

## **LEGISLATIVE COUNCIL BRIEF**

### **COMPANIES ORDINANCE (AMENDMENT OF EIGHTH SCHEDULE) ORDER 2004**

#### **INTRODUCTION**

Section 360(3A) of the Companies Ordinance (Cap. 32) (the Ordinance) empowers the Financial Secretary, by order published in the Gazette, to amend the table of fees in the Eighth Schedule and the Fourteenth Schedule to the Ordinance. By virtue of section 3 of the Interpretation and General Clauses Ordinance (Cap. 1), the Financial Secretary means also the Secretary for Financial Services and the Treasury.

2. In exercise of this power, the Secretary for Financial Services and the Treasury has made the Companies Ordinance (Amendment of Eighth Schedule) Order 2004 at Annex A to amend the table of fees in the Eighth Schedule to cater for the new search services upon implementation of the Integrated Companies Registry Information System (ICRIS).

#### **BACKGROUND AND ARGUMENT**

##### Development of the ICRIS

3. The Companies Registry (CR) is committed to providing its customers with efficient, cost-effective and quality services and facilities to incorporate companies and to register, and inspect company documents kept by the CR. Since September 2000, the CR has been implementing its Strategic Change Plan (SCP) with a view to establishing a fully computerized Registry for receiving, processing, storing and disseminating information electronically, thereby providing fast, cost-effective, user-friendly and high quality services to customers.

4. An integral part of the SCP is the implementation of ICRIS. ICRIS will replace all the existing application systems currently running to support the CR's core business activities and enable fully electronic service delivery.

5. ICRIS is being developed in two phases. Phase One includes infrastructure enhancement, database management enhancement, document imaging, business process automation, full conversion of the microfilm records into digitised images, data migration and Internet search. On the completion of this phase, expected in the third quarter of 2004, virtually all incoming paper documents will be converted into digitised images to enable online data entry and examination of documents by the CR's staff. The company documents kept by the CR will be stored in digitised form and the key company information will also be captured and maintained in the CR's database. With the full conversion of the microfilm records into digitised images, customers will be able to conduct online searches concurrently on the current company data and the digitised images of all documents kept by the CR over the Internet round-the-clock.

6. Phase Two, planned for completion in 13 months after the production run of Phase One, will include electronic document registration and electronic incorporation. On the completion of this phase, expected in late 2005/early 2006, customers will be able to submit applications for incorporation of companies and documents electronically.

#### Charging proposals for the ICRIS searching services

7. Under ICRIS, company searches will be conducted on a 'per document' basis as opposed to the existing 'per microfiche' basis. To cater for the new search services, it is necessary to revise the existing fee structure for searching company records kept by the CR. Specifically, the search fee items in Part V of the Eighth Schedule to the Ordinance need to be amended. Remaining fee items in Part V will remain unchanged and be put in a new Part VI of the Schedule. The charging proposals are set out at Annex B and a summary is at Annex C.

8. The CR provides services and facilities to incorporate companies, register company documents and provide company documents and information kept by the CR for public inspection. The operations are closely intertwined and it is not meaningful to allocate or apportion costs for determining the full costs of providing individual services under ICRIS. Hence, it is not possible to set individual ICRIS search fees on the basis of a full-cost recovery. As an alternative, the CR aims to achieve an income level under ICRIS that is more or less the same as the existing level, i.e. the 'revenue neutral' approach. On the basis of this principle, we generally propose no changes in the fee levels for the existing search services which will continue to be available under ICRIS. For the new search services to be introduced under ICRIS, we propose to set the fees

on the basis that customers on average would not pay more to the CR than as present. The longer term aim is to reduce the fees and charges when business conditions permit and, with the reduction of the fees and charges, the CR will still be able to meet its target rate of return and have sufficient cash flows to meet its debt obligations and operational requirements.

## **THE ORDER**

9. The main provisions are as follows –
- (a) Paragraph (a) of new Part V replicates paragraph (k) of existing Part V except that it makes reference to reserve director/reserve directorship consequential to the expansion of the scope of index of directors to cover reserve directors by virtue of section 67 of the Companies (Amendment) Ordinance 2003;
  - (b) Paragraphs (b), (c)(iv) and (v) of new Part V replicate items (m), (c)(ii) and (ia) of existing Part V;
  - (c) Paragraph (c)(i) (save for paragraph (c)(i)(C)(I)) of new Part V prescribes the fees for obtaining, by way of downloading, image records of documents by unregistered and registered on-line users;
  - (d) Paragraph (c)(ii) (save for paragraph (c)(ii)(C)(I)) of new Part V prescribes the fees for inspecting and obtaining, at the office of CR, a copy of image records of documents by on-site users;
  - (e) Paragraph (c)(iii) (save for paragraph (c)(iii)(C)(I)) of new Part V prescribes the fees for on-line inspection of, and obtaining, image records of documents by unregistered and registered on-line users;
  - (f) Paragraphs (c)(i)(C)(I), (c)(ii)(C)(I) and (c)(iii)(C)(I) of new Part V prescribe the fees for inspection of the register of charges on a per charge basis;

- (g) Paragraph (d) of new Part V prescribes the fee payable by a registered on-line user per year for the purpose of inspecting and obtaining documents and records; and
- (h) New Part VI replicates those fees relating to remaining services in existing Part V.

## **IMPLICATIONS OF THE PROPOSAL**

10. The proposals in the Order have financial and staffing, economic, and productivity implications as set out at Annexes D, E and F respectively. They are in conformity with the Basic Law, including the provisions concerning human rights. They do not affect the current binding effect of the existing provisions of the Ordinance. They have no environmental or sustainability implications.

## **PUBLIC CONSULTATION**

11. In June 2003, the CR consulted its Customer Liaison Group (CLG) (which comprises representatives from the Hong Kong Association of Banks, the Hong Kong Institute of Company Secretaries, the Hong Kong Society of Accountants, the Law Society of Hong Kong, and some principal customers) on the major charging proposals. Members of the CLG generally consider that the proposals are overall fair and reasonable. In July 2003, we consulted the Legislative Council Panel on Financial Affairs on the proposals. Members of the Panel did not raise any objection.

## **LEGISLATIVE TIMETABLE**

12. To tie in with the implementation of ICRIS, the Order is required to be brought into operation on the date when ICRIS starts to operate (operation date) subject to the completion of the 49 days' full negative vetting of the Order. As the operation date has not yet been confirmed pending the completion of relevant acceptance testings, it is not possible to prescribe in the Order its commencement date. Our intention is that once the operation date is available, the Registrar of Companies will prescribe that date to be the commencement date for the Order by means of a commencement notice made by him under section 1 of the Order. This arrangement will enable the CR to start providing the ICRIS

searching services at the earliest possible time once the relevant acceptance testings have been completed.

## **PUBLICITY**

13. A press release will be issued on 6 May 2004. A spokesman will be available to handle enquiries.

## **SUBJECT OFFICER**

14. Enquiries on this brief should be addressed to Mr Arthur Au, Assistant Secretary for Financial Services and the Treasury (4)1 (telephone number: 2527 5543).

**Financial Services Branch  
Financial Services and the Treasury Bureau  
May 2004**

**COMPANIES ORDINANCE (AMENDMENT OF EIGHTH SCHEDULE)  
ORDER 2004**

(Made under section 360(3A) of the Companies Ordinance (Cap. 32))

**1. Commencement**

This Order shall come into operation on a day to be appointed by the Registrar of Companies by notice published in the Gazette.

**2. Table of Fees to be paid to the Registrar of Companies**

Part V of the Eighth Schedule to the Companies Ordinance (Cap. 32) is repealed and the following substituted -

"V. — FEES FOR INSPECTING, OBTAINING DOCUMENTS AND RECORDS  
KEPT BY THE REGISTRAR, ETC.

Description	Unregistered on-line user	Registered on-line user	On-site user
(a) by virtue of section 158C(2) or 333C(2) or both, for inspecting the index of directors kept by the Registrar -			
(i) for each inspection of the list of directors and reserve director (if any) of a company, or of the list of directors of an oversea company	\$11	\$11	\$11
(ii) for each inspection of the particulars of a director or a reserve director (if any) of a company, or of the particulars of a director of an oversea company	\$11	\$11	\$11

	(iii) for each inspection of all the directorships and reserve directorships held by a person in any companies, and all the directorships held by that person in any overseas companies	\$22	\$22	\$22
(b)	by virtue of section 168R(4), for each inspection of the register of disqualification orders kept by the Registrar, per disqualified person	\$11	\$11	\$11
(c)	by virtue of section 305(1) -			
	(i) for obtaining, by way of downloading through on-line medium, an image record of the following documents kept by the Registrar -			
	(A) (I) each prospectus of a company or a company incorporated outside Hong Kong	\$23	\$21	Not applicable
	(II) the memorandum, articles, or memorandum and articles of a company	\$23	\$21	Not applicable
	(III) the charter, statutes, memorandum and articles, or any other instrument, constituting or defining the constitution of an overseas company	\$23	\$21	Not applicable
	(IV) interim accounts prepared for a proposed distribution by a listed company and delivered under section 79H(4)	\$23	\$21	Not applicable

(V)	balance sheet (including any documents annexed to it), auditors' report and directors' report forwarded under section 109(3) in relation to an annual return of a company	\$23	\$21	Not applicable
(VI)	account made up by liquidator in respect of a company filed under section 239(3)	\$23	\$21	Not applicable
(VII)	account made up by liquidator in respect of a company filed under section 248(3)	\$23	\$21	Not applicable
(VIII)	accounts of an oversea company delivered under section 333(1)(f)	\$23	\$21	Not applicable
(IX)	balance sheet as at the end of a financial year, profit and loss account for that year, group accounts (if any) and directors' report (if any) in respect of that year (including any documents delivered with such balance sheet, accounts and directors' report), and auditors' report (if any) on such balance sheet and accounts, of an oversea company delivered under section 336(1)(a) and (b)	\$23	\$21	Not applicable



	(B) (I)	each annual return of a company (but excluding those documents which are forwarded under section 109(3)(a) and (b))	\$18	\$16	Not applicable
	(II)	the lists in specified form delivered under section 333(1)(b) and (c) or each return delivered under section 336(1), in respect of an oversea company	\$18	\$16	Not applicable
	(C) (I)	the register of charges in respect of a company or a company (whether a company within the meaning of this Ordinance or not) incorporated outside Hong Kong which has a place of business in Hong Kong kept under section 83(1), per charge	\$10	\$9	Not applicable
	(II)	any other document	\$10	\$9	Not applicable
(ii)		for inspecting and obtaining, at the office for the registration of companies, a copy of an image record of the following documents kept by the Registrar -			
	(A) (I)	each prospectus of a company or a company incorporated outside Hong Kong	Not applicable	Not applicable	\$35
	(II)	the memorandum, articles, or memorandum and articles of a company	Not applicable	Not applicable	\$35

(III)	the charter, statutes, memorandum and articles, or any other instrument, constituting or defining the constitution of an oversea company	Not applicable	Not applicable	\$35
(IV)	interim accounts prepared for a proposed distribution by a listed company and delivered under section 79H(4)	Not applicable	Not applicable	\$35
(V)	balance sheet (including any documents annexed to it), auditors' report and directors' report forwarded under section 109(3) in relation to an annual return of a company	Not applicable	Not applicable	\$35
(VI)	account made up by liquidator in respect of a company filed under section 239(3)	Not applicable	Not applicable	\$35
(VII)	account made up by liquidator in respect of a company filed under section 248(3)	Not applicable	Not applicable	\$35
(VIII)	accounts of an oversea company delivered under section 333(1)(f)	Not applicable	Not applicable	\$35
(IX)	balance sheet as at the end of a financial year, profit and loss account for that year, group accounts (if any) and directors'	Not applicable	Not applicable	\$35

	report (if any) in respect of that year (including any documents delivered with such balance sheet, accounts and directors' report), and auditors' report (if any) on such balance sheet and accounts, of an oversea company delivered under section 336(1)(a) and (b)			
(B) (I)	each annual return of a company (but excluding those documents which are forwarded under section 109(3)(a) and (b))	Not applicable	Not applicable	\$30
(II)	the lists in specified form delivered under section 333(1)(b) and (c) or each return delivered under section 336(1), in respect of an oversea company	Not applicable	Not applicable	\$30
(C) (I)	the register of charges in respect of a company or a company (whether a company within the meaning of this Ordinance or not) incorporated outside Hong Kong which has a place of business in Hong Kong kept under section 83(1), per charge	Not applicable	Not applicable	\$20
(II)	any other document	Not applicable	Not applicable	\$20

(iii) for on-line inspection of, and obtaining, an image record of the following documents kept by the Registrar -

(A) (I)	each prospectus of a company or a company incorporated outside Hong Kong	\$29	\$26	Not applicable
(II)	the memorandum, articles, or memorandum and articles of a company	\$29	\$26	Not applicable
(III)	the charter, statutes, memorandum and articles, or any other instrument, constituting or defining the constitution of an oversea company	\$29	\$26	Not applicable
(IV)	interim accounts prepared for a proposed distribution by a listed company and delivered under section 79H(4)	\$29	\$26	Not applicable
(V)	balance sheet (including any documents annexed to it), auditors' report and directors' report forwarded under section 109(3) in relation to an annual return of a company	\$29	\$26	Not applicable
(VI)	account made up by liquidator in respect of a company filed under section 239(3)	\$29	\$26	Not applicable
(VII)	account made up by liquidator in respect of a	\$29	\$26	Not applicable

	company filed under section 248(3)			
(VIII)	accounts of an oversea company delivered under section 333(1)(f)	\$29	\$26	Not applicable
(IX)	balance sheet as at the end of a financial year, profit and loss account for that year, group accounts (if any) and directors' report (if any) in respect of that year (including any documents delivered with such balance sheet, accounts and directors' report), and auditors' report (if any) on such balance sheet and accounts, of an oversea company delivered under section 336(1)(a) and (b)	\$29	\$26	Not applicable
(B) (I)	each annual return of a company (but excluding those documents which are forwarded under section 109(3)(a) and (b))	\$23	\$21	Not applicable
(II)	the lists in specified form delivered under section 333(1)(b) and (c) or each return delivered under section 336(1), in respect of an oversea company	\$23	\$21	Not applicable

	(C) (I)	the register of charges in respect of a company or a company (whether a company within the meaning of this Ordinance or not) incorporated outside Hong Kong which has a place of business in Hong Kong kept under section 83(1), per charge	\$13	\$12	Not applicable
	(II)	any other document	\$13	\$12	Not applicable
	(iv)	where an image record of any document kept by the Registrar pursuant to any provision of this Ordinance is not available, for each inspection at the office for the registration of companies of the document or the relevant record kept by the Registrar	Not applicable	Not applicable	\$20
	(v)	for obtaining a copy of any record containing the current particulars of a company or an oversea company, per company	\$22	\$22	\$22
(d)		initial fee payable by a registered on-line user for the purpose of inspecting and obtaining documents and records specified in paragraphs (a), (b), and (c)(i), (iii) and (v), per year (in addition to the fees payable under the said paragraphs) -			
	(i)	for a principal account	Not applicable	\$500	Not applicable
	(ii)	for each subsequent account	Not applicable	\$100	Not applicable

Note: For the purpose of this Part -

"on-site user" (註冊處使用者) means a person inspecting or obtaining documents and records specified in paragraphs (a), (b), and (c)(ii), (iv) and (v) at the office for the registration of companies;

"principal account" (主要帳戶) means the first account which a registered on-line user registers with the Registrar under a registration arrangement;

"registered on-line user" (登記聯線使用者) means a person who has entered into a registration arrangement with the Registrar;

"registration arrangement" (登記安排) means an arrangement whereby a person may register one or more accounts with the Registrar through which that person

may use an on-line medium, at fees which are the same as or lesser than those payable by an unregistered on-line user, for inspecting and obtaining documents and records specified in paragraphs (a), (b), and (c)(i), (iii) and (v);

"subsequent account" (其後帳戶) means any account, other than the principal account, which a registered on-line user registers with the Registrar under a registration arrangement;

"unregistered on-line user" (非登記聯線使用者) means a person, not in the capacity of a registered on-line user, using an on-line medium for inspecting or obtaining documents and records specified in paragraphs (a), (b), and (c)(i), (iii) and (v).

#### VI. — MISCELLANEOUS FEES

(a)	lodgment fee for a notification of change of name under section 22(1A) .....	\$ 240
(b)	for issuing a certificate of change of name under section 22(7) .....	\$ 55
(c)	for registering -	
	(i) under Part III of this Ordinance any charge required to be registered thereunder whether created by a company or existing on property acquired by a company .....	\$ 340
	(ii) particulars of a series of debentures under Part III of this Ordinance .....	\$ 340
	(iii) a memorandum under section 85(1) or (2) .....	\$ 190
	(iv) a notice of appointment of a receiver or manager, or of a mortgagee's entering into possession, under section 87(3) .....	\$ 40
(d)	for endorsing the words "satisfaction entered" or the expression in Chinese "已清償" upon an instrument of charge under section 85(6) .....	\$ 40
(e)	for an authorization under section 111(1) .....	\$ 850
(f)	application fee for deregistration of a private company under section 291AA .....	\$ 420
(g)	for processing an application requesting the Registrar to represent a defunct company or its liquidator under section 291B .....	\$1,740
(h)	for the completion of or giving effect to any dealing, transaction or matter relating to a defunct company, by any act done or caused to be done by the Registrar under section 291B .....	\$1,240
(i)	for issuing under section 305(1) -	
	(i) a certificate of incorporation or a certificate of change of name .....	\$ 170
	(ii) a copy of or an extract from the relevant record or document referred to in paragraph (c)(iv) of Part V, or an extract from any other document, per page ..	\$ 5

- (j) for certifying under section 305(3A) a copy of or an extract from a document, or a copy of information contained in a record, per copy or extract (as the case may be) ..... \$ 130".

Secretary for Financial Services  
and the Treasury

30 April 2004

**Explanatory Note**

This Order is mainly to revise the structure of fees payable to the Registrar of Companies for inspecting and obtaining documents and records kept by the Registrar under the Companies Ordinance (Cap. 32).



**Proposals to Amend Statutory Fees  
to Cater for Implementation of  
Integrated Companies Registry Information System**

**Introduction**

Part V of the Eighth Schedule to the Companies Ordinance (copy at Appendix) sets out the miscellaneous fees to be paid to the Registrar of Companies (R of C). To cater for the implementation of Phase One of the Integrated Companies Registry Information System (ICRIS), we propose to amend the search fees in Part V which should be grouped together in a new Part V with the heading of “Fees for Inspecting, Obtaining Documents and Records Kept by the Registrar, ETC”. The remaining fees in Part V will remain unchanged and be put in a new Part VI with the heading of “Miscellaneous Fees”.

**Proposals**

*Paragraph (c)(i) of Part V*

2. Paragraph (c)(i) in Part V provides that the fee for inspecting a copy of all documents relating to one company kept by the R of C and registered in respect of one calendar year is \$20 per inspection. Under current practice, after paying the fee, a user gets a microfiche containing the documents. Based on the results of a survey conducted by the Companies Registry (CR), it is estimated that about 92% of the issued microfiches are taken away by users who then produce hard copies of the documents themselves. For the remaining 8% of the issued microfiches, the CR produces hard copies of the documents for the users at a cost of \$5 per page of the documents.

3. Under ICRIS, searches of image records will be conducted on a ‘per document’ basis as opposed to the existing ‘per microfiche’ basis. Users will be grouped into three categories, namely, registered on-line users; unregistered on-line users; and on-site users (i.e. those using services at the CR)<sup>1</sup>. Documents will also be grouped into three categories, namely, (A) voluminous documents such as prospectuses; (B) less voluminous

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<sup>1</sup> As a general rule, on-site users are charged the highest fees in view of the substantial resources (in terms of staffing, accommodation, computer hardware and consumables) required to serve them.

documents such as annual returns; and (C) the least voluminous documents<sup>2</sup>. Documents that are not defined as Type A or Type B documents will fall into the category of Type C documents. Therefore, most of the documents are Type C documents.

4. A registered on-line user is required to enter into a registration arrangement with the CR. We propose that the fee payable by a registered on-line user per year should be \$500 for a principal account and \$100 for a subsequent account.

### ***On-line users***

5. On the basis of the results of a survey conducted by the CR, users' demand for Type A documents is negligible, whereas users' demand for Types B and C documents is more or less the same. On average, a user would find the information he needs in 1.5 documents per microfiche.

6. On this basis, we propose that the fees for on-line searches, on a 'per document' basis, should be as follows-

(a) Unregistered On-line Users searching on the Internet: fees for downloading an image record

Type A Documents	\$23
Type B Documents	\$18
Type C Documents	\$10

These proposed fees would generate revenue of around \$21 per search (i.e.  $1.5 \times (\$18 \times 0.5 + \$10 \times 0.5)$ ). After deducting service charges payable to financial institutions for electronic payment services (about \$1), the net revenue should be close to the existing fee of \$20 for inspecting the documents in a microfiche (where no hard copies are required). Type A documents will cost \$5 more than Type B documents to take into account the additional costs involved in imaging these documents.

(b) Unregistered On-line Users searching on the Internet: on-line viewing of image documents

Type A Documents	\$29
Type B Documents	\$23
Type C Documents	\$13

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<sup>2</sup> Type A documents are charged the highest fees, whereas Type C documents are charged the lowest.

This will be a premier service as it imposes a much greater demand on the CR's computer system. Consequently, the fees to be charged should be more than 25% of the corresponding fees for downloading. In this respect, it should be noted that, in the United Kingdom, the fees for on-line viewing are about twice the fees for downloading.

(c) Registered On-line Users: fees for downloading an image record

Type A Documents	\$21
Type B Documents	\$16
Type C Documents	\$9

In order to encourage more customers to use the search services under ICRIS regularly, the fees for registered on-line users should be 90% of the corresponding fees for unregistered on-line users under (a).

(d) Registered On-line Users: on-line viewing of image documents

Type A Documents	\$26
Type B Documents	\$21
Type C Documents	\$12

In order to encourage more customers to use the search services under ICRIS regularly, the fees for registered on-line users should be 90% of the corresponding fees for unregistered on-line users under (b).

***On-site users***

7. For on-site searches, based on the results of a survey conducted by the CR, it is estimated that about 79% of the documents currently read at the CR's Microfiche Reading Room require hard copies. This strongly suggests that most on-site users need hard copies. The CR therefore intends to provide on-site users with the option of hard copies only under ICRIS. Although it is technically feasible to allow on-site users to have online viewing of the image records at the CR, this would not be cost-effective and might give rise to considerable operational issues such as how to control on-site users' use of the online viewing facilities and possible security problems associated with on-site users' entering their personal and banking details.

8. On this basis, we propose that the fees for on-site searches, on a

‘per document’ basis, should be as follows-

Type A Documents	\$35
Type B Documents	\$30
Type C Documents	\$20

These proposed fees would generate revenue of \$37.5 (i.e.  $1.5 \times (\$30 \times 0.5 + \$20 \times 0.5)$ ). On the basis of a survey conducted by the CR, an on-site user currently requires an average of 5.5 pages of hard copies from a microfiche and the charge involved is \$47.5 (i.e. \$20 per microfiche + \$5 per page  $\times$  5.5 pages). This type of customer, mostly casual users from small and medium enterprises, will find that they will pay lower charges on average in future under ICRIS. Type A documents will cost \$5 more than Type B documents to take into account the additional costs involved in copying these documents.

***Paragraphs (c)(ii), (c)(iia),(k) and (m) of Part V***

9. We propose no changes in the fee levels for these existing search services, to be consistent with the fundamental principle that the income level under ICRIS should be the same as the existing one, i.e. the ‘revenue neutral’ approach.

***Paragraph (c)(iii)***

10. Paragraph (c)(iii) prescribes the fee for each inspection of the register of charges kept under section 83 (i.e. \$20) on a per company basis. During the development of the ICRIS, it is found that while it is technically feasible to allow inspection of register of charges to be conducted on a per company basis, this will not be cost effective given that substantial costs would need to be incurred to cater for such inspection mode and the relatively small users’ demand of about five searches per day with a search revenue of \$100, constituting 0.06% of the total search revenue. Hence, the inspection of the register of charges is to be conducted on a per charge basis under the ICRIS. We propose that the fee for inspection of the register of charges per charge should be the same as that for a Type C Document per document i.e. -

(a) Unregistered On-line Users:	\$10	(downloading)
	\$13	(on-line viewing)
(b) Registered On-line Users	\$9	(downloading)
	\$12	(on-line viewing)

(c) On-site Users

\$20

Given the very small amount of search revenue, these proposed fees should have a negligible effect on the “revenue neutral” approach adopted in the search fees under ICRIS.

***Item (d)(ii)(B) of Part V***

11. Item (d)(ii)(B) of Part V provides that the fee for issuing a copy or extract of any document, or a copy of information contained in a record is \$5 per folio of 100 words, or part thereof, where the copy or extract is made other than by photostatic means. We propose to delete this fee item as the fee has not been charged for a long time and there does not appear to be a need to retain it.

***Other Items of Part V***

12. The other fee items of Part V need not be amended, but should be moved to a new Part with a heading of “Miscellaneous Fees”.

## Annex C

No	General Fee Description	< Internet Searches >		On-site Users \$	Existing Fee \$
		Unregistered on-line user \$	Registered on-line user \$		
1	By virtue of section 305(1), for obtaining (copies of) image records of the following documents kept by the Registrar –				
	(A) for each prospectus, memorandum and/or articles of association, or accounts etc, per document	23	21	35	20* plus \$5 per page of hard copy
	(B) for each annual return, specified form in relation to the registration of an oversea company, per document	18	16	30	Ditto
	(C) for the register of charges kept under section 83, per charge	10	9	20	20 (per company)
	(D) for any other documents, per document	10	9	20	20* plus \$5 per page of hard copy
2	By virtue of section 305(1), for on-line inspection of, and obtaining, image records of the following documents kept by the Registrar –				
	(A) for each prospectus, memorandum and/or articles of association, or accounts etc, per document	29	26	–	N/A
	(B) for each annual return, specified form in relation to the registration of an oversea company etc, per document	23	21	–	N/A
	(C) for the register of charges kept under section 83, per charge	13	12	–	N/A

(D) for any other documents, per document	13	12	–	N/A
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\* The existing fee of \$20 allows a user to inspect a copy of all documents relating to one company kept by the Registrar and registered in respect of one calendar year. Any user needs to pay an additional fee of \$5 per page of hard copy of a document.

3 By virtue of section 305(1), where an image record of a document is not available, the document or the relevant record, kept by the Registrar, for each inspection	–	–	20	20
4 By virtue of section 305(1), for each search of the particulars of a company or an oversea company, per company	22	22	22	22
5 By virtue of section 158C(2) or 333C(2), for making a search of the index of directors kept by the Registrar –				
(A) for each search of the list of directors and reserve director of a company, or directors of an oversea company	11	11	11	11
(B) for each search of the particulars of a director or a reserve director of a company, or a director of an oversea company	11	11	11	11
(C) for each search of all the directorships and reserve directorships held by a person in any companies and all the directorships in oversea companies	22	22	22	22
6 By virtue of section 168R(4), for each search of the register of disqualification orders kept by the Registrar, per disqualified person	11	11	11	11

7	Annual fee for a registered on-line user	-	500 (principal account)	-	N/A
			100 (subsequent account)		

Note: The fee for issuing under section 305(1) a copy or extract of any document, or a copy of information contained in a record where the copy or extract is made other than by photostatic means should be deleted.



**Financial and Staffing Implications**

(A) Financial implications

The proposals in the Order generally do not involve any change in the fee levels for existing search and non-search services in existing Part V of the Eighth Schedule, which will continue to be available under ICRIS. As regards the new search services, the fee levels are set with a view to achieving an income level under ICRIS that is more or less the same as the existing level. Hence, there should not be any financial implications. The total search revenue under ICRIS is estimated to be some \$56 million per annum. After deduction of the charges (\$2 million) to service contractors providing electronic payment services and the provision of a 10% contingency (\$6 million) to cater for variation in business volumes arising from the change in the search basis from “per microfiche” to “per document”, the net total revenue under ICRIS should be about the same as the annual revenue of \$48 million under the existing system.

(B) Staffing implications

2. The proposals in the Order do not have any staffing implications per se. Consequential to the full implementation of the ICRIS, there will be significant staff savings involving general and common grades staff because of the cessation of all the existing microfilming activities. The general grades staff, who will become surplus to the CR’s requirements after ICRIS has been fully implemented, will be returned to the Civil Service Bureau in phases for redeployment within the civil service. The CR has already drawn up a manpower plan so as to implement this change. Up to 31 March 2004, 48 out of the 72 general grades staff posts which are surplus to requirements upon implementation of ICRIS have already been deleted.

## **Economic Implications**

The proposals in the Order should not have any adverse impact on the cost of doing business generally since the proposed fees are either generally the same as the existing levels or set on the basis that customers on average would not pay more to the CR than as present.

2. Upon the implementation of the ICRIS, the cost burden on companies should be eased as it will obviate the need to send staff to the CR to conduct filing and searches physically, although staff will still be needed in the office to conduct such activities electronically. Consequently, costs of hiring some of the outdoor staff employed by solicitors and company secretarial firms may be saved, while the work demand on some of the indoor staff may correspondingly be more. Yet, to some extent, this is already happening after the introduction of the Companies Registry On-line Public Search System in September 2000. The ICRIS when launched will be of substantial help in raising the operational efficiency in carrying out the filing and searching activities at the CR, which in general will be beneficial to the business community.

## **Productivity Implications**

The proposals in the Order do not have any productivity implications per se. Upon the full implementation of ICRIS, the CR will have a net annual savings of about \$27 million, which mainly comprises savings in staff and operational costs.

**Eighth Schedule of Companies Ordinance –  
Part V – Miscellaneous Fees**

(a)-(b) (Repealed 60 of 1990 s. 9)

(c) for inspecting -

- |       |                                                                                                                                                                              |       |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| (i)   | by virtue of section 305(1), a copy of all documents relating to one company kept by the Registrar and registered in respect of one calendar year, for each inspection ..... | \$ 20 |
| (ii)  | by virtue of section 305(1), where a copy is not available, the register or any file or any other document, kept by the Registrar, for each inspection .....                 | \$ 20 |
| (iia) | by virtue of section 305(1), any document kept by the Registrar containing particulars relating to one company, for each inspection (Added L.N. 19 of 2000) .....            | \$ 22 |
| (iii) | the register of charges kept under section 83, for each inspection (Replaced 17 of 1990 s.5) .....                                                                           | \$ 20 |

(d) for issuing under section 305(1) -

- |      |                                                                                                                      |        |
|------|----------------------------------------------------------------------------------------------------------------------|--------|
| (i)  | a certificate of incorporation or change of name (Amended 28 of 2003 s.116) .....                                    | \$ 170 |
| (ii) | - a copy of or extract from any document, or a copy of information contained in a record (Replaced 28 of 2003 s.116) |        |
|      | (A) by photostatic means, per sheet or page .....                                                                    | \$ 5   |
|      | (B) where the copy or extract is made other than by photostatic means per folio of 100 words or part thereof .....   | \$ 5   |
|      | For each additional copy or extract after the first or top copy, per folio of 100 words or part thereof .....        | \$ 5   |

(e)	for certifying anything under section 305 (Amended 28 of 2003 s.116).....	\$ 130
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(f)	for registering -	
	(i)	under Part III of the Ordinance any charge required to be registered thereunder whether created by a company or existing on property acquired by a company .....
		\$ 340
	(ii)	particulars of a series of debentures under Part III of the Ordinance .....
		\$ 340
	(iii)	the appointment of a receiver or manager, or a mortgagee's entering into possession, under section 87 .....
		\$ 40
	(iv)	a memorandum under section 85 (Added L.N. 457 of 1997. Amended 28 of 2003 s.116) .....
		\$ 190
(g)	for endorsing the words "satisfaction entered" or the expression in Chinese "已清償" upon an instrument of charge under section 85 (Amended 3 of 1997 s. 59) .....	\$ 40
(h)	(Repealed 28 of 2003 s.116)	
(ha)	for processing an application requesting the Registrar to represent a defunct company or its liquidator under section 291B (Added L.N. 457 of 1997) .....	\$1740
(i)	for the completion of or giving effect to any dealing, transaction or matter relating to a defunct company, by any act done or caused to be done by the Registrar under section 291B .....	\$1240
(j)	for an authorization under section 111(1) .....	\$ 850
(k)	for inspecting, by virtue of section 158C(2) or 333C(2), the index of directors kept by the Registrar -	
	(i)	for each search of the list of directors of a company .....
		\$ 11
	(ii)	for each search of the personal particulars of a director in a company .....
		\$ 11
	(iii)	for each search showing all the directorships in companies incorporated in Hong Kong or registered under Part XI of the Ordinance held by a single person (Replaced L.N. 19 of 2000) .....
		\$ 22
(l)	(Repealed L.N. 19 of 2000)	
(m)	for making a single search of the register of disqualification orders, kept by the Registrar (Added L.N. 570 of 1994) .....	\$ 11

(n)	lodgment fee for notification of change of company name (Added L.N. 11 of 1996. Amended 28 of 2003 s.116) .....	\$ 240
(o)	fee for issuing a certificate of change of name under section 22 (Added L.N. 11 of 1996. Amended 28 of 2003 s.116) .....	\$ 55
(p)	application fee for deregistration of a private company under section 291AA (Added 30 of 1999 s. 36) .....	\$ 420
	(Replaced 41 of 1989 s. 5)	
	(Eighth Schedule amended L.N. 231 of 1993; L.N. 371 of 1994; L.N. 11 of 1996; L.N. 457 of 1997; L.N. 149 of 1998)	