

立法會
Legislative Council

LC Paper No. LS17/04-05

**Paper for the House Committee Meeting
on 19 November 2004**

**Legal Service Division Report on
Subsidiary Legislation Gazetted on 12 November 2004**

Date of Tabling in LegCo : 17 November 2004

Amendment to be made by : 15 December 2004 (or 5 January 2005 if extended by resolution)

PART I

Prisons Ordinance (Cap. 234)

Prisons (Amendment) (No. 2) Order 2004 (L.N. 174)

Drug Addiction Treatment Centres Ordinance (Cap. 244)

Addiction Treatment Centre (Consolidation) (Amendment) Order 2004 (L.N. 175)

Drug Addiction Treatment Centre (Hei Ling Chau Addiction Treatment Centre) (Amendment) Order 2004 (L.N. 176)

Drug Addiction Treatment Centre (Chi Ma Wan Drug Addiction Treatment Centre) (Repeal) Order (L.N. 177)

Rehabilitation Centres Ordinance (Cap. 567)

Rehabilitation Centres (Appointment) (Amendment) Order 2004 (L.N. 178)

Training Centres Ordinance (Cap. 280)

Training Centre (Consolidation) (Amendment) Declaration 2004 (L.N. 179)

The Secretary for Security has made the five Orders and one Declaration to –

- (a) discontinue the use of the Chi Ma Wan Drug Addiction Treatment Centre as a drug addiction treatment centre and Chi Lan Rehabilitation Centre as a rehabilitation centre, and to set apart the place or buildings formerly used as Chi Lan Rehabilitation Centre as

a prison as from 19 January 2005, which together with Chi Ma Wan Drug Addiction Treatment Centre (currently also used as a prison) would be known as the Chi Sun Correctional Institution;

- (b) discontinue the use of Dormitories 1 to 10 of the Hei Ling Chau Addiction Treatment Centre (Annex) as a prison and to appoint the same as an addiction treatment centre as from 6 January 2005;
- (c) discontinue the use of Dormitories C2 and C3 of the Tai Tam Gap Correctional Institution as a prison, an addiction treatment centre and a training centre and to specify the same as a rehabilitation centre known as the Chi Lan Rehabilitation Centre as from 19 January 2005.

2. The Panel on Security has not been consulted on the arrangements. No difficulties in the legal and drafting aspects of the subsidiary legislation have been identified.

PART II

Securities and Futures Ordinance (Cap. 571)

Securities and Futures (Price Stabilizing) (Amendment) Rules 2004 (L.N. 180)

Companies Ordinance (Cap. 32)

Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) (Amendment) Notice 2004 (L.N. 181)

3. L.N. 180 and L.N. 181 are made by the Securities and Futures Commission consequential to the enactment of the Companies (Amendment) Ordinance 2004 (30 of 2004).

4. Schedule 1 of the Companies (Amendment) Ordinance amends the definition of “prospectus” in section 2(1) of the Companies Ordinance (Cap. 32) to exclude all documents containing or relating to an offer specified in Part 1 of the new Seventeenth Schedule to the Companies Ordinance. This includes an offer to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) and an offer in connection with a collective investment scheme authorized under section 104 of the Securities and Futures Ordinance. When Schedule 1 of the Companies (Amendment) Ordinance comes into operation on 3 December 2004, documents relating to such offers would be exempted from the entire prospectus regime and all prospectus-related requirements under the Companies Ordinance.

5. L.N. 181 repeals sections 3 and 7 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Cap. 32 sub. leg. L). Section 3 of the Notice exempts a company and prospectus from compliance with the requirements of sections 38(1) and (3) and

44A(2) of the Companies Ordinance if the offer is made only to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent. Section 7 exempts a company and prospectus from compliance with the requirements of sections 38(1) and (3) and 342(1) and (3) of the Companies Ordinance if the company is a collective investment scheme authorized under section 104(1) of the Securities and Futures Ordinance.

6. There is an overlap between the exclusions under Schedule 1 of the Amendment Ordinance and the exemptions under sections 3 and 7 of the Notice. L.N. 181 removes the duplication.

7. L.N. 180 stems from the repeal of section 3 of the Notice which is referred to in section 3(d)(ii)(A)(II) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571 sub. leg. W). The amendment is technical in nature and does not involve any change in policy.

8. Both L.N. 180 and L.N. 181 shall come into operation on 7 January 2005. Members may refer to the two LegCo Briefs issued by the Securities and Futures Commission both dated 8 November 2004 for background information. According to the LegCo Briefs, the Commission has conducted a public consultation on L. N. 181 and all four responses expressed support. No public consultation has been conducted on L.N. 180 because the amendment is technical in nature and involves no change of substance.

9. The Panel on Financial Affairs has not been consulted on the subsidiary legislation. No difficulties in the legal and drafting aspects have been identified.

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13 November 2004