohibition to conditional sales agreement.
4. There being no other business, the meeting ended at 10:30 am.

Council Business Division 1
Legislative Council Secretariat
2 June 2003

**Proceedings of the meeting of the
Bills Committee on Companies (Amendment) Bill 2002
Meeting on Tuesday, 20 May 2003, at 8:30 am
in Conference Room A of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000000 – 000040	Chairman	Confirmation of minutes of meeting held on 24 April and 6 May 2003 (LC Paper No. CB(1) 1627/02-03 and 1689/02-03)	
000041 – 001007	Chairman Administration	Discussion on LC Paper No. CB(1)1690/02-03(02) Response to concerns raised at the meeting on 24 April 2003 - (a) Difference between a directors' resolution and a written record referred to in new section 153C	
001008 – 001502	Chairman Administration	(b) Need to change the articles of a company	
001503 – 004425	Chairman Administration Mr Eric LI Ms Emily LAU Ms Miriam LAU Mr Henry WU Mr Albert HO	(c) Civil liability of auditors (d) Response to the Hong Kong Society of Accountant's further submission	

Time marker	Speaker	Subject(s)	Action required
004426 - 005425	Chairman Administration Mr Eric LI Ms Emily LAU Mr Henry WU Mr Albert HO	Need to consider the proposed Committee Stage amendments (CSAs) to section 161C in parallel with the filing requirement for shadow directors under section 158 (10)(a)	The Administration to provide before the next meeting on 30 May 2003 the CSAs to section 161C and the outcome of consultation with the Hong Kong Society of Accountants on the CSAs
005426 – 011854	Chairman Administration Ms Miriam LAU Mr Albert HO Mr CHAN Kam-lam ALA7	Response to concerns raised at the meeting on 6 May 2003- (a) Need for a separate section for one-member company (b) Response to the submission from the Hong Kong General Chamber of Commerce on the registration of grant; power of court to order meeting under section 114B; and need for a simple alternative to section 114B for the registration of grant of administration of a deceased sole member and director of a one-member company in the absence of a reserve director	The Administration to consider putting in place a simple alternative to section 114B of the Companies Ordinance (Cap. 32) for the registration of grant of administration of a deceased sole member and director of a one-member company in the absence of a reserve director
011855– 012607	Chairman Administration Mr Albert HO	(c) Activation of the mechanism on reserve director	

Time marker	Speaker	Subject(s)	Action required
012608 –020431	Chairman ALA7 Administration Mr Eric LI Ms Miriam LAU Mr CHAN Kam-lam Mr Albert HO Ms Emily LAU	(d) Scope of the term “conditional sales agreement”; whether properties transacted at market value under a conditional sales agreement would be exempted from prohibition; legality of title of properties transacted under conditional sales agreement in contravention of section 157H and the implications on innocent third parties in subsequent transactions; civil consequence of transactions contravening section 157H; and retrospectivity of provisions governing conditional sales agreements and disclosure of loans under section 161B	The Administration and the Assistant Legal Adviser 7 to each advise as far as practicable the extent of malpractice in the property market which prompted the proposed extension of prohibition to conditional sales agreement