

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

**List of follow-up actions arising from the discussion
at the meeting on 28 November 2002**

- (1) To justify the proposed extension of statutory provision on “credit transaction” and “quasi loan” to cover financial assistance to directors of private companies, which is at variance with the UK Companies Act 1985.
- (2) To explain why free accommodation provided by private companies to their directors is allowed whereas accommodation provided at a charge is prohibited under the proposed section 157H.
- (3) To consider amending the proposed section 157HA(2) to allow private companies to ratify at a general meeting previous provision of financial assistance, including “credit transaction” and “quasi loan”, to directors.
- (4) To advise whether the “purpose” mentioned in the proposed section 157HA(3)(a) will be determined according to the objective or subjective test. To also consider including leasing of premises in the proposed section 157HA(3)(b).
- (5) To advise when and the reason for which the transaction limit under the proposed section 157HA(8) was first set at \$500,000. Consideration should be given to updating the limit taking into account the growth of the Consumer Price Index over the years.