

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

**List of follow-up actions arising from the discussion
at the meeting on 6 December 2002**

- (1) To consider the proposal of requiring a one-member company to file with the Registrar of Companies (R of C) a statement in respect of its number of members falling to one or increasing from one to two or more.
- (2) To advise whether there are provisions under the Companies Ordinance (Cap. 32) which allow the remaining officers viz the Secretary or the Manager of a one-member company to convene a general meeting to appoint a new director upon the death of the sole member of the company. To consider extending the two-month period under new section 153A(4).
- (3) To review the practicality of section 158, which requires companies to keep a register of their shadow directors, in conjunction with new section 161B, which holds auditors liable for failure to include in their reports loans to shadow directors whom they have no knowledge of.
- (4) To explain the difference between new section 162B and its equivalent in the UK Companies Act 1985, for example, why the former includes holding companies.
- (5) To provide the minutes of meetings of the Standing Committee on Company Law Reform regarding the decision to exclude the provision of indemnities to officers and auditors for liability incurred by them to a third party under new section 165(1).
- (6) To review new section 165(3)(b). The proposal to insure auditors against any liability to the company may give rise to conflict of interest on the independent role of auditors as some auditors may tend to relax accounting standards to suit the need of the companies.