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16 February 2005

Mr. Alan Lo
Financial Services and the Treasury Bureau
18th Floor, Admiralty Centre, Tower 1
18 Harcourt Road
Hong Kong

Dear Mr Lo

Bankruptcy (Amendment) Bill 2004

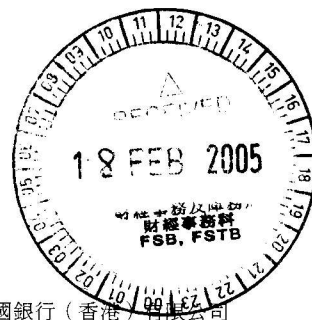
We refer to your letter dated 1 February 2005 and your kind permission for us to revert with our comments by 16 February 2005.

For the sake of transparency and in the interests of all stakeholders, we continue to believe that the legislation should contain a requirement that any private sector insolvency practitioner (PIP) appointed by the Official Receiver is fit and proper, modelling on the approach adopted in the U.K. Insolvency Act 1986 (specifically sections 394-398).

Since Hong Kong does not have a professional organisation for insolvency practitioners, it may be difficult to set out detailed criteria on practical training and experience for PIPs. We believe, however, that it should not be difficult to include in the legislation the minimum fit and proper criteria, ranging from his personal integrity, financial strength and history of a law-abiding citizen to the adequacy of the systems of control and record-keeping in his business practice. The detailed requirements relating to appointment and termination of PIPs can be laid down in the subsidiary legislation or a code of practice. A code of practice is preferred in terms of flexibility and ease of revision to take into account future developments. This code could also set out the minimum service standards to be observed by PIPs. We would be grateful for the opportunity to comment on the draft subsidiary legislation or the code of practice as may be set out in the proposed amendment to the Ordinance.

Yours sincerely


Eva Wong
Secretary



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Vice Chairmen Standard Chartered Bank (Hong Kong) Ltd
The Hongkong and Shanghai Banking Corporation Ltd
Secretary Eva Wong Mei Seong

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