

**Bills Committee on Companies (Amendment) Bill 2010 and
Business Registration (Amendment) Bill 2010**

**Issue raised at the fifth meeting on 17 May 2010
requiring follow-up actions by the Administration**

Company and business registration

1. Regarding the concern that the measures for verifying the identity of the applicants and the authenticity of documents delivered through the on-line application system would be implemented as administrative arrangements and would not be spelt out in the Bills, the Administration would give assurance the speech at the resumption of the Second Reading debate on the Bills, about the implementation of the measures and that the Administration would revert to the Legislative Council Panel on Financial Services if substantial changes were made to those measures in future.
2. Regarding the need to provide information of the newly registered companies to existing companies for checking against similar company names, the Administration should look into the feasibility of -
 - (a) dissemination of basic information (such as the company name) on newly registered companies free of charge to the public regularly; and
 - (b) providing a notification service relating to the registration of new companies and the related charging arrangements.

**Amendments relating to company name (Part 3 of the Companies
(Amendment) Bill 2010)**

3. To address Mr Albert HO's concern about the channels available for companies to seek a review of the Registrar of Companies' direction for a company to change its name, the Administration should consider the feasibility of providing for such cases to be heard by the Administrative Appeals Board instead of the court.
4. Regarding the inconsistencies in the approval/rejection authorities for registration of company names, and the use of words such as "must" and "may" in various sections of the Companies Ordinance (CO) (Cap. 32), the Administration should review the provisions for rectifying the inconsistencies.

5. On the concurrent use of "must" and "shall" in various sections of the CO, the Administration should consider amending the relevant sections in the current legislative exercise so as to achieve consistency in the use of words within the same section of an ordinance.
6. On the concern about companies failing to comply with the Registrar of Companies' direction to change the names of the companies, the Administration should consider adding a provision in section 22AA of CO stipulating the prohibition of the continued use of the rejected company names, and the criminal liabilities for breaching the Registrar of Companies' direction.

Amendments relating to Electronic Communications with Registrar of Companies (Part 5 of the Companies (Amendment) Bill 2010)

7. On the arrangement of notifying a person through e-mail to check documents stored in the Companies Registry's computer system, the Administration should confirm the rationale for the proposed arrangement under proposed section 346(2A)(b)(ii).
8. Regarding the concern that the Companies Registry might be obliged under proposed section 348BA to store the certificates issued by the Registrar of Companies in its computer system indefinitely in the absence of a specified time limit for applicants to retrieve the certificates, the Administration should review the provision and consider the need of setting a time limit for storage of the certificates in the Companies Registry's computer system.

Council Business Division 1
Legislative Council Secretariat
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