

立法會
Legislative Council

LC Paper No. CB(1) 2130/02-03
(These minutes have been seen
by the Administration)

Ref: CB1/BC/6/01/2

Bills Committee on Companies (Amendment) Bill 2002

**Minutes of the twenty-third meeting
held on Monday, 9 June 2003, at 10:45 am
in Conference Room B of the Legislative Council Building**

- Members present** : Hon Audrey EU Yuet-mee, SC, JP (Chairman)
Hon Albert HO Chun-yan
Hon Eric LI Ka-cheung, JP
Hon NG Leung-sing, JP
Hon CHAN Kam-lam, JP
Hon SIN Chung-kai
Hon Emily LAU Wai-hing, JP
Hon Henry WU King-cheong, BBS, JP
- Members absent** : Dr Hon David CHU Yu-lin, JP
Hon CHAN Kwok-keung
Hon Miriam LAU Kin-yee, JP
- 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. Meeting with the Administration

(LC Paper No. CB(1) 1875/02-03(02) -- Administration's responses to the lists of follow-up actions arising from the discussion on 30 May and 3 June 2003

LC Paper No. CB(1) 1875/02-03(03) -- Consolidated draft Committee Stage amendments provided by the Administration

LC Paper No. CB(1) 1898/02-03(01) -- Submission from the Hong Kong Society of Accountants dated on 5 June 2003 (English version only)

LC Paper No. CB(1) 1899/02-03(01) -- List of follow-up actions arising from the discussion on 6 June 2003)

2. The Committee deliberated (Index of proceedings attached at **Annex A**).

3. The Administration was requested to -
 - (a) consider replacing the phrase “entitled to” in (c) of the latest definition of “conditional sale agreement” with “to be in”; and
 - (b) consider whether it was technically feasible to set a limit for credit transactions below which particulars of such transactions might be disclosed in aggregate as in the case of authorized financial institutions.
4. There being no other business, the meeting ended at 12:45 pm.

Council Business Division 1
Legislative Council Secretariat
2 July 2003

**Proceedings of the meeting of the
Bills Committee on Companies (Amendment) Bill 2002
Meeting on Monday, 9 June 2003, at 10:45 am
in Conference Room B of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000000 - 000156	Chairman Administration	List of follow-up actions arising from the discussion at the meeting on 3 June 2003 (LC Paper No. CB(1) 1875/02-03(01)) (a) extension of the two-month period under new section 153A(5) to four months (b) reinstatement of section 95A	The Administration to reinstate section 95A and to introduce Committee Stage amendments (CSAs) to extend the two-month period under new section 153A(5) to four months
000157 - 000259	Chairman Administration	Continuation of examination of consolidated draft CSAs (LC Paper No. CB(1) 1875/02-03(03))	
000300 - 000700	Chairman Ms Emily LAU Administration	Section 58(3) on the reduction in share capital	The Clerk to consult Mr Winston POON regarding the wording of section 58(3)
000701 - 001011	Chairman Administration	Section 153A on directors of private companies	
001012 - 001058	Chairman	Section 157H on prohibition of loans to directors; and definition of conditional sale agreement	The Administration to consider replacing the phrase “entitled to” in (c) of the latest definition of “conditional sale agreement” with “to be in”

Time marker	Speaker	Subject(s)	Action required
001059 - 003610	Chairman ALA7 Mr Albert HO Administration Ms Emily LAU Clerk	Sections 157HA, 157I, 157J, 158B and 158C	
003611 - 010740	Chairman Mr Eric LI Administration Mr CHAN Kam-lam Mr Albert HO ALA7	Section 161B on particulars in accounts of loans to directors; concern about the extension of the scope of disclosure requirements to cover credit transactions between company and its directors; the request of the Hong Kong Society of Accountants to disclose items of similar nature in aggregate as in the case of authorized financial institutions (LC Paper No. CB(1) 1898/02- 03(01); and the need to set a limit for credit transactions below which particulars of such transactions could be disclosed in aggregate	The Administration to consider whether it was technically feasible to set a limit for credit transactions below which particulars of such transactions might be disclosed in aggregate as in the case of authorized financial institutions
010741 - 012811	Chairman Mr CHAN Kam-lam Administration Mr Eric LI Mr Albert HO	Policy intent of prohibiting loans to directors and requiring disclosure of such in audit accounts; cost effectiveness of including all credit transactions in audit accounts which might be too voluminous and unnecessarily detailed; and impact of extending the scope of disclosure requirements on companies	
012812 - 015854	Chairman Administration Mr Eric LI	Proposed amendments to section 161B and 161C; and the setting of a limit for credit transactions below which particulars of such transactions might be disclosed in aggregate	

Time marker	Speaker	Subject(s)	Action required
015855 - 020001	Chairman Administration	Next meeting on 10 June 2003 to decide on the date of resumption of Second Reading debate on the Bill	

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