

立法會
Legislative Council

LC Paper No. CB(1)11/12-13
(These minutes have been seen
by the Administration)

Ref : CB1/BC/3/10/2

Bills Committee on Companies Bill

**Minutes of the thirty-ninth meeting held on
Monday, 21 May 2012, at 2:30 pm
in Conference Room 2B of the Legislative Council Complex**

Members present : Hon Paul CHAN Mo-po, MH, JP (Chairman)
Hon Starry LEE Wai-king, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon James TO Kun-sun
Dr Hon Philip WONG Yu-hong, GBS
Hon Miriam LAU Kin-yee, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP

Members absent : Hon Albert HO Chun-yan
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Ronny TONG Ka-wah, SC

Public officers attending : **Agenda item I**
Mr Darryl CHAN
Deputy Secretary for Financial Services and the
Treasury (Financial Services)

Mr Maurice LOO
Principal Assistant Secretary for Financial
Services and the Treasury (Financial Services)

Mr Nick AU YEUNG
Principal Assistant Secretary for Financial
Services and the Treasury (Financial Services)

Ms Ada CHUNG, JP
Registrar of Companies
Companies Registry

Ms Rita HO
Registry Solicitor
Companies Registry

Mrs Karen HO
Deputy Principal Solicitor
(Company Law Reform)
Companies Registry

Ms Kitty TSUI
Assistant Principal Solicitor
Companies Registry

Ms Margaret CHAN
Solicitor (Company Law Reform)
Companies Registry

Mr CHUNG Wai-tim
Solicitor (Company Law Reform)
Companies Registry

Ms Natalie WONG
Senior Government Counsel
Department of Justice

Miss Selina LAU
Senior Government Counsel
Department of Justice

Mr Stefan LO
Senior Government Counsel (Acting)
Department of Justice

Ms Mandy NG
Government Counsel
Department of Justice

Mr Henry CHAN
Government Counsel
Department of Justice

Clerk in attendance : Ms Connie SZETO
Chief Council Secretary (1)4

Staff in attendance : Mr KAU Kin-wah
Senior Assistant Legal Adviser 3

Mr Timothy TSO
Assistant Legal Adviser 2

Ms Sharon CHUNG
Senior Council Secretary (1)4

Action

I Confirmation of minutes

(LC Paper No. CB(1)1837/11-12	-- Minutes of meeting on 29 March 2011
LC Paper No. CB(1)1838/11-12	-- Minutes of meeting on 9 April 2011
LC Paper No. CB(1)1839/11-12	-- Minutes of meeting on 18 April 2011)

The minutes of the meetings held on 29 March, 9 April and 18 April 2011 were confirmed.

Action

II Meeting with the Administration

Draft Committee Stage amendments proposed by the Administration

(LC Paper No. CB(1)1821/11-12(02) -- Draft Committee Stage amendments in relation to Part 11 (Fair Dealing by Directors) of the Bill proposed by the Administration

LC Paper No. CB(1)1866/11-12(03) -- Draft Committee Stage amendments in relation to Part 2 (Registrar of Companies and Companies Register) of the Bill proposed by the Administration)

Consequential amendments

(LC Paper No. CB(1)1907/11-12(01) -- Administration's paper on consequential amendments to be introduced pursuant to the enactment of the Companies Bill

LC Paper No. CB(1)1033/11-12(02) -- Consequential amendments
LC Paper No. CB(1)1033/11-12(03) -- Marked-up version of consequential amendments to the Companies Ordinance and its subsidiary legislation

LC Paper No. CB(1)1033/11-12(04) -- Marked-up version of consequential amendments to other ordinances and subsidiary legislation)

Other relevant papers

(LC Paper No. CB(3)412/10-11 -- The Bill
LC Paper No. CB(1)339/11-12(01) -- Summary of views of deputations made at the meeting on 9 April 2011 and the Administration's response

File Ref: CBT/17/2C -- Legislative Council Brief

Action

- LC Paper No. LS26/10-11 -- Legal Service Division Report
LC Paper No. CB(1)1406/10-11(01) -- Paper on Companies Bill prepared by the Legislative Council Secretariat (Background brief)

2. The Bills Committee deliberated (Index of proceedings attached at the **Appendix**).

Admin

3. The Bills Committee requested the Administration to take the following actions --

- (a) to revise clause 529 so that a director would only be required to issue a general notice on his declaration of interests to the company and it would be the responsibility of the company to send the notice to other directors;
- (b) to retain clause 23(5) relating to admissibility of the guidelines issued by the Registrar as evidence in legal proceedings; and
- (c) to improve the drafting of consequential amendments in the revised Schedule 9 and the proposed new Schedule 9A in the light of comments from the legal advisers to the Bills Committee and members.

III Any other business

4. The Chairman reminded members that the next meeting of the Bills Committee would be held on Tuesday, 22 May 2012 at 8:30 am to meet with the Administration.

5. There being no other business, the meeting ended at 5:36 pm.

Bills Committee on Companies Bill

**Proceedings of the thirty-ninth meeting
on Monday, 21 May 2012, at 2:30 pm
in Conference Room 2B of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
<u>Confirmation of minutes of meetings (LC Paper Nos. CB(1)1837, 1838 and 1839/11-12)</u>			
000003-000221	Chairman	The minutes of meetings held on 29 March, 9 April and 18 April 2011 were confirmed	
<u>Draft Committee Stage amendments ("CSAs") in relation to Part 11 (LC Paper No. CB(1)1821/11-12(02))</u>			
000222-000928	Administration	Briefing on the proposed CSAs to clauses 475, 477, 478, 479, 481, 482, 482A, 485, 486, 487 and 488	
000929-001424	Administration Assistant Legal Adviser 2 ("ALA2")	<u>Clause 489 -- Total exposure amount</u> Briefing and enquiry on the proposed CSAs to the clause	
001425-002411	Administration	Briefing on the proposed CSAs to clauses 491, 493, 494, 495, 496, 497, 500, 501, 503, 504, 505, 506 and 507	
002412-002957	Administration Mr Andrew LEUNG ALA2	<u>Clause 509 -- Prescribed approval of members or affected members</u> <u>Clause 506 -- Provisions supplementary to section 505</u> Briefing and enquiry on the proposed CSAs to the clauses	
002958-003702	Dr Philip WONG Chairman Mr Andrew LEUNG	Discussion on meeting arrangements and assistance from the legal advisers to the Bills Committee in examining the proposed CSAs to the Bill	
003703-004119	Administration Chairman ALA2	Briefing on the proposed CSAs to clauses 513, 515, 516, 521, 522 and 523	
004120-010451	Administration Mr Andrew LEUNG	<u>Clause 529 -- Declaration to directors: procedures</u>	

Time marker	Speaker	Subject(s)	Action required
	Chairman ALA2 Ir Dr Raymond HO Senior Assistant Legal Adviser 3 ("SALA3")	Members' views that a director should only be required to send a general notice to the company to declare interest, and it should be the responsibility of the company/the company secretary to send the notice to other directors The Administration would consider members' views and amend the proposed CSAs	The Administration to take action as in paragraph 3(a) of the minutes
010452-010612	Administration	Briefing on the proposed CSAs to clauses 533 and 535	
<u>Draft CSAs in relation to Part 2 (LC Paper No. CB(1)1866/11-12(03))</u>			
010613-011601	Chairman Administration Mr Andrew LEUNG SALA3	Briefing on the proposed CSAs to clauses 19 and 23 Discussion on whether guidelines issued by the Registrar should be admissible as evidence in legal proceedings (clause 23(5)) Members' view that clause 23(5) be retained	The Administration to take action as in paragraph 3(b) of the minutes
011602-013919	Administration Mr Andrew LEUNG SALA3 Chairman	The Administration's briefing on the proposed CSAs to clauses 26, 26A, 33, 36, 37, 38, 39, 43, 45, 45A, 47, 47A, 47B, 47C, 48, 51, 52, 53, 54, 56, 56A, 57, 58 and 60, and the explanation given on not introducing any CSA to clause 50	
<u>Consequential amendments to be introduced pursuant to the enactment of the Bill (LC Paper No. CB(1)1907/11-12(01))</u>			
013920-020333	Chairman SALA3 Administration	Briefing on the paper The Administration's advice that it would move CSAs to replace the current Schedule 9 with a revised Schedule 9 (covering consequential amendments to the existing Companies Ordinance), and to add a new Schedule 9A (on consequential amendments to other ordinances and pieces of subsidiary legislation in the Laws of Hong Kong) The Administration's explanation that the consequential amendments in the revised Schedule 9 and the proposed new Schedule 9A could be grouped into five broad categories	

Time marker	Speaker	Subject(s)	Action required
		(Categories I to V), and briefing on the examples produced by the Administration to illustrate the operation of the consequential amendments	
<i>Break (020334- 022055)</i>			
022056-030616	Chairman Administration SALA3 Mr Andrew LEUNG	<u>Continuation on the discussion of consequential amendments</u> (LC Paper No. CB(1)1907/11-12(01)) Discussion on the examples produced by the Administration to illustrate the operation of the consequential amendments and suggestions on technical and drafting matters to improve the amendments	The Administration to take action as in paragraph 3(c) of the minutes
030617-030628	Chairman	Date of next meeting	