

2528 9016
2865 6778
C2/1/57/2 (04) Pt. 10
LS/B/1/04-05

[By Fax: 2877 5029]

14 March 2005

Ms Monna Lai
Assistant Legal Adviser
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Ms Lai,

Companies (Amendment) Bill 2004

I refer to your letter dated 2 February 2005. After consulting the Department of Justice and the Hong Kong Institute of Certified Public Accountants, we set out our responses to your observations in the ensuing paragraphs.

Section 3(3) of the Proposed Twenty-third Schedule

2. We have set out in the Administration's paper entitled "Follow-up Actions Arising from the Discussion at the Meeting on 3 February 2005 - (LC Paper No. CB(1)1077/04-05(02))" the various issues in relation to section 3(3) of the proposed Twenty-third Schedule, which is modelled on paragraph 10 of Schedule 10A of the UK Companies Act 1985. In view of the considerations set out in paragraphs 5 to 8 of the paper, we would consider proposing a Committee Stage Amendment to remove section 3(3) of the proposed Twenty-third Schedule from the Bill. This position supersedes what were set out in the Administration's

previous reply letter dated 23 November 2004 (LC Paper No. CB(1)453/04-05(17)) and responses to the submission of the Law Society (LC Paper No. CB(1)681/04-05(02)).

The Existing Section 128(3) of the CO

3. In respect of the reference to the corresponding UK Act on which the existing section 128(3) of the CO was modelled, we have issued a revised version of the paper entitled “Follow-up Actions Arising from the Meeting on 13 January 2005” before the Bills Committee meeting held on 3 February 2005 to clarify the position. In essence, section 128(3) of the CO which was enacted in 1974 was modelled on section 3(3) of the UK Companies Act 1967 (before it was subsequently amended).

Yours sincerely,

(Alan Lo)

for Secretary for Financial Services and the Treasury

c.c.

Department of Justice

(Attn: Mr. K F Cheng, Law Drafting Division) 2869 1302

(Attn: Mr. Allen Lai, Law Drafting Division) 2869 1302

(Attn: Ms. Beverly Yan, Civil Division) 2868 1068

Hong Kong Institute of Certified Public Accountants

(Attn: Mr. Roger Best) 2865 7864

(Attn: Mr. Paul Winkelmann) 2850 4092

(Attn: Ms. Elsa Ho) 2865 6603

Registrar of Companies

(Attn: Mr. Gordon Jones) 2868 5384