

Bills Committee on Companies Bill

Alignment of penalties for offences under the Companies Bill

PURPOSE

This paper sets out the basis and rationale for the Administration's proposals for alignment of the penalties for offences under the Companies Bill (CB).

PROPOSAL

Current position in the Companies Ordinance (Cap 32) (CO)

2. At present, the Twelfth Schedule to the CO (the Twelfth Schedule), which is applied by section 351 of the CO, sets out the penalties for all offences under the CO. It specifies the mode of prosecution (summary or indictment), the punishment (the maximum level of fine and/ or the maximum length of imprisonment) and, where applicable, the level of daily default fine for each offence. Section 113B of, and Schedule 8 to, the Criminal Procedure Ordinance (Cap 221) prescribe the actual amount represented by the different levels of fines, as follows –

Level of fine	Maximum amount of fine
Level 1	\$2,000
Level 2	\$5,000
Level 3	\$10,000
Level 4	\$25,000
Level 5	\$50,000
Level 6	\$100,000

(I) Penalty levels

3. Currently, under the CO there is inconsistent treatment of similar offences, and penalties prescribed for offences which are of a similar nature may vary. For example, whilst there is similar punishment for offences relating to inspection of both the register of

members and the register of debenture holders¹, there are different punishments for failing to keep the registers or failing to notify the place where the registers are kept².

(II) Daily default fines

4. According to section 351(1A)(d) of the CO, a daily default fine is applicable to certain offences where the offender is liable, in addition to the punishment by way of a lump sum fine or imprisonment, to a fine for each day on which the default or contravention continues. There are many such offences in the CO, for example, daily default fines are applied for each day a company fails to keep a register of members or register of directors³, or for each day an annual return remains outstanding beyond the deadline set out in the CO for the filing of the annual return⁴. The amount of daily default fine specified in the Twelfth Schedule represents the maximum which the court can impose for the particular offence and in most cases the actual amount imposed by the court will be lower and will depend upon the circumstances of the case. The imposition of a daily default fine for company registration offences is not unique to Hong Kong. Under the UK Companies Act 2006, similar offences⁵ also attract daily default fines.

5. Currently, under the CO, offences which are punishable by the same level of fine may be subject to different daily default fines. For example, the maximum daily default fines for offences which are punishable by a Level 3 fine range from \$200 to \$700⁶.

¹ Sections 98(3) and 75(4) of CO respectively, the maximum penalty is set at a fine at Level 3 and a daily default fine of \$300.

² The maximum penalty for failing to keep a register of members or failing to notify the place where the register is kept under section 95(4) of the CO is a fine at Level 4 with a daily default fine of \$700, whilst the maximum penalty for similar breaches in respect of the register of debenture holders under section 74A(4) is a fine at Level 5 with a daily default fine of \$700.

³ Sections 95(4) and 158A(3) of the CO respectively.

⁴ Section 109(4) of the CO.

⁵ Sections 113(8) (for register of members) and 162(7) (for register of directors) of the UK Companies Act 2006.

⁶ For example, the daily default fine under section 228A(13) of the CO (person ceasing to act as provisional liquidator failing to deliver to the Registrar a notice under section 228A(11)(b)) is \$200, under section 49N(4) of the CO (failing to give the Registrar of Companies (the Registrar) notice or copy of a court order of an application under section 49N) is \$250, under section 70(2) (company failing to issue certificates of shares, debentures, or certificates of debenture stocks on allotment or transfer) is \$300, while under section 21(9) (failure by a body to alter its name on the revocation of a licence to use the words “Chamber of Commerce” or “總商會”, etc. in its name) is \$700, etc. The maximum fine level for all of these offences is set at Level 3 and all are summary offences.

Proposal in the CB

(I) Aligning the penalties for offences

6. To ensure that offences of similar nature under the CB would be punishable with similar penalties and that the penalties involved reflect the relative seriousness of the offences, we have undertaken an exercise to align and rationalise the penalty levels for all offences under the CB. The general guiding principles for the alignment are as follows –

- (a) the penalty should reflect the relative seriousness of the offences;
- (b) offences of similar nature or seriousness should be punishable with similar penalties;
- (c) penalties applicable to the offences committed by Hong Kong companies should generally be applicable to such offences committed by non-Hong Kong companies.

7. Having regard to the above principles, the following changes to the level of penalties, amongst others, are introduced in the CB as a result of the alignment exercise –

- (a) Maximum penalties for the breach of regulatory filing obligations vary according to the category, nature and importance of documents involved and the severity of the consequences of the breach for the protection of members, creditors or the public. The maximum penalties imposed for the most part range from Level 3 with a daily default fine of \$300, to Level 5 with a daily default fine of \$1,000. The Level 3 fine penalty is generally imposed for regulatory filing offences where the consequences of non-filing are less serious, for example where the information relates to the internal administration and procedures of the company⁷. The Level 4 fine penalty is imposed for the more serious filing offences, for example where non-filing may impact upon members and

⁷ For example clause 89(3) of the CB (a company failing to deliver to the Registrar for registration a notice of change of status from Private to Public), clause 91(4) (a company failing to deliver to the Registrar a notice of alteration of the company's articles), clause 410(5) (a company failing to deliver to the Registrar for registration a notice of passing an ordinary resolution for the removal of auditor).

creditors of the company⁸. However, breach of obligations to file certain documents attract heavier penalties if the nature and importance of the documents concerned warrant such, for example a failure to file an annual return and financial statement under clause 653(6) of the CB attracts a maximum fine at Level 5 and a daily default fine of \$1,000 if the breach continues. This reflects the importance to the public of having the information contained in the annual return, and where appropriate the financial statements, available for public inspection.

- (b) Maximum penalties for regulatory (non-filing) offences relating to maintenance and disclosure of company books etc., such as breach of obligations relating to the different kinds of registers that are required to be kept (e.g. the register of debenture holders (Part 7 of the CB), register of charges (Part 8), registers of members, directors and secretaries (Part 12)), including the failure to keep the registers or refusal of inspection of the registers, are aligned at the same level, namely a fine at Level 4.
- (c) The penalty of imprisonment is removed for certain offences where it is considered that the seriousness of the offence does not justify imprisonment as penalty. For example⁹, the responsible person of a company or a registered non-Hong Kong company will not be liable for imprisonment for failing to comply with a direction issued by the Registrar of Companies (the Registrar) to change a company's name under clause 103(5) or clause 769(2) of the CB. It is considered that the seriousness of this breach does not warrant imprisonment, particularly as under the CB, a new remedy is introduced

⁸ For example clause 166(5) of the CB (a company failing to deliver to the Registrar for registration a notice in relation to an alteration of share capital), clauses 178(2) and 186(2) (companies with or without a share capital failing to deliver to the Registrar a copy of a court order confirming or disallowing a variation of class rights), clause 305(5) (a company failing to notify the registrar of any change in the place where the register of debenture holders is kept), or clauses 312(4) and 630(4) (companies failing to deliver to the Registrar notices of the discontinuance of branch register of members or branch register of debenture holders).

⁹ For other examples of offences where the penalty of imprisonment has been removed, see clauses 351(4) and 352(4) of the CB (officer of a company or registered non-Hong Kong company knowingly and wilfully authorizing or permitting the omission of an entry required to be made in the register of charges) and clause 382(3) (failing to approve and sign a director's report). See also clause 408(4).

empowering the Registrar to change the name of any defaulting company to the company registration number¹⁰.

- (d) The maximum penalty level for certain offences has been lowered in the alignment exercise on the basis that the level under the CO is too high. For example¹¹, the penalty for a company failing to deliver to the Registrar for registration a return of allotments¹² is lowered from Level 5 to Level 4 to align with penalties appropriate to offences relating to the register of members (Part 12 of the CB) as penalties for breaches relating to share capital should be aligned with those relating to membership.
- (e) The maximum penalty level for certain offences is raised in view of the seriousness of the offence. For example, under clause 202 of the CB (director making a solvency statement without having reasonable grounds for the opinion expressed), the maximum fine level is raised from Level 5 to Level 6 on summary prosecution as it is considered that making a false or misleading insolvency statement can seriously endanger the interests of creditors and under the CB there is an extension of the use of a uniform solvency test for transactions in relation to share capital (Part 5 of the CB) and statutory amalgamations¹³ (Part 13). It is also, for example, proposed to impose a maximum fine at Level 6 for the offence of failing to comply with a direction issued by the Registrar to appoint a director under clause 449(4) of the CB on the basis that having at least one individual director is one of the core company law requirements.

Details of the penalties for the new offences and changes made to the penalties for existing offences in the CB in the alignment exercise, together with the reasons behind the changes, are set out in **Annex**.

¹⁰ Clause 105 of the CB, which re-enacts section 22AA of the CO. Section 22AA of the CO was introduced by section 15 of the Companies (Amendment) Ordinance 2010.

¹¹ For other examples of offences where the penalty level has been lowered, see clause 382(3) of the CB (failing to approve and sign a director's report) and clause 632(7) (company failing to keep the register of directors available for inspection at the registered offices or prescribed place).

¹² Clause 137(4) of the CB.

¹³ A similar offence to that in clause 202 is found in clause 672(4) in respect of a director voting in favour of making a solvency statement or causing a solvency statement to be made without reasonable grounds for the opinion and facts expressed in the statement for the purpose of the statutory amalgamation procedure.

(II) Correspondence of daily default fine amounts with fine levels

8. To ensure consistency in the imposition of daily default fines in the CB, we propose to uniformly set each applicable level of fine to carry one corresponding amount of daily default fine where an offence calls for a daily default fine.

9. In arriving at the appropriate amounts of daily default fines, we sought to fix the maximum daily default fine as a fixed percentage of the corresponding fine level. According to our research, it is most common for the CO offences (which are to be re-enacted in the CB) to carry a maximum fine at Level 3 or Level 4, while the amount of daily default fine corresponding to a maximum fine at Level 3 or Level 4 is generally equivalent to 3% of the maximum fine level. As such, we have adopted 2 – 3% of the maximum fine levels as the general and approximate basis in prescribing the standard set of daily default fines, as follows –

Level of fine	Maximum amount of fine	Proposed daily default fine
Level 1	\$2,000	N/A
Level 2	\$5,000	N/A
Level 3	\$10,000	\$300
Level 4	\$25,000	\$700
Level 5	\$50,000	\$1,000
Level 6	\$100,000	\$2,000
Maximum amount of fine exceeds \$100,000		\$2,000

Public consultation

10. We consulted the public on the proposals to adjust the penalties for offences and to peg the daily default fine amounts to fine levels (as set out in paragraph 9) in the First Phase Consultation on the Draft Companies Bill from December 2009 to March 2010. The only comment received on the change in penalty levels is set out below –

CB	Major comment	Administration's response
Part 15 Clause 759(4) ¹⁴	<ul style="list-style-type: none"> The removal of the imprisonment penalty on officers may reduce the deterrent effect. 	<ul style="list-style-type: none"> Upon review of CB's offence provisions, we consider that the seriousness of this offence does not warrant imprisonment. There is new remedy empowering the Registrar to direct change of name of the company to a company registration number.

**Financial Services and the Treasury Bureau
Companies Registry
17 February 2012**

¹⁴ Clause 759: "Registrar may direct company to change same or similar name etc."

Details of alignment of penalties for offences under the Companies Bill

This Annex includes details of the penalties for the new offences in the Companies Bill (CB) and changes made to the penalties for existing offences and the reasons behind the changes. Some Parts of the CB are not included because those Parts contain no offence provisions or no change has been made to the penalties for offences contained in those Parts.

A list of abbreviations used is as follows –

CO: Companies Ordinance (Cap 32)

FRCO: Financial Reporting Council Ordinance (Cap 588)

FS: Financial Secretary

Registrar, the: Registrar of Companies

SFO: Securities and Futures Ordinance (Cap 571)

Part 2 – Registrar of Companies and Companies Register

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 37(3) (in respect of clause 37(1)(b))	Company failing to comply with the Registrar’s notice to resolve inconsistency between a registered document and other information on the Companies Register.	<ul style="list-style-type: none">• Company and responsible person• Summary• Fine at Level 5 and a further daily default fine of \$1,000 if the offence continues	New offence	<ul style="list-style-type: none">• The nature of the offence (non-compliance with the Registrar’s directions or requests) is similar to that under clause 103 (“Registrar may direct company to change same or similar name etc.”). The maximum penalty level reflects the relative severity of the offence.
Clause 38(2) (in respect of clause 38(1))	Company failing to comply with the Registrar’s notice to require further information for updating information on the Companies	<ul style="list-style-type: none">• Company and responsible person• Summary• Fine at Level 5 and a further daily	New offence	<ul style="list-style-type: none">• The maximum penalty level is aligned with clause 37(3).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	Register.	default fine of \$1,000 if the offence continues		
Clause 38(3) (in respect of clause 38(1))	Any other person failing to comply with the Registrar's notice to require further information for updating information on the Companies Register.	<ul style="list-style-type: none"> • Any person who, other than company and responsible person, has acted so • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the offence continues 	New offence	<ul style="list-style-type: none"> • The maximum penalty level is aligned with clause 37(3).
Clause 51(8) (in respect of clause 51(4))	Company failing to enter a director's protected address in its register of directors as his correspondence address in the event of the company having received from the Registrar a written notice that he has decided to make the protected address available for public inspection.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the offence continues 	New offence	<ul style="list-style-type: none"> • The maximum penalty level is aligned with other CB offence provisions for failure to enter into register of directors the required particulars (e.g. clause 632(7)).
Clause 51(8) (in respect of clause 51(5))	Company failing to: (i) enter in its register of directors a residential address notified by a director within 5 years after the decision date for making the protected address available for inspection, as the director's usual residential address and correspondence address; or (ii)	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the offence continues 	New offence	<ul style="list-style-type: none"> • The maximum penalty level is aligned with other CB offence provisions for: (i) failure to enter into register of directors the required particulars (e.g. clause 632(7)); or (ii) failure to notify the Registrar change in the particulars in the register of directors (e.g. clause 636(6)).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	deliver to the Registrar for registration notice/ return changing the correspondence address to such address in the prescribed manner as required under clause 636(4) or 779.			
Clause 51(8) (in respect of clause 51(6))	Company failing to comply with the prohibition within 5 years after the decision date for making the protected address available for inspection regarding: (i) the entering in its register of directors as the director's correspondence address any address other than the protected address or an address notified under clause 51(5); or (ii) the delivery to the Registrar for registration notice/ return under clause 636(4) or 779 stating as the correspondence address any address other than the protected address or an address notified under clause 51(5).	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the offence continues 	New offence	<ul style="list-style-type: none"> • The maximum penalty level is aligned with other CB offence provisions for: (i) failure to enter into register of directors the required particulars (e.g. clause 632(7)); or (ii) failure to notify the Registrar change in the particulars in the register of directors (e.g. clause 636(6)).

Part 3 – Company Formation and Related Matters, and Re-registration of Company

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 69(2) (in respect of clause 69(1))	Failing to deliver all the signed consent(s) in specified form to act as director with the Registrar in accordance with the prescribed requirement and within the prescribed time.	<ul style="list-style-type: none"> • Company, every responsible person, and founder member who signs the incorporation form for the purposes of clause 64 • Summary • Fine at Level 4 and a further daily default fine of \$700 if the offence continues 	Section 18A(2)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 and the further daily default fine is raised from \$300 to \$700. • The maximum penalty level is aligned with those provided for under clauses 633(5) and 640(5) of the CB for breach of obligations about providing a copy of the register of directors and secretaries.
Clause 89(3) (in respect of clause 89(2)(a))	Company failing to deliver to the Registrar for registration, following alteration of a private company's articles such that the company ceases to be a private company, a notice of the change of the company's status in the specified form within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the offence continues 	New offence	<ul style="list-style-type: none"> • A company's status is important to the public. There should be a mechanism to register changes of a company's status to enable those searching the register of companies to know exactly what document to look for in the document index for change of company status from private to public. Thus, this new offence is added. • The maximum penalty level is aligned with that for similar offences for failing to file notice of change in company details in the specified form with the Registrar (clauses 83(6) and 102(6) of the CB).
Clause 89(4)	Company failing to deliver to the	<ul style="list-style-type: none"> • Company and every responsible 	Section 30(2)	<ul style="list-style-type: none"> • This is a modified offence resulting from

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
(in respect of clause 89(2)(b))	Registrar for registration, following alteration of a private company's articles such that the company ceases to be a private company, a certified copy of the company's annual financial statements that are prepared in accordance with clause 375 for the financial year immediately before the financial year in which the alteration takes effect, within the prescribed time.	<p>person</p> <ul style="list-style-type: none"> • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the offence continues 		<p>change of requirement under section 30(1) and (1A) of the CO (i.e. to deliver to the Registrar, upon ceasing to be a private company, a prospectus or a statement in lieu of prospectus) to clause 89(2)(b) of the CB (i.e. to deliver the company's annual financial statements).</p> <ul style="list-style-type: none"> • Compared with section 30(2) of the CO, clause 89(4) has added a further daily default fine of \$1,000 for failing to file annual financial statements. • The maximum penalty level is aligned with a similar offence for failing to file the financial statements with the annual return under clause 653(6) of the CB.
Clause 90(3) (in respect of clause 90(2))	Company failing to deliver to the Registrar for registration, following alteration of a public company's articles such that the company ceases to be a public company, a notice of the change of the company's status in the specified form within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the offence continues 	New offence	<ul style="list-style-type: none"> • This is a parallel requirement to clause 89(2)(a), introduced to deal with the conversion of company status from public to private and to require filing of the notice of change of status in specified form. • The maximum penalty level is aligned with that under clause 89(3) of the CB.
Clause 91(4) (in respect of clause 91(1))	<ul style="list-style-type: none"> • Company failing to deliver to the Registrar for registration, following alteration of the company's articles by an order of 	<ul style="list-style-type: none"> • Company and every responsible person 	New offence	<ul style="list-style-type: none"> • The offence is added to ensure that those searching the register of companies should be able to be made aware of the changes to companies' articles effected by the court

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
or (2))	<p>the Court, a notice of the alteration of the company's articles in the specified form within the prescribed time; or</p> <ul style="list-style-type: none"> Company failing to deliver to the Registrar for registration an office copy of the court order for such alteration and a copy of the articles as altered by the court order (accompanying the notice of alteration mentioned above) within the prescribed time. 	<ul style="list-style-type: none"> Summary Fine at Level 3 and a further daily default fine of \$300 if the offence continues 		<p>order.</p> <ul style="list-style-type: none"> The maximum penalty level is aligned with that for similar offences under clause 83(6) of the CB.
Clause 103(5) (in respect of clause 103(1) and (2))	Company failing to change its name within the prescribed time or within such period as extended by the Registrar, as directed by the Registrar on the grounds set out in clause 103(1) and (2).	<ul style="list-style-type: none"> Company and every responsible person Summary Fine at Level 6 and a further daily default fine of \$2000 if the offence continues 	Section 22(6)	<ul style="list-style-type: none"> The penalty of imprisonment for 6 months is removed as the seriousness of the offence does not justify imposition of such penalty. The further daily default fine is raised from \$700 to \$2,000.
Clause 104(5) (in respect of clause 104(2))	Company failing to change its name within the prescribed time or within such period as extended by the Registrar, as directed by the Registrar on the grounds set out in clause 104(1).	<ul style="list-style-type: none"> Company and every responsible person Summary Fine at Level 6 and a further daily default fine of \$2,000 if the offence continues 	Section 22A(4)	<ul style="list-style-type: none"> The maximum fine level is raised from Level 4 to Level 6 and the further daily default fine is raised from \$700 to \$2,000. The maximum penalty level is aligned with that for similar obligations and offences under clause 103(5) of the CB.

Part 4 – Share Capital

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 137(4)	Company failing to deliver to the Registrar for registration a return of the allotment within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 45(3)	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4 to align with that for offences relating to register of members (clause 617(7)).
Clause 138(2)	Company failing to register an allotment of shares by entering in the register of members the necessary information within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • The maximum penalty level is aligned with that for a similar offence for failing to enter particulars in the register of members under clause 617(4) and (7) of the CB.
Clause 139(3)	Company failing to complete the certificates for shares allotted and have the certificates ready for delivery within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 70(2)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 to align with that for offences relating to register of members (clause 617(7)).
Clause 146(5) (in respect of	Company failing within the prescribed time to either register a transfer of shares or send the	<ul style="list-style-type: none"> • Company and every responsible person 	Section 69(2) (in respect of	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 to align with that for offences relating to register of members

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
clause 146(2))	transferee and the transferor notice of refusal to register the transfer.	<ul style="list-style-type: none"> • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	section 69(1))	(clause 617(7)).
Clause 146(5) (in respect of clause 146(4))	Company failing within the prescribed time to either register a transfer of shares or give a statement of reasons of refusal after receiving a request for such statement.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on section 69(1A) and (2) of the CO. • The penalty level is aligned with that for another offence under this clause, i.e. clause 146(5) in respect of clause 146(2).
Clause 150(4)	Company failing to complete the certificates for shares transferred and have the certificates ready for delivery within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 70(2)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 to align with that for offences relating to register of members (clause 617 (7)).
Clause 153(5) (in respect of clause 153(2))	Company failing within the prescribed time to either register a transmission of shares or send the person requesting the registration notice of refusal to register.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on sections 69(1) and (2) of the CO. • The penalty level is aligned with another offence under this clause, i.e. clause 153(5) in respect of clause 153(4).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 153(5) (in respect of clause 153(4))	Company failing within the prescribed time to either register a transmission of shares or give a statement of reasons of refusal after receiving a request for such statement.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 69(2) (in respect of section 69(1A))	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 to align with that for offences relating to register of members (clause 617(7)).
Clause 166(5)	Company failing to deliver a notice to the Registrar for registration in relation to an alteration of its share capital under clause 165 within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 54(2)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 to align with that for offences relating to register of members (clause 617(7)).
Clause 168(3)	Company failing to deliver a notice to the Registrar for registration in relation to a redenomination of share capital under clause 167 within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • The penalty level is aligned with similar offences in this Part.
Clause 170(3)	Company failing to deliver a notice to the Registrar for registration in relation to a reconversion of stock into share under clause 169 within	<ul style="list-style-type: none"> • Company and every responsible person • Summary 	Section 54(2) (in respect of section 54(1)(c))	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 to align with that for offences relating to register of members (clause 617(7)).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	the prescribed time.	<ul style="list-style-type: none"> • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 		
Clause 174(4)	Company failing to disclose on share certificates a statement about the class of shares or the prohibitions or restrictions on voting rights attached to the shares.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 57A(3)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 to align with that for offences relating to register of members (clause 617(7)).
Clause 176(2)	Company failing to give written notice of a variation of class rights to each holder of shares in that class within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • The maximum penalty level is aligned with the general penalty level under this Part.
Clause 178(2)	Company failing to deliver a copy of the court order confirming or disallowing a variation of class rights to the Registrar within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 64(5)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 to align with that for offences relating to register of members (clause 617(7)).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 179(3)	<p>Company failing to deliver to the Registrar, within the prescribed time –</p> <p>(a) a copy of the resolution or other document that authorized a variation of class rights; and</p> <p>(b) a notice of the variation in the specified form.</p>	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • Existing law plus new provision to require the filing of a specified form with the Companies Registry (CR) when there is a variation of class rights. • The new offence is necessary because (a) the disclosure of information about the variation of class rights is necessary for investors and creditors to make assessments on the company; and (b) this is in line with the general arrangement for failure to file a specified form. • The maximum penalty level is aligned with the general penalty level under this Part.
Clause 184(2)	Company failing to give written notice of a variation of class rights to each member in that class within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • This offence is the same as the offence under clause 176(2) except that this offence applies to a company without a share capital while the offence under clause 176(2) applies to a company having a share capital. • The maximum penalty level is aligned with the general penalty level under this Part.
Clause 186(2)	Company failing to deliver a copy of the court order confirming or disallowing a variation of class	<ul style="list-style-type: none"> • Company and every responsible person 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on section 64(5) of the CO and clause 178(1)

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	rights to the Registrar within the prescribed time.	<ul style="list-style-type: none"> • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 		<p>and (2) of the CB.</p> <ul style="list-style-type: none"> • This offence is the same as the offence under clause 178(2) except that this offence applies to a company without a share capital while the offence under clause 178(2) applies to a company having a share capital. • The maximum penalty level is aligned with that in clause 178(2) in relation to a company with a share capital.
Clause 187(3)	<p>Company failing to deliver to the Registrar, within the prescribed time –</p> <p>(a) a copy of the resolution or other document that authorized a variation of class rights; and</p> <p>(b) a notice in the specified form about the variation.</p>	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on section 64A of the CO and clause 179 of the CB. • This offence is the same as the offence under clause 179(3) except that this offence applies to a company without a share capital while the offence under clause 179(3) applies to a company having a share capital • The maximum penalty level is aligned with that in clause 179(3) in relation to a company with a share capital.

Part 5 – Transactions in relation to Share Capital

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 202	Director making a solvency statement without having reasonable grounds for the opinion expressed.	<ul style="list-style-type: none"> • A director who makes a solvency statement • Indictment: fine of \$150,000 and imprisonment for 2 years • Summary: fine at Level 6 and imprisonment for 6 months 	Sections 47F(5) and 49K(6)	<ul style="list-style-type: none"> • Under the CO, both the summary mode and indictment mode are provided for under section 49K(6). However, only summary mode is provided for under section 47F(5). • Under the CB, a uniform solvency test is adopted and both the summary mode and indictment mode are provided for because the making of a false or misleading solvency statement can seriously endanger the interests of creditors. • The maximum fine level under the indictment mode is aligned with a similar offence under clause 672(4) of the CB (in relation to voting in favour of making a solvency statement without having reasonable grounds for the opinion and fact expressed in the statement) and similar penalty levels in the Twelfth Schedule of the CO. In the Twelfth Schedule, the usual fine level associated with imprisonment for 2 years for convictions upon indictment is \$150,000. • The maximum fine level under the summary mode is raised from Level 5 to Level 6 to align with that for a similar

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				offence under clause 672(4) of the CB.
Clause 207	Company reducing its share capital in breach of Division 3.	<ul style="list-style-type: none"> • Company and responsible person • Indictment: fine of \$1,250,000 and imprisonment for 5 years • Summary: fine of \$150,000 and imprisonment for 12 months 	Section 58(1B)	<ul style="list-style-type: none"> • The maximum fine level under the summary mode is raised from \$125,000 to \$150,000 on summary conviction, to align with that for similar offences under clauses 262(3) and 271(4) of this Part and similar penalty level in the Twelfth Schedule of the CO. In the Twelfth Schedule, the usual fine level going beyond Level 6 is \$150,000 rather than \$125,000.
Clause 213(3) (in respect of clause 213(1))	Company failing to publish a notice about the particulars of a proposed reduction of share capital in the Gazette within the prescribed time.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • This new offence is to protect the interests of creditors by requiring publication of a proposal to reduce the share capital of a company so that parties concerned are aware of it. • The maximum penalty level is aligned with that for similar obligations and offences regarding publishing notices in the Gazette for CO provisions relating to winding-up, e.g. section 229(2) and section 253(4) (in respect of section 253(2)(a)).
Clause 213(3) (in respect of clause 213(2))	Company failing to comply with the requirement either to publish a notice about the particulars of a proposed reduction of share capital	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 3 and a further daily 	New offence	<ul style="list-style-type: none"> • Same as clause 213(3) (in respect of clause 213(1)) above.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	in newspapers or give written notice to that effect to creditors within the prescribed time.	default fine of \$300 if the breach continues		
Clause 213(5)	Company failing to deliver to the Registrar for registration a copy of the solvency statement within the prescribed time.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	New offence	<ul style="list-style-type: none"> • This new offence is to protect the interest of creditors and other parties concerned by requiring registration of the solvency statement. • The maximum penalty level is aligned with the obligations and offences regarding registering an annual return under the CB (clause 653(6)). The Level 5 fine is the same as that for the comparable offence relating to registration of a solvency statement in section 47F(4) of the CO. • The maximum penalty level is higher than that for the offences under clause 213(3) because it is considered that records kept by the Registrar are directly relevant to a particular company and is an important source of information to the creditors.
Clause 214(3) (in respect of clause 214(1))	Company failing to ensure that the special resolution for a proposed reduction of share capital and the solvency statement are kept at its registered office or at a prescribed place during the prescribed period.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on current procedures for a private company to buy back its shares out of capital under section 49M(5) and (6) of the CO. • The maximum penalty level is aligned with that for similar offences in clauses

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
		continues		609(5) and 610(4) of Part 12 of the CB in relation to the keeping of records of resolutions and meetings, etc. for inspection.
Clause 214(3) (in respect of clause 214(2))	Company failing to permit a member or creditor to inspect the special resolution and solvency statement during the prescribed period.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	New offence	<ul style="list-style-type: none"> • Same as clause 214(3) (in respect of clause 214(1)) above.
Clause 215(5)	Company failing to give the Registrar notice in the specified form of the relevant application within the prescribed time after an application to oppose a proposed reduction of share capital is served on the company.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New obligations and offence based on current procedures for a private company to buy back its shares out of capital under section 49N(3)(a) and (4) of the CO. • The maximum penalty level is based on section 49N(4) of the CO (i.e. maximum fine at Level 3 and a daily default fine of \$250). • The daily default fine is raised from \$250 to \$300 because under the CB, the daily default fine corresponding with a Level 3 fine is set at \$300 (see paragraphs 8 and 9 of the covering paper).
Clause 218(2)	Company failing to deliver an office copy of an order (to confirm or cancel a proposed reduction of	<ul style="list-style-type: none"> • Company and responsible person 	New offence	<ul style="list-style-type: none"> • New obligations and offence based on current procedures for a private company to buy back its shares out of capital under

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	share capital) to the Registrar for registration within the prescribed time.	<ul style="list-style-type: none"> • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 		<p>sections 49N(3)(b) and (4) of the CO.</p> <ul style="list-style-type: none"> • The maximum penalty level is based on section 49N(4) of the CO (i.e. maximum fine at Level 3 and a daily default fine of \$250). • The daily default fine is raised from \$250 to \$300 because under the CB, the daily default fine corresponding with a Level 3 fine is set at \$300 (see paragraphs 8 and 9 of the covering paper).
Clause 223	<p>An officer of a company</p> <p>(a) intentionally or recklessly —</p> <p style="padding-left: 40px;">(i) conceals the name of a creditor entitled to object to the reduction of share capital; or</p> <p style="padding-left: 40px;">(ii) misrepresents the nature or amount of the debt or claim of a creditor; or</p> <p>(b) is knowingly concerned in any such concealment or misrepresentation.</p>	<ul style="list-style-type: none"> • An officer of a company • Indictment: fine of \$150,000 and imprisonment for 2 years • Summary: fine at Level 6 and imprisonment for 6 months 	Section 63	<ul style="list-style-type: none"> • The maximum fine level under summary mode is raised from Level 5 to Level 6 as the breach is considered a serious one.
Clause 232(6) (in respect of	Company failing to keep at its registered office or at a prescribed place a copy of the contract,	<ul style="list-style-type: none"> • Company and responsible person 	Section 49G(7) (in respect of	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 4 to Level 5 to align with that for similar offences under clause 214(3), as

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
clause 232(2))	agreement, or a memorandum of terms in relation to buying back its own shares.	<ul style="list-style-type: none"> • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	subsection (4))	well as clauses 609(5) and 610(4) under Part 12 of the CB in relation to the keeping of records of resolutions and meetings, etc. for inspection.
Clause 232(6) (in respect of clause 232(3))	Company failing to keep for 10 years a copy of the contract, agreement, or a memorandum of terms in relation to buying back its own shares.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 49G(7) (in respect of subsection (4))	<ul style="list-style-type: none"> • Same as clause 232(6) (in respect of clause 232(2)) above.
Clause 232(6) (in respect of clause 232(4))	Company refusing to allow an inspection of the copy of the contract, agreement, or a memorandum of terms in relation to buying back its own shares.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 49G(7) (in respect of clause 49G(5))	<ul style="list-style-type: none"> • Same as clause 232(6) (in respect of clause 232(2)) above.
Clause 256(3) (in respect of clause 256 (1))	Company failing to publish a notice about the particulars of a proposed payment out of capital in the Gazette within the prescribed time.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • To protect the interests of creditors by requiring publication of a proposal to buy back shares out of capital of a company so that parties concerned are aware of it. • The maximum penalty level is aligned with that for similar obligations and offences regarding publishing notices in the Gazette for CO provisions relating to winding-up, e.g. section 229(2) and

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				section 253(4) (in respect of section 253(2)(a)).
Clause 256(3) (in respect of clause 256(2))	Company failing to comply with the requirement either to publish a notice about the particulars of a proposed payment out of capital in newspapers or give written notice to that effect to creditors within the prescribed time.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • Same as clause 256(3) (in respect of clause 256(1)) above.
Clause 256(5)	Company failing to deliver to the Registrar for registration a copy of the solvency statement within the prescribed time.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	New offence	<ul style="list-style-type: none"> • This new offence is to protect the interest of creditors and other parties concerned by requiring registration of the solvency statement. • The maximum penalty level is aligned with that for the obligations and offences regarding registering an annual return under clause 653(6) of the CB. The Level 5 fine is the same as that for the comparable offence relating to registration of a solvency statement in section 47F(4) of the CO. • The maximum penalty level is higher than that for the offences under clause 256(3) because it is considered that the records kept by the Registrar are directly relevant to a particular company and is an important source of information to the

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				creditors.
Clause 257(3) (in respect of clause 257(1))	Company failing to ensure that the special resolution for a proposed payment out of capital and the solvency statement are kept at its registered office or at a prescribed place during the prescribed period.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on current procedures for a private company to buy back its shares out of capital under section 49M(5) and (6) of the CO. The new procedures apply to both private and public companies. • The maximum fine level is set at Level 5 to align with that for similar offences in clauses 609(5) and 610(4) under Part 12 of the CB in relation to the keeping of records of resolutions and meetings, etc. for inspection.
Clause 257(3) (in respect of clause 257(2))	Company failing to permit a member or creditor to inspect the special resolution and solvency statement during the prescribed period.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	New offence	<ul style="list-style-type: none"> • Same as clause 257(3) (in respect of clause 257(1)) above.
Clause 258(5)	Company failing to give the Registrar notice in the specified form of the application within the prescribed time after an application to oppose a proposed payment out of capital is served on the company.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on current procedures for a private company to buy back its shares out of capital under section 49N(3)(a) and (4) of the CO. The new procedures apply to both private and public companies. • The maximum penalty level is based on

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				<p>section 49N(4) of the CO (i.e. maximum fine at Level 3 and a daily default fine of \$250).</p> <ul style="list-style-type: none"> The daily default fine is raised from \$250 to \$300 because under the CB, the daily default fine corresponding with a Level 3 fine is set at \$300 (see paragraphs 8 and 9 of the covering paper).
Clause 261(2)	Company failing to deliver an office copy of an order (to confirm or cancel a proposed payment out of capital) to the Registrar for registration within the prescribed time.	<ul style="list-style-type: none"> Company and responsible person Summary Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> New obligations and offences based on current procedures for a private company to buy back its shares out of capital under section 49N(3)(b) and (4) of the CO. The new procedures apply to both private and public companies. The maximum penalty level is based on section 49N(4) of the CO (i.e. maximum fine at Level 3 and a daily default fine of \$250). The daily default fine is raised from \$250 to \$300 because under the CB, the daily default fine corresponding with a Level 3 fine is set at \$300 (see paragraphs 8 and 9 of the covering paper).
Clause 262	Company acquiring its own shares in breach of the CB.	<ul style="list-style-type: none"> Company, responsible person and every non-tendering member of the company (as defined by clause 694) who knowingly permits the 	Section 58(1B)	<ul style="list-style-type: none"> The maximum fine level under summary mode is raised from \$125,000 to \$150,000, to align with that for similar offences under clauses 207(1) and 271(4) of this

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
		contravention <ul style="list-style-type: none"> • Indictment: fine of \$1,250,000 and imprisonment for 5 years • Summary: fine of \$150,000 and imprisonment for 12 months 		Part and similar penalty levels in the Twelfth Schedule of the CO. In the Twelfth Schedule, the usual fine level going beyond Level 6 is \$150,000.
Clause 266(4)	Company that redeems or buys back its own shares failing to deliver a return to the Registrar for registration within the prescribed time.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 6 and a further daily default fine of \$2,000 if the breach continues 	Sections 49G(6) and 54	<ul style="list-style-type: none"> • New obligation to require the filing of the return in case of a redemption of share, instead of filing of a notice of alteration of share capital under section 54 of the CO. • Under section 49G(6) of the CO (in relation to buy back of a company's own shares), only the "officers in default" will be subject to prosecution, while under the CB both the "company and responsible person" could be prosecuted to align with the usual arrangement for filing offences. • The prosecution mode by indictment is removed while the maximum fine level is raised from Level 4 to Level 6, as it is considered that an increase in fine on summary conviction would provide for sufficient punishment for a filing offence.
Clause 271(4)	Company providing financial assistance for acquisition of its own shares or for reducing or discharging liability for such	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine of \$150,000 and 	Section 47A(3)	<ul style="list-style-type: none"> • The maximum fine level is raised from \$125,000 to \$150,000 to align with similar offences under clauses 207(1) and 262(3) of this Part and similar penalty levels in

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	acquisition in breach of clause 271.	imprisonment for 12 months		the Twelfth Schedule. In the Twelfth Schedule, the usual fine level going beyond Level 6 is \$150,000.
Clause 279(5)	Company failing to send to its member a copy of the solvency statement and a notice containing prescribed information about the giving of financial assistance within the prescribed time.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • The maximum penalty level is aligned with that for the usual filing offences under this Part (i.e. fine at Level 3).
Clause 282(6)	Company failing to give the Registrar notice in the specified form of the relevant application within the prescribed time after an application to oppose a financial assistance proposal is served on the company.	<ul style="list-style-type: none"> • Company and responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on current procedures for an unlisted company to give financial assistance under section 47G(4) and (10) of the CO. The new procedures apply to both listed and unlisted companies. • The maximum penalty level is based on section 47G(10) of the CO (i.e. maximum fine at Level 3 and a daily default fine of \$250). • The daily default fine is raised from \$250 to \$300 because under the CB, the daily default fine corresponding with a Level 3 fine is set at \$300 (see paragraphs 8 and 9 of the covering paper).
Clause 285(2)	Company failing to deliver an office copy of an order (to confirm or	<ul style="list-style-type: none"> • Company and responsible person 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on current procedures for an unlisted

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	cancel a financial assistance proposal) to the Registrar for registration within the prescribed time.	<ul style="list-style-type: none"> • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 		<p>company to give financial assistance under section 47G(7) and (10) of the CO. The new procedures apply to both listed and unlisted companies.</p> <ul style="list-style-type: none"> • The maximum penalty level is based on section 47G(10) of the CO (i.e. maximum fine at Level 3 and a daily default fine of \$250). • The daily default fine is raised from \$250 to \$300 because under the CB, the daily default fine corresponding with a Level 3 fine is set at \$300 (see paragraphs 8 and 9 of the covering paper).

Part 7 – Debentures

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 304(3) (in respect of clause 304(1))	Company, issuing a series of debentures, or any debenture stock, that are not transferable by delivery, failing to keep a register of the holders of the debentures or debenture stock.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 74A(4) (in respect of section 74A(1))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4 to align with that for similar offences relating to register of members (clause 617(7)).
Clause 304(3) (in respect of clause 304(2))	Company failing to enter in the register of debenture holders the prescribed particulars.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 74A(4) (in respect of section 74A(1))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4 to align with that for similar offences relating to register of members (clause 617(7)).
Clause 305(5) (in respect of clause 305(1))	<p>Company failing to keep its register of debenture holders available for inspection at—</p> <p>(a) the company’s registered office; or</p> <p>(b) a place prescribed by regulations made under clause 648.</p>	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 74A(4) (in respect of section 74A(2)) of the CB	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4 to align with that for similar offences relating to register of members (clause 618(5)).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 305(5) (in respect of clause 305(2))	Company failing to notify the Registrar of the place at which the register of debenture holders is kept within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 74A(4) (in respect of section 74A(3))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4 to align with that for similar offences relating to register of members (clause 618(5)).
Clause 305(5) (in respect of clause 305 (3))	Company failing to notify the Registrar of any change in the place at which the register of debenture holders is kept within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 74A(4) (in respect of section 74A(3))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4 to align with that for similar offences relating to register of members (clause 618(5)).
Clause 306(6) (in respect of clause 306(4))	Company failing to provide a copy of the register of debenture holders or trust deed securing issue of debentures within the prescribed time after receiving such a request and the prescribed fee.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 75(4)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 and the further daily default fine is raised from \$300 to \$700 to align with those for similar offences relating to register of members (clause 621(6)).
Clause 306(6) (in respect of clause 306(5))	Company failing to inform a person of the most recent date on which alterations were made to the register of debenture holders when	<ul style="list-style-type: none"> • Company and every responsible person • Summary 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on clause 621(4) and (6) of the CB. • The maximum penalty level is aligned with that for a similar offence for failing to

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	(a) the person inspects the register; or (b) the company provides the person with a copy of the register.	<ul style="list-style-type: none"> • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 		inform date of alteration of the register of members (clause 621(4) and (6)).
Clause 309(4) (in respect of clause 309(2))	Company failing to notify the Registrar of the place at which the branch register of debenture holders is kept within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on clause 627(2) and (4). • The maximum penalty level is aligned with that for a similar offence for failing to notify the Registrar the place where a branch register of members is kept (clause 627(2) and (4)).
Clause 309(4) (in respect of clause 309(3))	Company failing to notify the Registrar of any change in the place at which the branch register of debenture holders is kept within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on clause 627(3) and (4). • The maximum penalty level is aligned with that for a similar offence for failing to notify the Registrar where the place of keeping the branch register of members has been changed (clause 627(3) and (4)).
Clause 310(6) (in respect of clause 310(3))	Company failing to transmit copy of every entry made in a branch register to its registered office and to keep a duplicate of the branch register entered up from time to time at the place where the	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on clause 628(3) and (6). • The maximum penalty level is aligned with that for a similar offence in relation to a branch register of members (clause

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	company's principal register is kept.	continues		628(3) and (6)).
Clause 312(4) (in respect of clause 312(3))	Company failing to deliver to the Registrar for registration a notice in the specified form informing the Registrar within the prescribed time of: (a) the discontinuance of a branch register of debenture holders; and (b) the place to which the entries have been transferred.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on clause 630(3) and (4). • The maximum penalty level is aligned with that for a similar offence in relation to a branch register of members (clause 630(3) and (4)).
Clause 313(3) (in respect of clause 313(1))	Company failing to deliver to the Registrar for registration a return of allotment on debentures or debenture stock.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on clause 137(1) and (4). • The maximum penalty level is aligned with that for a similar offence for failing to file with the CR a return of allotment on shares (clause 137(1) and (4)).
Clause 314(2)	Company failing to register an allotment of debentures or debenture stock by entering in the register of debenture holders the necessary information within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New obligations and offences based on clause 138. • The maximum penalty level is aligned with a similar offence for failing to register an allotment of shares (clause 138).
Clause 315(3)	Company failing to complete the debentures or the certificates for	<ul style="list-style-type: none"> • Company and every responsible person 	Section 70(2)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 and the further daily

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	debenture stock allotted and have the debentures or the certificates ready for delivery within the prescribed time.	<ul style="list-style-type: none"> • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 		default fine is raised from \$300 to \$700 to align with those for a similar offence relating to allotment of shares (clause 139(3)).
Clause 318(3)	Company failing within the prescribed time to either register a transfer of debentures or send the transferee and the transferor notice of refusal to register the transfer.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 69(2)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 and the further daily default fine is raised from \$300 to \$700 to align with those for a similar offence relating to transfer of shares (clause 146(5)).
Clause 320(4)	Company failing to complete the debentures or the certificates for debenture stock transferred and have the debentures or certificates ready for delivery within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 70(2)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 and the further daily default fine is raised from \$300 to \$700 to align with those for a similar offence relating to transfer of shares (clause 150(4)).
Schedule 10 section 55	<p>Company failing to inform a person of the most recent date on which alterations were made to the register of debenture holders when</p> <p>(a) the person inspects the register; or</p> <p>(b) the company provides the</p>	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • This offence is added to ensure that even if the person's request to inspect, or be provided with a copy of the register, is made before the commencement of the CB, the company will still be required to inform him of the most recent date of alteration.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	<p>person with a copy of the register;</p> <p>where the person's request to inspect, or be provided with a copy, was made under provisions having a continuing effect under Schedule 10.</p>			<ul style="list-style-type: none"> The maximum penalty level is aligned with a similar offence under clause 306(6) (in respect of clause 306(5)) of the CB.

Part 8 – Registration of Charges

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 336(2)	Both the company/registered non-Hong Kong company and person interested in the specified charge failing to deliver to the Registrar for registration the requisite document(s) in respect of a specified charge created by the company/registered non-Hong Kong company within the prescribed time.	<ul style="list-style-type: none"> • Company/ registered non-Hong Kong company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Sections 81(3) and 91(1)	<ul style="list-style-type: none"> • The daily default fine is lowered from \$1,500 to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper.
Clause 337(5)	Company failing to deliver to the Registrar for registration the requisite document(s) in respect of a charge existing on property acquired by it within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 82(2)	<ul style="list-style-type: none"> • Same as the details under clause 336(2).
Clause 338(6)	Registered non-Hong Kong company failing to deliver to the Registrar for registration the requisite document(s) in respect of a charge existing on property acquired by it within the prescribed time.	<ul style="list-style-type: none"> • Registered non-Hong Kong company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Sections 82(2) and 91(1)	<ul style="list-style-type: none"> • Same as the details under clause 336(2).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 339(7)	Registered non-Hong Kong company which has, on the date of its registration under Part 16, any property in Hong Kong that is subject to a charge created by it or to a charge that subsisted when the property was acquired by it, failing to deliver to the Registrar for registration the requisite document(s) in respect of such charge within the prescribed time.	<ul style="list-style-type: none"> • Registered non-Hong Kong company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 91(6)	<ul style="list-style-type: none"> • Same as the details under clause 336(2).
Clause 340(8)	Both the company/registered non-Hong Kong company and person interested in the charge failing to deliver to the Registrar for registration a statement of the particulars of every issue of the debentures of the series within the prescribed time.	<ul style="list-style-type: none"> • Company/ registered non-Hong Kong company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Sections 81(3) and 91(1)	<ul style="list-style-type: none"> • Same as the details under clause 336(2).
Clause 342(1)	Both the company/registered non-Hong Kong company and person interested in the charge failing to deliver to the Registrar for registration a statement of the particulars of the commission, allowance or discount within the prescribed time.	<ul style="list-style-type: none"> • Company/ registered non-Hong Kong company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Sections 80(8), 81(3) and 91(1) and (6)	<ul style="list-style-type: none"> • Same as the details under clause 336(2).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 350(7) (in respect of clause 350(1) and (2))	Company/registered non-Hong Kong company failing to keep copies of instruments creating registrable charges under the CB/CO at the prescribed place.	<ul style="list-style-type: none"> • Company/ registered non-Hong Kong company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 88(4) (in respect of sections 88(1) and 91(1) and (3)(a))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4 to align with that for the offences under clauses 351(3) and 352(4) of the CB.
Clause 350(7) (in respect of clause 350(4))	Company/registered non-Hong Kong company failing to notify the Registrar of the place where a copy of an instrument creating a registrable charge is first kept or of a change in the place where such copy is kept within the prescribed time.	<ul style="list-style-type: none"> • Company/ registered non-Hong Kong company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 88(4) (in respect of sections 88(3) and 91(1) and (3)(a))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4 to align with that for the offence under clause 350(7) in respect of clause 350(1) or (2) of the CB.
Clause 351(3) (in respect of clause 351(1) and (2))	Company failing to keep a register of charges at the prescribed place or enter in its register of charges the required particulars.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 89(4) in respect of section 89(1) and (2))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4 to align with that for the offences of failing to keep registers of members and debenture holders (clauses 304(3), 617(7)) of the CB.
Clause 351(4)	Officer of a company knowingly and wilfully authorizing or permitting the omission of an entry	<ul style="list-style-type: none"> • An officer of the company who has acted so 	Section 89(5)	<ul style="list-style-type: none"> • The penalty of imprisonment for 6 months is removed as the seriousness of the

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	required to be made in the register of charges.	<ul style="list-style-type: none"> • Summary • Fine at Level 5 		offence does not justify such imposition.
Clause 352(4)	Registered non-Hong Kong company failing to keep a register of charges at the prescribed place or enter in its register of charges the required particulars.	<ul style="list-style-type: none"> • Registered non-Hong Kong company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 89(4) (in respect of sections 89(1) and (2), 91(1), (2) and (3))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4 to align with that for the offence of failing to keep registers of members and debenture holders (clauses 304(3) and 617(7) of the CB).
Clause 352(5)	Officer of a registered non-Hong Kong company knowingly and wilfully authorizing or permitting the omission of an entry required to be made in the register of charges	<ul style="list-style-type: none"> • An officer of registered non-Hong Kong company who has acted so • Summary • Fine at Level 5 	Sections 89(5) and 91(1)	<ul style="list-style-type: none"> • The penalty of imprisonment for 6 months is removed as the seriousness of the offence does not justify such imposition.
Clause 353(4)	Company/registered non-Hong Kong company failing to notify the Registrar of the place where a register of charges is first kept or of a change in the place where such register is kept within the prescribed time	<ul style="list-style-type: none"> • Company/ registered non-Hong Kong company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 89(4) (in respect of sections 89(3) and 91(1) and (3)(a))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4 to align with that for the offences under clauses 351(3) and 352(4) of the CB.

Part 9 – Accounts and Audit

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 367(8) (in respect of clause 367(2))	Company failing to notify the Registrar in the specified form of the new accounting reference date within 14 days after the resolution specifying the new date is passed.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 367(2). • This is a relatively minor regulatory offence compared to the failure to file annual returns (with penalty Level 5 in clause 653(6)) and a listed company is already required to publicise a change in its accounting reference date under Listing Rule 13.51(4). • The daily default fine is aligned with clause 612(7) in respect of registration of resolution or agreement.
Clause 369(5) (in respect of clause 369(4))	Company (being a holding company) failing to take all reasonable steps to secure its subsidiary undertaking to keep accounting records sufficient for directors to prepare financial statements in accordance with Subdivision 3 of Division 4 of Part 9 CB.	<ul style="list-style-type: none"> • Every responsible person of a holding company • Summary • Fine of \$300,000 and imprisonment for 12 months 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 369(4) of the CB. • The maximum penalty level is aligned with the offence under clause 369(5) (in respect of clause 369(1)) of the CB.
Clause 371(6) (in respect of	Company failing to allow a director to make copy of accounting records during inspection.	<ul style="list-style-type: none"> • Every responsible person of the company 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 371(1) of the CB. • The maximum penalty level is aligned

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
clause 371(1))		<ul style="list-style-type: none"> • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 		with a similar offence relating to records of resolutions and meetings under clause 610(4)(a) (in respect of clause 610(3)) of the CB. It also aligns with the offence in clause 426(3) which is based on section 129G(3) of the CO.
Clause 371(6) (in respect of clause 371(2))	Company failing to provide director with a copy of accounting records upon request.	<ul style="list-style-type: none"> • Every responsible person of the company • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 376(2) of the CB. • The maximum penalty level is aligned with a similar offence relating to records of resolutions and meetings under clause 610(4)(a) (in respect of clause 610(3)) of the CB. It also aligns with the offence in clause 426(3) which is based on section 129G(3) of the CO.
Clause 372(5) (in respect of clause 372(1))	Failing to adequately record information contained in accounting records.	<ul style="list-style-type: none"> • Company and every responsible person of the company • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 372(1) of the CB. • The maximum penalty level is aligned with that for a similar offence relating to company records under clause 646(5) (in respect of clause 646(1)) of the CB.
Clause 372(5) (in respect of clause 372(3))	Company failing to reproduce in hard copy form the accounting records that are kept in electronic form.	<ul style="list-style-type: none"> • Company and every responsible person • Summary 	New offence	<ul style="list-style-type: none"> • New offence based on the obligation under clause 372(3). • Section 348C(2) of the CO provides for a similar obligation but with no offence

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
		<ul style="list-style-type: none"> • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 		<p>provision.</p> <ul style="list-style-type: none"> • The maximum penalty level of this new offence is in line with that under section 348C(4) of the CO, and a similar offence relating to company records under clause 646(5) (in respect of 646(3)) of the CB.
Clause 380(5) (in respect of clause 380(1))	Director of a company falling within a reporting exemption failing to take all reasonable steps to secure compliance with the specified requirements to prepare a report.	<ul style="list-style-type: none"> • A director of a company • Summary • Fine of \$150,000 	Section 141D(1)(a), (c) and (4)	<ul style="list-style-type: none"> • The maximum penalty level is increased from Level 5 (\$50,000) to \$150,000. • The maximum penalty is aligned with that for the offence under clause 380(5) (in respect of clause 380(2)). The penalty is derived from section 129F of the CO.
Clause 380(5) (in respect of clause 380(2))	Director of a holding company failing to take all reasonable steps to secure compliance with the specified requirements to prepare a consolidated report that includes a business review.	<ul style="list-style-type: none"> • A director of a company • Summary • Fine of \$150,000 	New offence	<ul style="list-style-type: none"> • New offence based on the new obligation under clause 380(2). • The maximum penalty is aligned with that for the offence under clause 380(5) (in respect of clause 380(1)) above.
Clause 380(6) (in respect of clause 380(1))	Director of a company falling within a reporting exemption <u>wilfully</u> failing to take all reasonable steps to secure compliance with the specified requirements to prepare a report.	<ul style="list-style-type: none"> • A director of a company • Summary • Fine of \$150,000 and imprisonment for 6 months 	Section 141D(1)(a), (c) and (4)	<ul style="list-style-type: none"> • The maximum penalty level is increased from level 5 (\$50,000) to \$150,000. • The maximum penalty is aligned with that for the offence under clause 380(5) (in respect of clause 380(2)). The penalty is derived from section 129F of the CO.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 380(6) (in respect of clause 380(2))	Director of a holding company <u>wilfully</u> failing to take all reasonable steps to secure compliance with the specified requirements to prepare a consolidated report that includes a business review.	<ul style="list-style-type: none"> • A director of a company • Summary • Fine of \$150,000 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • New offence based on the new obligation under clause 380(2). • The maximum penalty level is aligned with that under clause 380(6) in respect of clause 380(1).
Clause 382(3) (in respect of clause 382(1))	Failing to approve and sign a directors' report.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 	Section 129F (in respect of section 129D(2)) and section 141D(4) (in respect of section 141D(1)(d))	<ul style="list-style-type: none"> • The maximum fine level is lowered (from \$150,000 under section 129F and Level 5 under section 141D(4) of the CO) to a fine at Level 4, and the penalty of imprisonment for 6 months under sections 129F and 141D(4) of the CO is removed to align with that for a similar offence under clause 379(2).
Clause 382(3) (in respect of clause 382(2))	Failing to state the name of the signatory of the directors' report in every copy of the report laid before a general meeting, sent to a member or otherwise circulated, published or issued by the company.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 382(2). • The maximum penalty level is aligned with the offence in clause 382(3) in respect of clause 382(1).
Clause 399(3) (in respect of clause 399(1))	A person specified in clause 399(2) knowingly or recklessly causing an omission in the auditor's report of statements about —	<ul style="list-style-type: none"> • The auditor and any of the following persons who are eligible for appointment as auditor: (a) For a sole practitioner: the auditor's 	New offence	<ul style="list-style-type: none"> • Sections 141(4)(b) and (6) of the CO provide for similar obligations to make the statements but with no offence provision. • The maximum penalty level is aligned

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	<p>(a) financial statements not being in agreement with accounting records in any material respect; or</p> <p>(b) the auditor's failure to obtain all necessary and material information and explanations for audit purpose.</p>	<p>employees and agents; (b) For an audit firm: the firm's partners, employees and agents; or (c) For a corporate auditor: the auditor's officers, members, employees and agents.</p> <ul style="list-style-type: none"> • Summary • Fine of \$150,000 		<p>with the offence in section 342D of the CO (an offence of failing to disclose specified particulars in a prospectus) and clause 427(5) of the CB (an offence of publishing statutory and non-statutory financial statements in contravention of specified requirements relating to the auditor's report).</p>
<p>Clause 400(4) (in respect of clause 400(3))</p>	<p>Failing to state auditor's name in every copy of the auditor's report laid before a general meeting, sent to a member or otherwise circulated, published or issued by the company.</p>	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 	<p>New offence</p>	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 400(3). • The maximum penalty level is aligned with a similar offence under clause 382(3) in respect of clause 382(2).
<p>Clause 404(1) (in respect of clause 403(3))</p>	<p>Any of the following persons failing to provide to an auditor, as soon as practicable, information or explanation reasonably required by the auditor for performance of his duties –</p> <p>(a) an officer of the company (including a holding company);</p> <p>(b) a Hong Kong incorporated subsidiary of the company;</p> <p>(c) an officer or auditor of such</p>	<ul style="list-style-type: none"> • Any of the following persons required by the auditor to provide information, etc. – (a) An officer of a company (including a holding company); (b) a Hong Kong incorporated subsidiary of the company; (c) an officer or auditor of such subsidiary; (d) a person holding or 	<p>Section 133(2) and (3) (in respect of section 133(1)(a))</p>	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 to align with that for a similar offence under clause 637(3). A daily default fine is added to align with a similar offence under section 190(5) of the CO (failure to submit a statement of company's affairs to liquidator).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	<p>subsidiary;</p> <p>(d) a person holding or accountable for any accounting records of the company or such subsidiary; or</p> <p>(e) a person falling within (a) to (d) at a time to which the information etc. required by the auditor relates.</p>	<p>accountable for any accounting records of the company or such subsidiary; or</p> <p>(e) a person falling within (a) to (d) at a time to which the information etc. required by the auditor relates.</p> <ul style="list-style-type: none"> • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 		
<p>Clause 404(5) (in respect of clause 403(6))</p>	<p>Company (being a holding company) failing to take all reasonable steps to obtain, as soon as practicable, information or explanation in respect of its subsidiary undertaking (other than a Hong Kong incorporated subsidiary) that an auditor reasonably requires for performance of his duties from the following persons –</p> <p>(a) such subsidiary undertaking;</p> <p>(b) an officer or auditor of such subsidiary undertaking;</p>	<ul style="list-style-type: none"> • A holding company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	<p>Section 133(2) and (3) (in respect of section 133(1)(b))</p>	<ul style="list-style-type: none"> • Same as the details of clause 404(1) (in respect of clause 403(3)) above.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	<p>(c) a person holding or accountable for any accounting records of such subsidiary undertaking; or</p> <p>(d) any person falling within paragraphs (b) or (c) at a time to which the information etc. relates.</p>			
<p>Clause 408(4) (in respect of clause 408(3))</p>	<p>Company failing to notify the Registrar in specified form of the auditor's notice of resignation within 14 days of receipt.</p>	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and imprisonment for 6 months, and a further daily default fine of \$1,000 if the breach continues 	<p>Section 140A(7) (in respect of section 140A(3))</p>	<ul style="list-style-type: none"> • The CB has separated the obligations to send the notice of resignation from the obligation to send the statement of circumstances/ no circumstances, so that this offence is now only a filing offence in respect of a specified form. • The maximum default fine level of \$150,000 and the penalty of imprisonment for 2 years are removed due to the removal of the indictment mode of prosecution for this offence given that the offence is now a less serious one. • A daily default fine is added to align with a similar offence under section 131(7) of the CO.
<p>Clause 409(2) (in respect of clause</p>	<p>A person, while holding office as auditor, failing to notify the company immediately of his cessation as auditor due to his becoming ineligible or disqualified</p>	<ul style="list-style-type: none"> • A former auditor of a company • Summary • Fine at Level 4 	<p>New offence</p>	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 409(1)(b). Section 140(4) of the CO provides for a similar obligation but with no offence provision.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
409(1)(b))	for appointment as auditor.			<ul style="list-style-type: none"> The maximum penalty level (i.e. fine at Level 4, i.e. \$25,000) is similar to section 42(1) of the Professional Accountants Ordinance (Cap 50) (relating to offences for a person falsely pretending to be qualified to practice as a certified public accountant etc.), under which in the case of an individual, it is a fine of \$20,000 and imprisonment for 12 months, and in the case of a firm or a company, it is a fine of \$20,000.
Clause 413(9) (in respect of clause 413(7))	<p>Company failing, upon the request of a resigning auditor or an auditor about to be replaced or removed from office, to –</p> <p>(a) state in the notice of meeting given to members that a cessation statement has been made by such auditor and send to members a copy of the statement before the meeting; or</p> <p>(b) ensure that the statement is read out at the meeting if it has not been so sent.</p>	<ul style="list-style-type: none"> Company and every responsible person Summary Fine at Level 5 	New offence	<ul style="list-style-type: none"> New offence based on a modified obligation under clause 413(7). The underlying requirements in sections 132(3) and 140B(2) of the CO do not contain any offence provision. The remedy for the default in such cases is that the auditor or former auditor may (without prejudice to his right to be heard orally) require the company to read out the statement at the meeting under sections 132(4) and 140B (3) of the CO. Clause 413 provides for the company's obligation to circulate an auditor's cessation statement upon the auditor's request. This offence is similar to the offence in clause 417(6) which is based on section

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				140A(7) of the CO. However, as the failure to send the cessation statement to members can be remedied by reading out the statement at the meeting and the auditor may make representations at the meeting if the statement is not read out, a maximum penalty of fine at Level 5 is sufficient.
Clause 416(4) (in respect of clause 416(1))	A retiring auditor not reappointed, or an auditor removed from office, failing to give the company on termination of his appointment a statement of circumstances/ no circumstances that should be brought to the attention of members or creditors.	<ul style="list-style-type: none"> • A retiring auditor not reappointed or an auditor removed from office • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 416(1). • The underlying obligation originates from a resigning auditor's obligation to give the notice of resignation containing the statement of circumstances/ no circumstances under section 140A(2)(a) of the CO. There is no offence provision for a default because the resignation is ineffective without the statement. • Clause 416 provides a new obligation on a retiring auditor not reappointed or an auditor removed from office to give the statement and an offence is required for enforcement of that obligation. • The maximum penalty level is aligned with offences of similar seriousness in sections 228A(13) and 253(4) of the CO (person ceasing to act as provisional liquidator / liquidator failing to notify the

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				CR).
Clause 416(4) (in respect of clause 416(2))	A retiring auditor not reappointed or an auditor removed from office failing to send to the company a statement of circumstances/ no circumstances in clause 416(1) so that it will be received by the company within the specified time.	<ul style="list-style-type: none"> • A retiring auditor not reappointed or an auditor removed from office • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 416(2). • The maximum penalty level is aligned with clause 416(4) (in respect of clause 416(1)) above.
Clause 417(7) (in respect of clause 417(5))	<p>Auditor who –</p> <p>(a) has given a statement of circumstances; and</p> <p>(b) has not received notice of an application to court for non-publicity of the statement within 21 days of receipt of the statement by the company</p> <p>failing to deliver a copy of the statement to the Registrar for registration.</p>	<ul style="list-style-type: none"> • A resigning or retiring auditor not reappointed, or an auditor removed from office • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 417(5) which is an improvement over the existing obligation on the company to notify the Registrar of the statement of circumstances under section 140A(3)(a) of the CO. • The maximum penalty level is aligned with the offence under clause 416(4) above.
Clause 419(2) (in respect of clause 418(5))	An auditor, who has given a statement of circumstances to the company, failing to deliver a copy of the statement to the Registrar for registration within 7 days of receipt of notice of the court's decision not	<ul style="list-style-type: none"> • A resigning auditor or retiring auditor not reappointed or an auditor removed from office • Summary • Fine at Level 3 and a further daily 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 418(5) which is an improvement over the company's obligation to send to the Registrar a copy of the statement of circumstances under

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	to grant the application for non-publicity of the statement from the company.	default fine of \$300 if the breach continues		<p>section 140A(6)(b) of the CO.</p> <ul style="list-style-type: none"> The maximum penalty level is aligned with a similar offence under clause 417(7) (in respect of clause 417(5)) above.
Clause 425(1) (in respect of clause 421(1))	Company failing to send to members a copy of the reporting documents for the financial year at least 21 days before the AGM at which the copy is required to be laid.	<ul style="list-style-type: none"> Company and every responsible person Summary Fine at Level 5 	Section 129G(3) (in respect of section 129G(1))	<ul style="list-style-type: none"> The maximum fine level is raised from Level 3 to Level 5 to align with that for the offence under section 129G(3) of the CO in respect of section 129G(2) (see clause 426(3) in respect of clause 426(1) below).
Clause 425(2) (in respect of clause 421(3))	If an AGM is not required to be held (because the company is a sole member company or as a result of dispensation of the requirement by unanimous members' consent under clause 602(2)), company failing to send to members a copy of the reporting documents for the financial year within the period specified in clause 422 for laying and publishing financial statements.	<ul style="list-style-type: none"> Company and every responsible person Summary Fine of \$300,000 	New offence	<ul style="list-style-type: none"> New offence based on a new obligation under clause 421(3) arising from the exemptions from holding an AGM under clause 602(2). The maximum penalty level is heavier than that for clause 425(1) while aligned with clause 375(4), as the failure to send reporting documents to members is more serious where no AGM is held.
Clause 425(3) (in respect of clause 421(3))	If an AGM is not required to be held (because the company is a sole member company or as a result of dispensation of the requirement by unanimous members' consent under	<ul style="list-style-type: none"> Company and every responsible person Summary Fine of \$300,000 and 	New offence	<ul style="list-style-type: none"> New offence based on a new obligation under clause 421(3) arising from the exemptions from holding an AGM under clause 602(2). The maximum penalty level is aligned

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	clause 602(2)), company <u>wilfully</u> failing to send to members a copy of the reporting documents for the financial year within the period specified in clause 422 for laying and publishing financial statements.	imprisonment for 12 months		with that for the offence under clause 375(5).
Clause 426(3) (in respect of clause 426(1))	Company failing to provide members or personal representatives of deceased members, on demand within 7 days, a copy of the latest financial statements, directors' or auditor's report.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues. 	Section 129G(3) (in respect of section 129G(2))	<ul style="list-style-type: none"> • The daily default fine is raised from \$300 to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper.
Clause 427(5) (in respect of clause 427(3))	Circulating, publishing or issuing non-statutory accounts without being accompanied by a statement in clause 427(3) in relation to the specified financial statements and the auditor's report on those statements.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine of \$150,000 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 427(3). • The maximum penalty level is aligned with that under clause 427(5) (in respect of clause 427(2)).
Clause 427(5) (in respect of clause 427(4))	Circulating, publishing or issuing non-statutory accounts accompanied by an auditor's report on the specified financial statements.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine of \$150,000 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 427(4). • The maximum penalty level is aligned with clause 427(5) (in respect of clause 427(2)).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 430(3)(a) (in respect of clause 430(2))	Director failing to take all reasonable steps to prepare a summary financial report (derived from the reporting documents for the financial year) that contains information and complies with other requirements prescribed by regulations.	<ul style="list-style-type: none"> • Director of a company that prepares a summary financial report • Summary • Fine of \$300,000 	Section 141CF(3) (in respect of section 141CF(1)(a) and (b))	<ul style="list-style-type: none"> • The penalty of imprisonment for 12 months is removed for the offence committed without the mental element of “wilfully” to align with similar provisions, e.g. clause 375(4).
Clause 431(3) (in respect of clause 431(1))	Failing to approve and sign a summary financial report.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 	Section 141CF(3) (in respect of section 141CF(1)(b) and (c)) and Cap 32M Regulation 5(3)(1)	<ul style="list-style-type: none"> • The penalty of imprisonment for 12 months is removed for an offence not committed by the company and the maximum fine level is lowered from \$300,000 to Level 4 (i.e. \$25,000), to align with a similar offence under clause 382(3).
Clause 431(3) (in respect of clause 431(2))	Failing to state the name of the signatory of the summary financial report in every copy of the report sent to a member or otherwise circulated, published or issued by the company.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 	Section 141CF(3) in (respect of section 141CF(1)(b)) and Cap 32M Regulation 5(3)(1)	<ul style="list-style-type: none"> • Same as the details under clause 431(3) (in respect of clause 431(1)) above.
Clause 436(6)	Company failing to send, upon	<ul style="list-style-type: none"> • Company and every responsible 	Section	<ul style="list-style-type: none"> • The daily default fine is raised from \$300

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
(in respect of clause 436(1))	request and within the time specified in clause 436(3), a copy of the reporting documents to a member who has been sent a copy of the summary financial report under clauses 432 and 435.	person <ul style="list-style-type: none"> • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	141CD(3) (in respect of section 141CD(1))	to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper.
Clause 436(6) (in respect of clause 436(2))	Company failing to send, upon request and within the time specified in clause 436(3), a copy of the summary financial report to a member who has been sent a copy of the reporting documents under clause 421.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 436(2). • The maximum penalty level is aligned with clause 436(6) (in respect of clause 436(1)).
Clause 437(3) (in respect of clause 437(2))	Company sending a copy of a summary financial report to a member where it is prohibited to do so under clause 437(2).	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 	New offence	<ul style="list-style-type: none"> • New offence based on new prohibitions under clause 437(2). • This offence is an improvement of the combined effect of sections 141CF(1) and (3), 141CG(a) and 141CE(1)(c) of the CO. Instead of an application to court for an order to prohibit the circulation etc. of a defective summary financial report after conviction of an offence based on a default, clause 437(2) prohibits the circulation of such a report directly. • The maximum penalty level is aligned with clause 437 (in respect of clause

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				437(1)).
Clause 440(4) (in respect of clause 440(3))	Company failing to deliver to the Registrar for registration a warning statement, in the specified form, within 7 days after the directors' decision to revise financial statements, a copy of which has been delivered to the Registrar under clause 655(3)(b).	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 141E(4) (in respect of section 141E(3))	<ul style="list-style-type: none"> • The daily default fine is raised from \$700 to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper.
Clause 441(3), (4) and (5)	<p>Offences in relation to –</p> <p>(a) a failure to take all reasonable steps to secure compliance with; or</p> <p>(b) a contravention of a specified provision of the regulations or the Ordinance in relation to financial statements, a summary financial report or a directors' report that has been revised,</p> <p>to be prescribed in regulations made by the FS.</p>	<ul style="list-style-type: none"> • Offenders pending review of offences in Cap 32N • For a wilful offence: fine of \$300,000, imprisonment for 12 months and a further daily default fine of \$2,000 if the breach continues • For a non-wilful offence: fine of \$300,000 and a further daily default fine of \$2,000 if the breach continues 	Section 359A(6)	<ul style="list-style-type: none"> • The daily default fine is raised from \$700 to \$2,000 in accordance with the level corresponding to offences that are punishable by a fine above \$100,000 as set out in paragraphs 8 and 9 of the covering paper.
Clause 442(2)(b), (3) and (4)	<p>Offences in relation to –</p> <p>(a) a failure to take all reasonable steps to secure compliance with;</p>	<ul style="list-style-type: none"> • Company and a director of the company • Summary 	Section 161BB(3) and (4) (in respect of section	<ul style="list-style-type: none"> • The offences are in relation to disclosure of the required particulars of loans, quasi-loans and other dealings in favour of directors in a register.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	<p>or</p> <p>(b) a contravention of a specified provision of the regulations or the Ordinance in relation to disclosure of particulars of loans, quasi-loans and other dealings in favour of directors in a register kept for that purpose, to be prescribed in regulations made by the FS.</p>	<ul style="list-style-type: none"> • Fine at Level 4 and imprisonment for 6 months, and a further daily default fine of \$700 if the breach continues 	161BB(1))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4 and a new daily default fine of \$700 is added to align with that for similar offences in Part 12, e.g. clause 617 (offence in relation to register of members).
		<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 161BB(7) (in respect of section 161BB(5) and (6))	<ul style="list-style-type: none"> • The offences are in relation to keeping, making available for inspection and provision of copies of the register of loans, quasi-loans and other dealings in favour of directors. • The maximum fine level is raised from Level 3 to Level 4 and the daily default fine will increase correspondingly from \$300 to \$700 in line with similar offences in Part 12, e.g. clause 621(6) in respect of clause 621(3) (offence in relation to register of members).

Part 10 – Directors and Company Secretaries

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 449(4) (in respect of clause 449(3))	Company failing to comply with a direction to appoint director(s) issued by the Registrar regarding its probable breach of the requirement to have director(s) or the requirement to have at least one director who is a natural person.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 6 and a further daily default fine of \$2,000 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 449(3). • The maximum penalty level is to reflect the seriousness of this offence, given that obligations imposed on a company to have director(s) or to have at least one director who is a natural person are one of the basic and core company law requirements that are enacted to govern the operation of a company. • The maximum penalty level is aligned with that for other offences under the CB relating to failure to comply with a direction, e.g. to change same or similar name of a company (clause 103(5)) or to change misleading or offensive name (clause 104(5)).
Clause 462(5) (in respect of clause 462(2))	Company failing to keep available for members' inspection copy of permitted indemnity provision or memorandum thereof at the prescribed places.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 462(2). • The maximum penalty level is aligned with that for a similar offence of failing to keep copy of a management contract or memorandum thereof available for inspection (clause 533(3) and (6)).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 462(5) (in respect of clause 462(3))	Company failing to retain and keep for members' inspection copy of permitted indemnity provision or memorandum thereof for at least one year after the date of termination or expiry of the permitted indemnity provision.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 462(3). • The maximum penalty level is aligned with that for a similar offence of failing to retain and keep copy of the management contract or memorandum thereof for at least one year after the date of termination or expiry of the contract (clause 533(4) and (6)).
Clause 462(5) (in respect of clause 462(4))	Company failing to deliver to the Registrar for registration a notice of the place, or any change in the place, at which the copy permitted indemnity provision or memorandum thereof is kept available for inspection within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 462(4). • The maximum penalty level is aligned with that for a similar offence of failing to deliver to the Registrar for registration a notice of the place, or any change in the place, at which the copy management contract or memorandum thereof is kept available for inspection (clause 533(5) and (6)).
Clause 463(4)(a) (in respect of clause 463(3))	Company failing to provide a member of the company upon request with a copy of the permitted indemnity provision or memorandum thereof within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 463(3). • The maximum penalty level is aligned with that for a similar offence of failing to provide a member of the company upon request with a copy of the management contract or memorandum thereof within

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				the prescribed time (under clause 534(3) and (4)).
Clause 467(4)	Company failing to comply with a direction to appoint company secretary issued by the Registrar regarding the probable breach of the requirement to have company secretary, the residency requirement of company secretary or the restriction on who may be a company secretary.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 6 and a further daily default fine of \$2,000 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 467(3). • The maximum penalty level is to reflect the seriousness of this offence, given that obligations imposed on a company to have a company secretary and to comply with related requirements are one of the basic and core company law requirements that are enacted to govern the operation of a company. • The maximum penalty level is aligned with that of other offences relating to failure to comply with a direction, e.g. to change same or similar name of a company (clause 103(5)) or to change misleading or offensive name (clause 104(5)).
Clause 472(3) (in respect of clause 472(1))	Company failing to cause minutes of directors' meetings to be recorded.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 119(1)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 5 and the daily default fine from \$300 to \$1,000, to align with those for offences of similar nature and seriousness under clauses 474(7) and 608(3).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 472(3) (in respect of clause 472(2))	Company failing to keep the minutes of directors' meetings for at least 20 years from the date of the meeting.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 119(1)	<ul style="list-style-type: none"> • Same as the above.
Clause 474(7) (in respect of clause 474(5))	Company failing to keep a written record of decision provided by its sole director for at least 20 years from the date of the decision.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 153C(5)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 5 and the daily default fine from \$300 to \$1,000, to align with those for offences of similar nature and seriousness under clauses 472(3) and 608(3).

Part 11 – Fair Dealings by Directors

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 532(1) (in respect of clause 527(1))	Director or shadow director of a company failing to comply with the requirements in relation to the declaration of his material interests in a significant transaction etc. with the company.	<ul style="list-style-type: none"> • Director or shadow director of a company who has failed to do so • Summary • Fine at Level 6 	Section 162(3)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 5 to Level 6 to reflect the seriousness of this offence, given that the requirement to declare material interests by a director or shadow director is one of the key means to ensure proper corporate governance. • The maximum penalty levels for the offences under clause 527(1), (2) and (3) are aligned.
Clause 532(1) (in respect of clause 527(2))	Director or shadow director of a public company failing to comply with the requirements in relation to the declaration of material interest of his connected entities in a significant transaction etc. with the company.	<ul style="list-style-type: none"> • Director or shadow director of a public company who has failed to do so • Summary • Fine at Level 6 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 527(2). It is a statutory defence to establish that the person charged for contravention of clause 527(2) has taken all reasonable steps to secure compliance (clause 532(2)). • The maximum penalty levels for the offences under clause 527(1), (2) and (3) are aligned.
Clause 532(1) (in respect of clause 527(3))	Director or shadow director of a company or a public company failing to comply with the requirements in relation to a further declaration of the material interest	<ul style="list-style-type: none"> • Director or shadow director of a company or a public company who has failed to do so • Summary 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 527(3). • The maximum penalty levels for the offences under clause 527(1), (2) and (3)

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	of himself or of his connected entities in a significant transaction etc. with the company.	<ul style="list-style-type: none"> • Fine at Level 6 		are aligned.
Clause 533(6) (in respect of clause 533(4))	Company failing to retain and keep available for members' inspection copy of a contract by which a person undertakes the management and administration of the whole or any substantial part of any of the company's business or memorandum thereof for at least one year after the date of termination or expiry of the contract.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 533(4). • The maximum penalty level is aligned with that for a similar offence under clause 462(3) and (5) (i.e. failing to retain and keep copy of a permitted indemnity provision or memorandum thereof for at least one year after the date of termination or expiry of the indemnity).
Clause 533(6) (in respect of clause 533(5))	Company failing to deliver to the Registrar for registration within the prescribed time a notice of the place, or any change in the place, at which the copy contract or memorandum thereof is kept available for inspection.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 533(5). • The maximum penalty level is aligned with that for a similar offence under clause 462(4) and (5) (i.e. failing to deliver to the Registrar for registration a notice of the place, or any change in the place, at which the copy permitted indemnity provision or memorandum thereof is kept available for inspection).
Clause 534(4)(a)	Company failing to provide to a member of the company upon	<ul style="list-style-type: none"> • Company and every responsible person 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 534(3).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
(in respect of clause 534(3))	request with a copy of the contract or memorandum thereof within the prescribed time.	<ul style="list-style-type: none"> • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 		<ul style="list-style-type: none"> • The maximum penalty level is aligned with that for a similar offence under clause 463(3) and (4)(a) (i.e. failing to provide a member of the company upon request with a copy of the permitted indemnity provision or memorandum thereof within the prescribed time).

Part 12 – Company Administration and Procedure

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 543(6) (in respect of clause 543(1))	Company failing to send at its own expense to every member a copy of the written resolution proposed by directors and members and, if required, any members' statement.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 543(1). • The maximum penalty level is aligned with that for a similar offence under clause 571(3) (in relation to circulation of members' statement for a general meeting) which is based on section 115A(7) of the CO.
Clause 543(6) (in respect of clause 543(3))	Company failing to send to every member copies of the documents required in clause 543(1) within 21 days.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 	New offence	<ul style="list-style-type: none"> • Same as the above.
Clause 543(6) (in respect of clause 543(5))	Company failing to send to an eligible member the prescribed guidance which is to accompany copy of the written resolution.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 	New offence	<ul style="list-style-type: none"> • Same as the above.
Clause 549(2) (in respect of clause 549(1))	Company failing to send a copy of the written resolution to every member and the auditor within 15 days after it is passed.	<ul style="list-style-type: none"> • Company and every responsible person • Summary 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 549(1). • The maximum penalty level is aligned with that for a similar offence under clause

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
		<ul style="list-style-type: none"> • Fine at Level 3 		565(2) which is based on section 116BA(2) of the CO.
Clause 565(2) (in respect of clause 565(1))	Company failing to send to its auditor notice of a general meeting or any other document relating to the general meeting at the same time as it gives notice of them to a member.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 	New offence	<ul style="list-style-type: none"> • New offence based on the obligation under clause 565(1). • The maximum penalty level is aligned with that for a similar offence under clause 545(3) (in respect of clause 545(1)) of the CB.
Clause 566(4) (in respect of clause 566(1)(e))	Company failing to ensure, in the event that a resolution is intended to be moved at a general meeting, that a notice of the meeting (i) includes notice of the resolution; and (ii) (where the company is not a wholly owned subsidiary) includes a statement containing the information and explanation reasonably necessary to indicate the purpose of the resolution.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 	Section 55B(4) (in respect of section 155B(1)(a))	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 566(1)(e)(i). • The maximum penalty level in relation to the offence under clause 566(1)(e)(ii) is lowered from Level 6 to Level 3 to align with that for the offence under clause 587.
Clause 584(2) (in respect of clause 584(1))	Company failing to record in the minutes of proceedings of a general meeting the prescribed results of each resolution decided on a poll.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 584(1). • The maximum penalty level is aligned with that for a similar offence under section 119(4) of the CO.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 593(4) (in respect of clause 593(2))	Any person who is nominated by the company as a proxy knowingly and wilfully failing to comply with the requirement to vote as a proxy on a show of hands or on a poll and in accordance with the terms of his appointment.	<ul style="list-style-type: none"> • Any person who has acted so • Summary • Fine at Level 3 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 593(2). • The maximum penalty level is aligned with that for the offences in relation to proxies e.g. clause 590(3) which is based on section 114C(5) of the CO.
Clause 593(4) (in respect of clause 593(3))	Any person, who is nominated by the company as a proxy and holds conflicting appointments, knowingly and wilfully failing to vote on a show of hands according to the majority of the total voting rights that the proxy is authorized to exercise at the meeting or who votes on a show of hands if there is no majority.	<ul style="list-style-type: none"> • Any person who has acted so • Summary • Fine at Level 3 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 593(3). • The maximum penalty level is aligned with clause 593(4) in respect of clause 593(2).
Clause 600(9) (in respect of clause 600(3))	Company, the accounting reference period of which is shortened, failing to hold a general meeting as its AGM within the prescribed periods after the end of the shortened accounting reference period or the effective date of the shortened accounting reference period.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 600(3). • The maximum penalty level is aligned with clause 600(9) in respect of clause 600(1) and (2).
Clause 600(9)	Company, the period for holding an	<ul style="list-style-type: none"> • Company and every responsible 	Section 111	<ul style="list-style-type: none"> • New offence based on a modified

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
(in respect of clause 600(6))	AGM of which has been extended by the court, failing to hold the general meeting as its AGM within the period so extended.	<ul style="list-style-type: none"> person • Summary • Fine at Level 5 	(2), (5)	<ul style="list-style-type: none"> obligation under clause 600(6). • The maximum penalty level is aligned with clause 600(9) in respect of clause 600(1), (2) and (7).
Clause 608(3) (in respect of clause 608(1))	Company failing to keep records comprising (i) copies of all resolutions of members passed otherwise than at general meetings, (ii) minutes of all proceedings of general meetings, and (iii) all written records of decision of sole member provided to the company.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Sections 116B(10), 116BC(6) and 119(4)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 5 and the daily default fine from \$300 to \$1,000, to (a) reflect the seriousness of this offence given the importance of keeping records of the company; and (b) align with the maximum penalty level for offence in relation to keeping of records of resolutions, meetings and decisions of members available for inspection in clause 609(5) in respect of clause 609(1).
Clause 608(3) (in respect of clause 608(2))	Company failing to keep records of resolutions, meetings and decisions of members for at least 20 years from the date of the resolution, meeting or decision.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 608(2). • The maximum penalty level is aligned with clauses 472(3) and 474(5) and (7).
Clause 609(5) (in respect of clause 609(1))	Company failing to keep records of resolutions, meetings and decisions of members available for inspection at the registered office or a	<ul style="list-style-type: none"> • Company and every responsible person • Summary 	Section 119A(3) (in respect of section	<ul style="list-style-type: none"> • The daily default fine is raised from \$700 to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	prescribed place.	<ul style="list-style-type: none"> • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	119A(1))	paper.
Clause 609(5) (in respect of clause 609(2))	Company failing to notify the Registrar in the specified form of the place where records of resolutions, meetings and decisions of members are kept within 14 days.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 119A(3) (in respect of section 119A(2))	<ul style="list-style-type: none"> • The daily default fine is raised from \$700 to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper.
Clause 609(5) (in respect of clause 609(3))	Company failing to notify the Registrar in the specified form of any change (other than a change of the registered office address) in the place where the records of resolutions, meetings and decisions of members are kept within 14 days after the change.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 119A(3) (in respect of section 119A(2))	<ul style="list-style-type: none"> • The daily default fine is raised from \$700 to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper.
Clause 610(4) (in respect of clause 610(3))	Company failing to provide a member, upon request and payment of the prescribed fee, with a copy of any record of resolutions, meetings and decisions of members within the prescribed period.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 120(3)	<ul style="list-style-type: none"> • The maximum penalty level is raised from Level 3 to Level 5 and the daily default fine from \$300 to \$1,000 to align with the maximum penalty level for the offence under clause 609(5) in respect of clause 609(1).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 612(8) (in respect of clause 612(4))	Company, whose articles have been registered, failing to include in, or annex to every copy of its articles issued, a copy of the prescribed resolution, agreement or court order in accordance with the prescribed requirements.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 	Section 117(6) (in respect of section 117(2))	<ul style="list-style-type: none"> • The fine is not calculated on the number of copies (c.f. clause 666(2)), which is more logical and easier to enforce.
Clause 612(8) (in respect of clause 612(5))	Company, whose articles have not been registered, failing to send to any of its members upon request a copy of the prescribed resolution, agreement or court order.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 	Section 117(6) (in respect of section 117(3))	<ul style="list-style-type: none"> • Same as the above.
Clause 617(7) (in respect of clause 617(4))	Company failing to enter in the register of members the prescribed particulars of its members within 2 months.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 617(4). • The maximum penalty level is aligned with clause 617(7) in respect of clause 617(1).
Clause 620(5) (in respect of clause 620(1))	Company having more than 50 members failing to keep an index of the names of its members.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach 	Section 96(3) (in respect of section 96(1))	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 and the daily default fine from \$300 to \$700, to align with those for the offences relating to the register of members under clauses 617(7), 618(5) and 619(3).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
		continues		
Clause 620(5) (in respect of clause 620(2))	Company failing to make necessary alteration to the index of members within 7 days after alteration in the register of members.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 96(3) (in respect of section 96(1))	<ul style="list-style-type: none"> • Same as the above.
Clause 620(5) (in respect of clause 620(3))	Company failing to provide in the index of members a sufficient indication in respect of each member to enable the members' account to be readily found.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 96(3) (in respect of section 96(2))	<ul style="list-style-type: none"> • Same as the above.
Clause 620(5) (in respect of clause 620(4))	Company failing to keep index of members at the same place as its register of members.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 96(3) (in respect of section 96(2A))	<ul style="list-style-type: none"> • Same as the above.
Clause 621(6) (in respect of	Company failing to provide a person, upon request and payment of the prescribed fee, with a copy of	<ul style="list-style-type: none"> • Company and every responsible person 	Section 98(3)	<ul style="list-style-type: none"> • Same as the above.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
clause 621(3))	the register of members or index of members' names within the prescribed period.	<ul style="list-style-type: none"> • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 		
Clause 621(6) (in respect of clause 621(4))	Company, upon inspection by or provision of a copy of the register of members to a person, failing to inform the person of the most recent date on which alterations were made to the register.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 621(4). • The maximum penalty level is aligned with clause 621(6) in respect of clause 621(3).
Clause 621(6) (in respect of clause 621(5))	Company, upon inspection by or provision of a copy of the index of members' names to a person, failing to inform the person whether there is any alteration to the register of members that is not reflected in the index.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 621(5). • The maximum penalty level is aligned with clause 621(6) in respect of clause 621(3).
Clause 627(4) (in respect of clause 627(2))	Company having a share capital, which begins to keep a branch register of its members resident outside Hong Kong, failing to notify the Registrar in a specified form of the address where the register is kept within 14 days.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 627(2). • The maximum penalty level is aligned with clause 618(5) in respect of clause 618(2).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 627(4) (in respect of clause 627(3))	Company having a share capital, which keeps a branch register failing to notify the Registrar in a specified form of any change in the address where the branch register is kept within 14 days after the change.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 627(3). • The maximum penalty level is aligned with clause 618(5) in respect of clause 618(3).
Clause 628(6) (in respect of clause 628(3))	Company having a share capital, which keeps a branch register, failing to transmit to its registered office a copy of every entry made in its branch register as soon as possible or cause to be kept a duplicate of its branch register entered up at the place where the register of members is kept.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 104(7)	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 and the daily default fine from \$300 to \$700, to align with the general fine level for offences relating to the register of members.
Clause 630(4) (in respect of clause 630(3))	Company which keeps a branch register failing to notify the Registrar within 14 days in a specified form of its discontinuance and the register to which all the entries have been transferred within 14 days.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 630(3). • The maximum penalty level is aligned with clause 627(4) in respect of clause 627(3).
Clause 632(7) (in respect of	Company failing to keep a register of its directors that contains the required particulars of each director	<ul style="list-style-type: none"> • Company and every responsible person 	Section 158(8) (in respect of	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 and the daily default fine from \$300 to \$700, to align with that

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
clause 632(1))	or reserve director.	<ul style="list-style-type: none"> • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	section 158(1))	<p>for the offence of failure to keep a register of members under clause 617(7).</p> <ul style="list-style-type: none"> • The maximum penalty level for the offence on failure to keep a register of directors in clause 632(7) in respect of clauses 632(1) and (2) (i.e. Level 4 fine and daily default fine of \$700) should apply to all other offences relating to the register of directors in clauses 632(7) (in respect of clauses 632(3), 632(4) and 632(5)), 633(5), 636(6) and 637(3)).
Clause 632(7) (in respect of clause 632(2))	Company failing to enter in the register of directors the required particulars of each director or reserve director.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 158(8) (in respect of section 158(2), (2A), (2B))	<ul style="list-style-type: none"> • Same as the above.
Clause 632(7) (in respect of clause 632(3))	Company failing to keep the register of directors available for inspection at the registered office or prescribed place.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 158A(3) (in respect of section 158A(1))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 to Level 4. • The maximum penalty level for the offence on failure to keep a register of directors in clause 632(7) in respect of clauses 632(1) and (2) (i.e. Level 4 fine and daily default fine of \$700) should apply to all other offences relating to the register of directors in clauses 632(7) (in

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				respect of clauses 632(3), 632(4) and 632(5)), 633(5), 636(6) and 637(3)).
Clause 632(7) (in respect of clause 632(4))	Company failing to notify the Registrar in the specified form of the place where the register of directors is kept within 14 days.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 158A(3) (in respect of section 158A(2))	<ul style="list-style-type: none"> • Same as the above.
Clause 632(7) (in respect of clause 632(5))	Company failing to notify the Registrar in the specified form of any change (other than a change of the registered office address) in the place where the register of directors is kept within 14 days after the change.	<ul style="list-style-type: none"> • Company and every responsible person • Summary <p>Fine at Level 4 and a further daily default fine of \$700 if the breach continues</p>	Section 158A(3) (in respect of section 158A(2))	<ul style="list-style-type: none"> • Same as the above.
Clause 633(5) (in respect of clause 633(3))	Company failing to provide a person, upon request and payment of the prescribed fee, with a copy of the register of directors within the prescribed period.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 633(3). • The maximum penalty level is the same as all other offences relating to the register of directors. • The maximum penalty level is aligned with a similar offence relating to the register of members under clause 621(6) in respect of clause 621(3).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 633(5) (in respect of clause 633(4))	Company failing to inform a person of the most recent date on which alterations were made to the register of directors upon inspection by or provision of a copy of the register to such person.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • Same as the above.
Clause 636(6) (in respect of clause 636(1))	Company failing to notify the Registrar in a specified form containing the particulars of a person appointed as a director and a statement of acceptance of appointment and attainment of age 18 within 14 days after the appointment.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 158(8) (in respect of section 158(4AA))	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 and the daily default fine from \$300 to \$700. • The maximum penalty level is the same as all other offences relating to the register of directors.
Clause 636(6) (in respect of clause 636(2))	Company failing to notify the Registrar in a specified form containing all the particulars of a person nominated as a reserve director within 14 days after the nomination.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 158(8) (in respect of section 158(4A))	<ul style="list-style-type: none"> • Same as the above.
Clause 636(6) (in respect of clause 636(3))	Company failing to deliver to the Registrar a statement in the specified form that a person nominated as a reserve director has	<ul style="list-style-type: none"> • Company and every responsible person • Summary 	Section 158(8) (in respect of section	<ul style="list-style-type: none"> • Same as the above.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	accepted the nomination and attained age 18 within 14 days after the nomination.	<ul style="list-style-type: none"> • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	158(5A))	
Clause 636(6) (in respect of clause 636(4))	Company failing to notify the Registrar in a specified form containing the prescribed particulars of cessation in office of a director or reserve director or any change in the particulars in the register of directors within 14 days after the cessation or change.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 158(8) (in respect of section 158(4))	<ul style="list-style-type: none"> • Same as the above.
Clause 637(3) (in respect of clause 637(1))	Director failing to give notice to the company of matters relating to himself for the purposes of clause 634 (particulars of directors to be registered) and clause 636 (duty to notify Registrar of appointment and change).	<ul style="list-style-type: none"> • A director of the company • Summary • Fine at Level 4 	Section 158B(2)	<ul style="list-style-type: none"> • The maximum fine level of the offence is lowered from Level 6 to Level 4 to align with that for other offences relating to the register of directors. • The daily default fine is removed to align with the penalty level for a similar offence under clause 532 (director failing to declare material interests in transaction, arrangement or contract).
Clause 637(3) (in respect of clause 637(2))	Reserve director of a company failing to give notice to the company of matters relating to himself for the purposes of clause 634 (particulars of directors to be registered) and clause 636 (duty to	<ul style="list-style-type: none"> • A reserve director of the company • Summary • Fine at Level 4 	Section 158B(2)	<ul style="list-style-type: none"> • Same as the above.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	notify Registrar of appointment and change).			
Clause 639(7) (in respect of clause 639(1))	Company failing to keep a register of its company secretaries that contains the required particulars of each company secretary or joint company secretaries.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 158(8) (in respect of section 158(1))	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 and the daily default fine from \$300 to \$700 to align with those for other offences relating to the register of directors. • The maximum penalty level for the offence of failure to keep a register of company secretaries in clause 639(7) in respect of clauses 639(1) and (2) (i.e. Level 4 and daily default fine of \$700) should apply to all other offences relating to the register of company secretaries in clauses 639(7) (in respect of clauses 639(3), 639(4) and 639(5)), 640(5), 643(3) and 644(2)).
Clause 639(7) (in respect of clause 639(2))	Company failing to enter in the register of company secretaries the required particulars of the company secretary or joint company secretaries.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 158(8) (in respect of section 158(3))	<ul style="list-style-type: none"> • Same as the above.
Clause 639(7) (in respect of	Company failing to keep the register of company secretaries	<ul style="list-style-type: none"> • Company and every responsible person 	Section 158A(3) (in	<ul style="list-style-type: none"> • The maximum fine level of the offence is lowered from Level 5 to Level 4.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
clause 639(3)	available for inspection at the registered office or prescribed place.	<ul style="list-style-type: none"> • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	respect of section 158A(1))	<ul style="list-style-type: none"> • The maximum penalty level for the offence of failure to keep a register of company secretaries in clause 639(7) in respect of clauses 639(1) and (2) (i.e. Level 4 and daily default fine of \$700) should apply to all other offences relating to the register of company secretaries in clauses 639(7) (in respect of clauses 639(3), 639(4) and 639(5)), 640(5), 643(3) and 644(2)).
Clause 639(7) (in respect of clause 639(4))	Company failing to notify the Registrar in the specified form of the place where the register of company secretaries is kept within 14 days.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 158A(3) (in respect of section 158A(2))	<ul style="list-style-type: none"> • Same as the above.
Clause 639(7) (in respect of clause 639(5))	Company failing to notify the Registrar in the specified form of any change (other than a change of the registered office address) in the place where the register of company secretaries is kept within 14 days after the change.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 158A(3) (in respect of section 158A(2))	<ul style="list-style-type: none"> • Same as the above.
Clause 640(5) (in respect of	Company failing to provide a person, upon request and payment of the prescribed fee, with a copy of	<ul style="list-style-type: none"> • Company and every responsible person 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 640(3).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
clause 640(3))	the register of company secretaries within the prescribed period.	<ul style="list-style-type: none"> • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 		<ul style="list-style-type: none"> • The maximum penalty level is the same as all other offences relating to the register of company secretaries. • The maximum penalty level is aligned with similar offences relating to the register of members under clause 621(6) in respect of clause 621(3) and the register of directors under clause 633(5) in respect of clause 633(3).
Clause 640(5) (in respect of clause 640(4))	Company failing to inform a person of the most recent date on which alterations were made to the register of company secretaries upon inspection by or provision of a copy of the register to such person.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 640(4). • The maximum penalty level is the same as all other offences relating to the register of company secretaries. • The maximum penalty level is aligned with similar offences relating to the register of members under clause 621(6) in respect of clause 621(4) and the register of directors under clause 633(5) in respect of clause 633(4).
Clause 643(3) (in respect of clause 643(1))	Company failing to notify the Registrar in a specified form containing the particulars of a person or persons appointed as company secretary or joint company secretaries and a statement of acceptance of appointment within	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach 	Section 158(8) (in respect of section 158(4))	<ul style="list-style-type: none"> • The maximum fine level is raised from Level 3 to Level 4 and the daily default fine from \$300 to \$700. • The maximum penalty level for the offence of failure to keep a register of company secretaries in clause 639(7) in

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	14 days after the appointment.	continues		respect of clauses 639(1) and (2) (i.e. Level 4 and daily default fine of \$700) should apply to all other offences relating to the register of company secretaries in clauses 639(7) (in respect of clauses 639(3), 639(4) and 639(5)), 640(5), 643(3) and 644(2)).
Clause 643(3) (in respect of clause 643(2))	Company failing to notify the Registrar in a specified form containing the prescribed particulars of cessation in office of a company secretary or any change in the particulars in the register of company secretaries within 14 days after the cessation or change.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 4 and a further daily default fine of \$700 if the breach continues 	Section 158(8) (in respect of section 158(4))	<ul style="list-style-type: none"> • Same as the above.
Clause 644(2) (in respect of clause 644(1))	Company secretary failing to give notice to the company of matters relating to himself for the purposes of clause 641 (particulars of company secretaries to be registered) and clause 643 (duty to notify Registrar of appointment and change).	<ul style="list-style-type: none"> • A company secretary of the company • Summary • Fine at Level 4 	Section 158B(2)	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 6 to Level 4. The maximum penalty level for the offence of failure to keep a register of company secretaries in clause 639(7) in respect of clauses 639(1) and (2) (i.e. Level 4 and daily default fine of \$700) should apply to all other offences relating to the register of company secretaries in clauses 639(7) (in respect of clauses 639(3), 639(4) and 639(5)), 640(5), 643(3) and 644(2)). • The daily default fine is removed to align with the penalty for a similar offence

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				under clause 532 (director failing to declare material interests in transaction, arrangement or contract) and clause 637(3) (duty of director to make disclosure).
Clause 646(5) (in respect of clause 646(1))	Company failing to adequately record the required information in company records.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 646(1). • The maximum penalty level is aligned with the offence under clause 348C(4) of the CO.
Clause 646(5) (in respect of clause 646(3))	Company failing to ensure that the company records that are kept in electronic form are capable of being reproduced in hard copy form.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 646(3). • Section 348C(2) of the CO provides for a similar obligation but with no offence provision. • The maximum penalty level is aligned with the offence provision under section 348C(4) of the CO.
Clause 648(4)(a) and (b)	Offences in relation to the failure to keep, make available for inspection and provide copies of company records in accordance with the requirements prescribed by the FS in regulations.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine not exceeding Level 5 and a further daily default fine not 	New offence	<ul style="list-style-type: none"> • This is a new provision that empowers the FS to provide for offences and penalties relating to the failure to keep, make available for inspection and provide copies of company records covered by sections 98(3), 120(3) and 158(8) of the CO and

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
		exceeding \$1,000 if the breach continues		<p>other new provisions.</p> <ul style="list-style-type: none"> The maximum penalty level may differ for different offences.
Clause 649(5) (in respect of clause 649(1))	Company failing to have a registered office in Hong Kong to which all communications and notices may be addressed.	<ul style="list-style-type: none"> Company and every responsible person Summary Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 92(4) (in respect of section 92(1))	<ul style="list-style-type: none"> The maximum fine level is raised from Level 3 to Level 5 and the daily default fine from \$300 to \$1000 to reflect the seriousness of the offence given the essentiality of a company to have a registered office in Hong Kong. The maximum penalty level is aligned with the offences under clauses 608(5) and 609(5) (in relation to failure to keep or make available for inspection etc. records of the company's resolutions and meetings) and clause 653(6) (in relation to failure to file annual returns).
Clause 649(5) (in respect of clause 649(3))	Company failing to notify the Registrar in the specified form of the change in the address of its registered office within 14 days of the change.	<ul style="list-style-type: none"> Company and every responsible person Summary Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 92(4) (in respect of clause 92(3))	<ul style="list-style-type: none"> Same as the above.
Clause 651	Failing to disclose company name etc. in accordance with the requirements prescribed by the FS	<ul style="list-style-type: none"> Company, every responsible person and any person acting on behalf of the company who is in 	Section 93(3) and (4)	<ul style="list-style-type: none"> This is a new provision that empowers the FS to provide for offences and penalties relating to the failure to disclose company

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	in regulations.	contravention <ul style="list-style-type: none"> • Summary • Fine not exceeding Level 3 and a further daily default fine not exceeding \$300 if the breach continues 		name etc. in contravention of the regulations to be made under clause 650. <ul style="list-style-type: none"> • Clause 650 empowers the FS to make regulations requiring a company to display, state or provide prescribed information in relation to disclosure of a company's name and registered office. • The maximum penalty level may differ for different offences.
Clause 653(6) (in respect of clause 653(1))	A private company failing to deliver to the Registrar an annual return in the specified form containing the specified particulars within 42 days after the incorporation anniversary date.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 109(4) (in respect of section 109(1A))	<ul style="list-style-type: none"> • The daily default fine is raised from \$700 to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper.
Clause 653(6) (in respect of clause 653(3))	A public company or a company limited by guarantee failing to deliver to the Registrar an annual return in the specified form containing the specified particulars within 42 days after 6 or 9 months after the end of the accounting reference period.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 109(4) (in respect of section 109(1))	<ul style="list-style-type: none"> • Same as the above.
Clause 653(8)	A person convicted of an offence under clause 653(6) failing to do the	<ul style="list-style-type: none"> • A person convicted of an offence 	New offence	<ul style="list-style-type: none"> • This offence is modelled on section 15(1A) of the Business Registration

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
(in respect of clause 653(7))	act ordered by the magistrate in relation to delivering an annual return to the Registrar within the specified time.	under clause 653(6) <ul style="list-style-type: none"> • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 		Ordinance (Cap 310). <ul style="list-style-type: none"> • The maximum penalty level is aligned with that for the offence under clause 653(6) above.

Part 13 – Arrangements, Amalgamation, and Compulsory Share Acquisition in Takeover and Share Buy-Back

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 664(9) (in respect of clause 664(8))	Failure to accompany the office copy of a court order delivered to the Registrar for registration by a copy of the articles, resolution or agreement as amended by the court order.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 664(8). • The maximum penalty is aligned with that for similar offences under clauses 83(6), 84(9) and 85(8) in relation to registration of a notice together with a copy of the articles.
Clause 665(7) (in respect of clause 665(6))	Failure to accompany the office copy of court order delivered to the Registrar for registration by a copy of the articles, resolution or agreement as amended by the court order.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 665(6). • The maximum penalty is aligned with that for similar offences under clauses 83(6), 84(9) and 85(8) in relation to registration of a notice together with a copy of the articles.
Clause 666(2) (in respect of clause 666(1))	Failure to accompany every copy of the articles by a copy of the court order made under clause 664 or 665, unless the effect of the arrangement or compromise to which the order relates has been incorporated into the articles.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 	Section 166(3)	<ul style="list-style-type: none"> • The maximum penalty level is raised from Level 1 fine for each copy of the articles to Level 3 fine for the offence. • Imposing penalty on commission of the offence is more logical and easier to enforce. • The maximum penalty is aligned with that for a similar offence under clause 88(2).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 671(3) (in respect of clause 671(1))	Directors failing to give written notice of proposed amalgamation to every secured creditor and to publish notice of the proposed amalgamation in newspapers within the prescribed time.	<ul style="list-style-type: none"> • Directors of an amalgamating company • Summary • Fine at Level 3 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 671(1). • The maximum penalty level is aligned with that for similar offences relating to failure to give or publish notices, e.g. under clause 213(3).
Clause 672(2) (in respect of clause 672(1))	Director who votes in favour of making a solvency statement failing to issue the required certificate.	<ul style="list-style-type: none"> • Director of amalgamating company • Summary • Fine at Level 4 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 672(1). • The maximum penalty level is aligned with that for an offence relating to the approving and signing of a statement of financial position under clause 379(2).
Clause 672(4) (in respect of clause 672(3))	Director voting in favour of making a solvency statement, or causing a solvency statement to be made, without reasonable grounds for the opinion and fact expressed in the statement.	<ul style="list-style-type: none"> • Director of amalgamating company • Indictment: Fine of \$150,000 and imprisonment for 2 years • Summary: Fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 672(3). • The maximum penalty level is aligned with a similar offence under clause 202.
Clause 675(7) (in respect of clause 675(6))	Company failing to deliver to the Registrar for registration an office copy of court order made under clause 675 within the prescribed time.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 675(6). • The maximum penalty level is aligned with that for similar offences relating to failure to deliver a court order to the

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
		continues		Registrar for registration, e.g. under clause 715(5).
Clause 690(3) (in respect of clause 690(1))	Offeror failing to give notice to the holder of shares who is entitled to require the offeror to acquire his shares of the holder's rights and the period within which those rights are exercisable.	<ul style="list-style-type: none"> • The offeror in a takeover offer • Summary • Fine at Level 5 	New offence	<ul style="list-style-type: none"> • New offence based on the obligation under clause 690(1). • The maximum penalty level is aligned with that for an offence under clause 662(5) in relation to the failure to give a statement of effect of arrangement or compromise with a notice of meeting. It also aligns with the penalty for the new offence under clause 708(3) which is of similar nature.
Clause 691(7) (in respect of clause 691(1))	Failing to give the notice required under clause 690 in the specified form and within the prescribed time.	<ul style="list-style-type: none"> • The offeror in a takeover offer • Summary • Fine at Level 4 	New offence	<ul style="list-style-type: none"> • New offence based on the obligation under clause 691(1). • The maximum penalty level is aligned with that for a similar offence under clause 709(7).
Clause 691(7) (in respect of clause 691(2))	Failing to state in the notice which is given before the end of the offer period of the takeover offer that the offer is still open for acceptance.	<ul style="list-style-type: none"> • The offeror in a takeover offer • Summary • Fine at Level 4 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 691(2). • The maximum penalty level is aligned with that for a similar offence under clause 709(7).
Clause 691(7)	Failing to give the notice under clause 690 by delivering it to the	<ul style="list-style-type: none"> • The offeror in a takeover offer 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
(in respect of clause 691(3))	holder in HK personally or by sending it by registered post; or in the manner directed by the Registrar.	<ul style="list-style-type: none"> • Summary • Fine at Level 4 		<p>under clause 691(3).</p> <ul style="list-style-type: none"> • The maximum penalty level is aligned with that for a similar offence under clause 709(7).
<p>Clause 691(7)</p> <p>(in respect of clause 691(5))</p>	<p>Failing to state in the notice –</p> <p>(a) the particulars of the choices of consideration;</p> <p>(b) that the holder may indicate his choice in the letter requiring the offeror to acquire his shares; and</p> <p>(c) which consideration will apply if the holder does not indicate a choice.</p>	<ul style="list-style-type: none"> • The offeror in a takeover offer • Summary • Fine at Level 4 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 691(5). • The maximum penalty level is aligned with that for a similar offence under clause 709(7).
<p>Clause 708(3)</p> <p>(in respect of clause 708(1))</p>	Repurchasing company failing to give notice to the holder of shares who is entitled to require the repurchasing company to buy back his shares of the holder's rights and the period within which those rights are exercisable.	<ul style="list-style-type: none"> • The repurchasing company • Summary • Fine at Level 5 	New offence	<ul style="list-style-type: none"> • New offence based on the obligation under clause 708(1). • The maximum penalty level is aligned with that for a similar offence under clause 690(3).
<p>Clause 709(7)</p> <p>(in respect of clause 709(1))</p>	Failing to give the notice required under clause 708 in the specified form and within the prescribed time.	<ul style="list-style-type: none"> • The repurchasing company • Summary • Fine at Level 4 	New offence	<ul style="list-style-type: none"> • New offence based on the obligation under clause 709(1). • The maximum penalty level is aligned with that for a similar offence under clause

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				691(7).
Clause 709(7) (in respect of clause 709(2))	Failing to state in the notice which is given before the end of the offer period that the offer is still open for acceptance.	<ul style="list-style-type: none"> • The repurchasing company • Summary • Fine at Level 4 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 709(2). • The maximum penalty level is aligned with that for a similar offence under clause 691(7).
Clause 709(7) (in respect of clause 709(3))	Failing to give the notice under clause 708 by delivering it to the holder in HK personally or by sending it by registered post; or in the manner directed by the Registrar.	<ul style="list-style-type: none"> • The repurchasing company • Summary • Fine at Level 4 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 709(3). • The maximum penalty level is aligned with that for a similar offence under clause 691(7).
Clause 709(7) (in respect of clause 709(5))	Failing to state in the notice – (a) particulars of the choices of consideration; (b) that the holder may indicate his choice in the letter requiring the repurchasing company to buy back his shares; and (c) which consideration will apply if the holder does not indicate a choice.	<ul style="list-style-type: none"> • The repurchasing company • Summary • Fine at Level 4 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 709(5). • The maximum penalty level is aligned with that for a similar offence under clause 691(7).

Part 15 – Dissolution by Striking off or Deregistration

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 758(6) (in respect of clause 758(2))	Company failing to change prohibited name after the restoration.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues. 	New offence	<ul style="list-style-type: none"> • New offence based on a new obligation under clause 758(2). • The maximum penalty level is aligned with the change of company name provisions under clause 102 of the CB.
Clause 759(4) (in respect of clause 759(1) and (3))	Company failing to change name on the direction of the Registrar.	<ul style="list-style-type: none"> • Company and every responsible person • Summary • Fine at Level 6 and a further daily default fine of \$2,000 if the breach continues. 	New offence	<ul style="list-style-type: none"> • New offence for failing to change name on a direction given by the Registrar under clause 759(1). • The maximum penalty level is aligned with the change of company name provisions under clause 103 of the CB.

Part 16 – Non-Hong Kong Companies

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 764(6) (in respect of clause 764(2) and (3))	Non-Hong Kong company failing to apply to the Registrar for registration as a registered non-Hong Kong company (referred to hereunder in this table as “Company”) within the prescribed time	<ul style="list-style-type: none"> • Non-Hong Kong company, every responsible person and agent of the company • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 340 (in respect of section 333(1) and (9))	<ul style="list-style-type: none"> • The daily default fine is raised from \$700 to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper.
Clause 766(10) (in respect of clause 766(1) to (3) and (5) to (7))	Company failing to notify Registrar of addition, change or cessation of name or translation of name.	<ul style="list-style-type: none"> • Company, every responsible person and agent of the Company • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	Section 340 (in respect of section 335(2))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 (i.e. \$50,000) to Level 3 (i.e. 10,000) and daily default fine from \$700 to \$300, to align with those for a comparable offence applicable to a Hong Kong company under clause 102(6) of the CB.
Clause 769(2) and (3) (in respect of clause 769(1) and (2))	Company carrying on business under the name in respect of which a notice under Clause 768(1) was served after the prescribed time.	<ul style="list-style-type: none"> • Company, every responsible person and agent of the Company • Summary • Fine at Level 6 and a further daily default fine of \$2,000 if the breach continues 	Section 337B(7) (in respect of section 337B(5))	<ul style="list-style-type: none"> • The penalty of imprisonment is removed from this offence to align with the penalty for comparable offence applicable to a Hong Kong company under clauses 103(5) and 104(5) of the CB. • The maximum fine level is raised from Level 5 (i.e. \$50,000) to Level 6 (i.e. 100,000) and daily default fine from \$700 to \$2,000, to align with the

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				aforementioned comparable offence.
Clause 774(4) (in respect of clause 774(2))	Company failing to deliver to the Registrar for registration a return in respect of another person as an authorized representative of the Company within the prescribed time after a person ceases to be an authorized person, resulting in no person being registered as an authorized representative of that Company.	<ul style="list-style-type: none"> • Company, every responsible person and agent of the Company • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 340 (in respect of section 333A)	<ul style="list-style-type: none"> • The daily default fine is raised from \$700 to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper. • The maximum fine level is aligned with that applicable to comparable offences for a Hong Kong company for failing to notify the Registrar of a change in the address of its registered office under Clause 649(5) of the CB.
Clause 776(3) (in respect of clause 776(1))	Company failing to deliver to the Registrar an annual return for registration within the prescribed time.	<ul style="list-style-type: none"> • Company, every responsible person and agent of the Company • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 340 (in respect of section 334(1), (2) and (5))	<ul style="list-style-type: none"> • The daily default fine is raised from \$700 to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper. • The maximum penalty level is aligned with that for a comparable offence applicable to a Hong Kong company under clause 653(6) of the CB.
Clause 776(5) (in respect of clause 776(4))	Company, or its officer or agent failing to comply with an order of the magistrate to deliver to the Registrar an annual return for	<ul style="list-style-type: none"> • Company, officer and agent of the Company • Summary • Fine at Level 5 and a further daily 	New offence	<ul style="list-style-type: none"> • The maximum fine level is aligned with that for a comparable offence applicable to a Hong Kong company under clause 653(8) of the CB.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	registration.	default fine of \$1,000 if the breach continues		<ul style="list-style-type: none"> The daily default fine is aligned with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper and with that for a comparable offence applicable to a Hong Kong company under clause 653(8) of the CB.
Clause 777(3) (in respect of clause 777(2))	Companies caught by this section failing to deliver latest published accounts to the Registrar for registration within the prescribed time.	<ul style="list-style-type: none"> Company and every responsible person and agent of the Company Summary Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 340 (in respect of section 336)	<ul style="list-style-type: none"> The daily default fine is raised from \$700 to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper. The maximum fine level is aligned with that for a comparable offence applicable to a Hong Kong company for failing to file financial statements under clause 653(6) of the CB.
Clause 777(5) (in respect of clause 777(4))	Company, or its officer or agent failing to comply with an order of the magistrate to deliver to the Registrar latest published accounts for registration.	<ul style="list-style-type: none"> Company, officer and agent of the Company Summary Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	New offence	<ul style="list-style-type: none"> The maximum fine level is aligned with that for a comparable offence applicable to a Hong Kong company for failing to comply with a magistrate order under clause 653(8) of the CB. The daily default fine is aligned with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper and with that for a comparable offence applicable to a Hong Kong company under clause 653(8) of the CB.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 778(5) (in respect of clause 778(4))	Companies failing to deliver to the Registrar for registration within the prescribed time a warning statement that the accounts will be revised where the director had decided to revise the accounts under clause 778(1).	<ul style="list-style-type: none"> • Company, every responsible person and agent of the Company • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 340 (in respect of section 336A)	<ul style="list-style-type: none"> • The daily default fine is raised from \$700 to \$1,000, in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper and is aligned with that for a comparable offence applicable to a Hong Kong company under clause 440(4) of the CB.. • The maximum fine level is aligned with that for a comparable offence applicable to a Hong Kong company under clause 440(4) of the CB.
Clause 779(5) (in respect of clause 779(1) and (2)(a))	Companies failing to deliver to the Registrar for registration a return containing the particulars of a change made in the charter, statutes or memorandum (including articles, if any) or other instruments defining the company's constitution within the prescribed time.	<ul style="list-style-type: none"> • Company, every responsible person and agent of the Company • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues <p>(Note: A CSA will be moved to amend the penalty to Level 3 with a further daily default fine of \$300.)</p>	Section 340 (in respect of 335(1)(a))	<ul style="list-style-type: none"> • With the proposed CSA, the maximum fine level would be lowered from Level 5 (i.e. \$50,000) to Level 3 (i.e. 10,000) and daily default fine from \$700 to \$300 to align with those for a comparable offence for a Hong Kong company under clause 83(6) of the CB.
Clause 779(5) (in respect of clause 779(1))	Companies failing to deliver to the Registrar for registration a return containing the particulars of a	<ul style="list-style-type: none"> • Company and every responsible officer and agent of the Company 	Section 340 (in respect of section	<ul style="list-style-type: none"> • With the proposed CSA, the maximum fine level would be lowered from Level 5 (i.e. \$50,000) to Level 4 (i.e. 25,000) with

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
and (2)(b) and (c))	change made in the directors, company secretary or authorized representatives or in their particulars within the prescribed time.	<ul style="list-style-type: none"> • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues <p>(Note: A CSA will be moved to amend the penalty to Level 4 with a further daily default fine of \$700.)</p>	335(1)(b) and (c))	a daily default fine of \$700, and the maximum penalty level would be aligned with that for comparable offences for a Hong Kong company under clauses 636(6) and 643(3) of the CB.
Clause 779(5) (in respect of clause 779(1) and (2)(d))	Companies failing to deliver to the Registrar for registration a return containing the particulars of a change made in the address of the company's principal place of business in Hong Kong or in its place of incorporation or of its registered office within the prescribed time.	<ul style="list-style-type: none"> • Company, every responsible person and agent of the Company • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	Section 340 (in respect of clause 335(1)(d))	<ul style="list-style-type: none"> • The daily default fine is raised from \$700 to \$1,000 in accordance with the level corresponding to a Level 5 fine as set out in paragraphs 8 and 9 of the covering paper. • The maximum fine level is aligned with that for a comparable offence applicable to a Hong Kong company under clause 649(5) of the CB.
Clause 780(7) (in respect of clause 780(1) and (3) to (5))	Non-Hong Kong company failing to state its names, place of incorporation, etc. in accordance with subclauses (1), (3), (4) or (5).	<ul style="list-style-type: none"> • Non-Hong Kong company, every responsible person and agent of the company • Summary • Fine at Level 3 <p>(Note: A CSA will be moved to include a daily default fine of</p>	Section 340 (in respect of section 337(1)(a), (c), (ca) and (d))	<ul style="list-style-type: none"> • With the proposed CSA, for breach of clause 780(1) and (3), the maximum fine level is lowered from Level 5 (i.e. \$50,000) to Level 3 (i.e. 10,000) and daily default fine from \$700 to \$300 to align with that for a comparable offence applicable to a Hong Kong company under clause 651(c) of the CB. • Likewise, for breach of clause 780 (4) and

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
		\$300.)		(5), same as the above paragraph except that the penalty is aligned with that for a comparable offence applicable to a Hong Kong company under section 280(2) of the CO.
Clause 780(8) (in respect of clause 780(2))	Non-Hong Kong company failing to exhibit its names, place of incorporation, etc. in accordance with subclause (2).	<ul style="list-style-type: none"> • Non-Hong Kong company, every responsible person and agent of the company • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	Section 340 (in respect of section 337(1)(b))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 (i.e. \$50,000) to Level 3 (i.e. 10,000) and daily default fine from \$700 to \$300 to align with that for a comparable offence applicable to a Hong Kong company under clause 651(c) of the CB.
Clause 781(7) (in respect of clause 781(1) or (6))	<p>Company failing to notify the Registrar within the prescribed time the following –</p> <p>(a) commencement of liquidation and its particulars and further particulars on appointment of liquidator or provisional liquidator under subclause (1); and</p> <p>(b) change in the particulars of liquidation, appointment or cessation of liquidators or provisional liquidators under</p>	<ul style="list-style-type: none"> • Company, every responsible person and agent of the Company • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	Section 340 (in respect of section 337A)	<ul style="list-style-type: none"> • For breach of clause 781(1), the maximum fine level is lowered from Level 5 (i.e. \$50,000) to Level 3 (i.e. 10,000) and daily default fine from \$700 to \$300 to align with that for comparable offences applicable to a Hong Kong company under clause 612(7) (in respect of clause 612(1)(e) and (2)) of the CB, and sections 228A(13) (in respect of section 228A(10)) and section 253(4) (in respect of section 253(1)(b)) of the CO. • For breach of clause 781(6), same as the above paragraph, except that the penalty is aligned with that for comparable offences applicable to a Hong Kong company under

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	subclause (6).			sections, 253(4) (in respect of section 253(3)), 253(4) (in respect of section 253(1)(b)), and 253(4) (in respect of section 253(2)(b)) of the CO.
Clause 782(3) (in respect of clause 782(1))	Company failing to notify the Registrar of cessation of place of business in Hong Kong within the prescribed time.	<ul style="list-style-type: none"> • Company, every responsible person and agent of the Company • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	Section 340 (in respect of section 339(1))	<ul style="list-style-type: none"> • The maximum fine level is lowered from Level 5 (i.e. \$50,000) to Level 3 (i.e. 10,000) and daily default fine from \$700 to \$300 to align with that for an offence of similar seriousness under clause 781(7) in respect of clause 781(1) of the CB.
Clause 783(3) (in respect of clause 783(1))	Authorized representative of a Company failing to notify the Registrar of dissolution within the prescribed time.	<ul style="list-style-type: none"> • Authorized representative of the Company • Summary • Fine at Level 3 and a further daily default fine of \$300 if the breach continues 	Section 340 (in respect of clause 339AA(1))	<ul style="list-style-type: none"> • Same as the above.
Clause 786(5) (in respect of clause 786(4))	Company that had been struck off the Companies Register having a place of business in Hong Kong.	<ul style="list-style-type: none"> • Company, every responsible person and agent of the Company • Summary • Fine at Level 5 and a further daily default fine of \$1,000 if the breach continues 	New offence	<ul style="list-style-type: none"> • New offence based on a new prohibition under clause 786(4). • The maximum fine level is aligned with a similar offence under clause 764(6) in respect of clause 764 (2) and (3) in relation to registration of non-Hong Kong company having a place of business in

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				Hong Kong.
Clause 792(4) (in respect of clause 778)	The provision empowers the FS to make regulations regarding accounts that have been revised under Clause 778 and providing for non-compliance and contravention of the specified provisions of the regulations or of the CB as an offence.	<ul style="list-style-type: none"> • Company, every responsible person and agent of the Company • For “wilful” offence: maximum fine of \$300,000 and imprisonment for 12 months • For “non-wilful” offence, maximum fine of \$300,000 • For both “wilful” and “non-wilful” offences, a further daily default fine of \$2,000 if the breach continues 	Section 359A(3) and (6)	<ul style="list-style-type: none"> • The penalty for imprisonment may only be imposed for wilful offence. • The daily default fine is increased from \$700 to \$2,000. • The penalty is aligned with those applicable to comparable offences applicable to a Hong Kong company under clauses 441(4) of the CB.

Part 19 – Investigations and Enquiries

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 851(9) (in respect of clause 851(1))	Without reasonable excuse, failing to comply with a requirement made by an inspector (e.g. a request for documents / records).	<ul style="list-style-type: none"> • Any person who has failed to act so • Indictment: fine of \$200,000 and imprisonment for 1 year • Summary: fine at Level 5 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • Clause 851 introduces criminal sanctions for non-compliance with a request made by an inspector. • Under the CO, criminal sanctions are imposed for non-compliance with a request made by the FS or an authorised person for the inspection of books and papers, but there is no such sanction for non-compliance with a request made by an inspector. • The maximum penalty level is aligned with similar provisions under the SFO (section 184(1)) and FRCO (section 31(1) and (11)).
Clause 851(10) (in respect of clause 851(2))	With intent to defraud, failing to comply with a requirement made by an inspector (e.g. a request for documents / records).	<ul style="list-style-type: none"> • Any person who has failed to act so • Indictment: fine of \$1,000,000 and imprisonment for 7 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • Please see the first two bullets under clause 851(9) in respect of clause 851(1). • The maximum penalty level is aligned with similar provisions under the SFO (section 184(3)(a)(i)) and FRCO (section 31(2) and (13)).
Clause 851(10) (in respect of	Officers or employees, with intent to defraud, causing or allowing a company to fail to comply with a	<ul style="list-style-type: none"> • An officer or employee of a company or body corporate who has acted so 	New offence	<ul style="list-style-type: none"> • Please see the first two bullets under clause 851(9) in respect of clause 851(1). • The maximum penalty level is aligned

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
clause 851(3))	requirement made by an inspector (e.g. a request for documents / records).	<ul style="list-style-type: none"> • Indictment: fine of \$1,000,000 and imprisonment for 7 years • Summary: fine at Level 6 and imprisonment for 6 months 		with similar provisions under the SFO (section 184(3)(b)(i)) and FRCO (section 31(3) and (13)).
Clause 851(10) (in respect of clause 851(5))	With intent to defraud, producing false or misleading record, document etc. to an inspector.	<ul style="list-style-type: none"> • Any person who has acted so • Indictment: fine of \$1,000,000 and imprisonment for 7 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • Please see the first two bullets under clause 851(9) in respect of clause 851(1). • The maximum penalty level is aligned with similar provisions under the SFO (section 184(3)(a)(ii) to (v)) and FRCO (section 31(6)(b) and (13)).
Clause 851(10) (in respect of clause 851(6))	Officers or employees, with intent to defraud, causing or allowing a company to produce false or misleading record, document etc. to an inspector.	<ul style="list-style-type: none"> • An officer or employee of a company or body corporate who has acted so • Indictment: fine of \$1,000,000 and imprisonment for 7 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • Please see the first two bullets under clause 851(9) in respect of clause 851(1). • The maximum penalty level is aligned with similar provisions under the SFO (section 184(3)(b)(ii) to (v)) and FRCO (section 31(8) and (13)).
Clause 851(11) (in respect of clause 851(4))	Knowingly or recklessly producing false or misleading record, document etc. to an inspector.	<ul style="list-style-type: none"> • Any person who has acted so • Indictment: fine of \$1,000,000 and imprisonment for 2 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • Please see the first two bullets under clause 851(9) in respect of clause 851(1). • The maximum penalty level is aligned with similar provisions under the SFO (section 184(2)) and FRCO (section 31(5) and (12)).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 859(8) (in respect of clause 859(1))	Without reasonable excuse, failing to comply with a requirement made by the FS or his delegate (e.g. a request for documents/ records).	<ul style="list-style-type: none"> • Any person who has failed to act so • Indictment: fine of \$200,000 and imprisonment for 1 year • Summary: fine at Level 5 and imprisonment for 6 months 	Section 152A(4)	<ul style="list-style-type: none"> • The indictment mode of prosecution (maximum fine level of \$200,000 and imprisonment of 1 year) is added to align with similar offences in the SFO (section 179 (13)) and FRCO (section 31(1) and (11)).
Clause 859(9) (in respect of clause 859(2))	With intent to defraud, failing to comply with a requirement made by the FS or his delegate (e.g. a request for documents/ records).	<ul style="list-style-type: none"> • Any person who has failed to act so • Indictment: fine of \$1,000,000 and imprisonment for 7 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • New offence based on similar offences under the SFO/ FRCO. • The maximum penalty level is aligned with similar provisions under the SFO (section 179(15)(a)(i)) and FRCO (section 31(2) and (13)).
Clause 859(9) (in respect of clause 859(3))	Officers or employees, with intent to defraud, causing or allowing a company to fail to comply with a requirement made by the FS or his delegate (e.g. a request for documents/ records).	<ul style="list-style-type: none"> • An officer or employee of a company or body corporate who has acted so • Indictment: fine of \$1,000,000 and imprisonment for 7 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • New offence based on similar offences under the SFO/ FRCO • The maximum penalty level is aligned with similar provisions under the SFO (section 179(15)(b)(i)) and FRCO (section 31(3) and (13)).
Clause 859(10) (in respect of	Knowingly or recklessly producing false or misleading record, document etc. to the FS or his	<ul style="list-style-type: none"> • Any person who has acted so • Indictment: fine of \$1,000,000 	Section 152E	<ul style="list-style-type: none"> • For the indictment mode of prosecution, the maximum fine is lowered from \$1,500,000 to \$1,000,000 and the maximum term of imprisonment is

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
clause 859(4))	delegate.	<p>and imprisonment for 2 years</p> <ul style="list-style-type: none"> • Summary: fine at Level 6 and imprisonment for 6 months 		<p>lowered from 3 years to 2 years.</p> <ul style="list-style-type: none"> • For the summary mode of prosecution, the maximum fine is lowered from \$150,000 to \$100,000 (Level 6) and the maximum term of imprisonment is lowered from 12 months to 6 months. • The changes are aligned with similar provisions under the SFO (section 179(14)) and FRCO (section 31(4) and (12)).
Clause 859(9) (in respect of clause 859(5))	With intent to defraud, producing false or misleading record, document etc. to the FS or his delegate.	<ul style="list-style-type: none"> • Any person who has acted so • Indictment: fine of \$1,000,000 and imprisonment for 7 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • New offence based on similar offences under the SFO/ FRCO • The maximum penalty level is aligned with similar provisions under the SFO (section 179(15)(a)(ii)) and FRCO (section 31(6)(a) and (13)).
Clause 859(9) (in respect of clause 859(6))	Officers or employees, with intent to defraud, causing or allowing a company to produce false or misleading record, document etc. to the FS or his delegate.	<ul style="list-style-type: none"> • An officer or employee of a company or body corporate who has acted so • Indictment: fine of \$1,000,000 and imprisonment for 7 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • New offence based on similar offences under the SFO/ FRCO • The maximum penalty level is aligned with similar provisions under the SFO (section 179(15)(b)(ii)) and FRCO (section 31(7) and (13)).

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 863(8) (in respect of clause 863(1))	Without reasonable excuse, failing to comply with a requirement made by the Registrar or her delegate (e.g. a request for documents/ records).	<ul style="list-style-type: none"> • Any person who has failed to act so • Indictment: fine of \$150,000 and imprisonment for 1 year • Summary: fine at Level 5 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • A new offence to provide for criminal sanction against non-compliance with the requirement (e.g. to require the production of records or documents) made by the Registrar. • The offence is based mainly on a similar offence under clause 859(1) and (8) in respect of an enquiry made by the FS. • The maximum fine under the indictment mode is set at \$150,000, which is lower than \$200,000 under clause 859(1) and (8), in view of the limited nature of the Registrar’s enquiry powers.
Clause 863(9) (in respect of clause 863(2))	With intent to defraud, failing to comply with a requirement made by the Registrar or her delegate (e.g. a request for documents/ records).	<ul style="list-style-type: none"> • Any person who has failed to act so • Indictment: fine of \$1,000,000 and imprisonment for 3 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • A new offence to provide for criminal sanction against non-compliance with the requirement (e.g. to require the production of records or documents) made by the Registrar. • The offence is based mainly on a similar offence under clause 859(2) and (9) in respect of an enquiry made by the FS. • The maximum imprisonment term under the indictment mode is set at 3 years, which is lower than 7 years under clause 859(2) and (9), in view of the limited nature of the Registrar’s enquiry powers.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 863(9) (in respect of 863(3))	Officers or employees, with intent to defraud, causing or allowing a company to fail to comply with a requirement made by the Registrar or her delegate (e.g. a request for documents/ records).	<ul style="list-style-type: none"> • An officer or employee of a company or body corporate who has acted so • Indictment: fine of \$1,000,000 and imprisonment for 3 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • A new offence to provide for criminal sanction against non-compliance with the requirement (e.g. to require the production of records or documents) made by the Registrar. • The offence is based mainly on a similar offence under clause 859(3) and (9) in respect of an enquiry made by the FS. • The maximum imprisonment term under the indictment mode is set at 3 years, which is lower than 7 years under clause 859(3) and (9), in view of the limited nature of the Registrar's enquiry powers.
Clause 863(9) (in respect of clause 863(5))	With intent to defraud, producing false or misleading record, document etc. to the Registrar or her delegate.	<ul style="list-style-type: none"> • Any person who has acted so • Indictment: fine of \$1,000,000 and imprisonment for 3 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • A new offence to provide for criminal sanction against the giving of false or misleading record, document etc., to the Registrar. • The offence is based mainly on a similar offence under clause 859(5) and (9) in respect of an enquiry made by the FS. • The maximum imprisonment term under the indictment mode is set at 3 years, which is lower than 7 years under clause 859(5) and (9), in view of the limited nature of the Registrar's enquiry powers.

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 863(9) (in respect of clause 863(6))	Officers or employees, with intent to defraud, causing or allowing a company to produce false or misleading record, document etc. to the Registrar or her delegate.	<ul style="list-style-type: none"> • An officer or employee of a company or body corporate who has acted so • Indictment: fine of \$1,000,000 and imprisonment for 3 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • A new offence to provide for criminal sanction against the giving of false or misleading record, document etc., to the Registrar. • The offence is based mainly on a similar offence under clause 859(6) and (9) in respect of an enquiry made by the FS. • The maximum imprisonment term under the indictment mode is set at 3 years, which is lower than 7 years under clause 859(6) and (9), in view of the limited nature of the Registrar's enquiry powers.
Clause 863(10) (in respect of clause 863(4))	Knowingly or recklessly producing false or misleading record, document etc. to the Registrar or her delegate.	<ul style="list-style-type: none"> • Any person who has acted so • Indictment: fine of \$300,000) and imprisonment for 2 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • A new offence to provide for criminal sanction against the giving of false or misleading record, document etc., to the Registrar. • The offence is based mainly on a similar offence under clause 859(4) and (10) in respect of an enquiry made by the FS. • The maximum fine under the indictment mode is set at \$300,000, which is lower than \$1,000,000 under clause 859(4) and (10), in view of the limited nature of the Registrar's enquiry powers. • The maximum penalty level is aligned with that for similar offences to furnish

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
				false information under the CB (clauses 738(7) and 883(2)).
Clause 865(8)(a) and (9) (in respect of clause 865(3) and (4))	Without reasonable excuse, failing to comply with a requirement or prohibition made under a search warrant.	<ul style="list-style-type: none"> • Any person who has failed to act so • Indictment: fine of \$1,000,000 and imprisonment for 2 years • Summary: fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • A new offence based on similar offences under the SFO and FRCO. • The maximum penalty level is aligned with similar provisions under the SFO (section 191(6)(a) and (7)) and FRCO (section 34(7)(a) and (8)).
Clause 865(8)(b) and (9) (in respect of clause 865(2), (3) and (4))	Obstructing the exercise of a search warrant.	<ul style="list-style-type: none"> • Any person who has acted so • Indictment: fine of \$1,000,000 and imprisonment for 2 years • Summary: fine at Level 6 and imprisonment for 6 months 	Section 152B(4)	<ul style="list-style-type: none"> • The indictment mode of prosecution is added to align with similar offences in the SFO (section 191(7)) and FRCO (section 34(8)). • For the summary mode of prosecution, the maximum fine is raised from Level 5 (\$50,000) to Level 6 (\$100,000) to align with similar offences in the SFO (section 191(6)(b) and (7)) and FRCO (section 34(7)(b) and (8)).
Clause 870(1)	Disclosing information in breach of clause 868(1).	<ul style="list-style-type: none"> • A person specified under clause 868(3) • Indictment: fine of \$1,000,000 and imprisonment for 2 years • Summary: fine at Level 6 and 	Section 152C(2)	<ul style="list-style-type: none"> • Section 152C of the CO does not cover information obtained by an inspector. • The new confidentiality and statutory “gateway” provisions under clause 868 to 870 are based on similar provisions in the SFO (section 378), FRCO (section 51) and

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
		imprisonment for 6 months		<p>Banking Ordinance (section 120).</p> <ul style="list-style-type: none"> For the indictment mode of prosecution, the maximum fine is raised from \$150,000 to \$1,000,000 to align with similar offences under the SFO (section 378(10) and (11)) and FRCO (section 51(9)). For the summary mode of prosecution, the maximum fine is raised from Level 5 (\$50,000) to Level 6 (\$100,000), to align with similar offences under the SFO (section 378(10) and (11)) and FRCO (section 51(9)).
Clause 870(2)	<p>Disclosing information in breach of cl.869(4) and (5):</p> <p>(i) with actual or constructive knowledge of the matters described in clause 870(2)(b)(i); and</p> <p>(ii) without reasonable ground to believe that the information was not prohibited from being disclosed.</p>	<ul style="list-style-type: none"> A person to whom information is disclosed under clause or 868(1) or 869(1) and (2) and any other person receiving information from that person Indictment: fine of \$1,000,000 and imprisonment for 2 years Summary: fine at Level 6 and imprisonment for 6 months 	Section 152C(2)	<ul style="list-style-type: none"> Same as the details under clause 870(1).
Clause 878	With intent to conceal from the inspector, FS, Registrar or their delegates facts or matters by destroying, falsifying, concealing,	<ul style="list-style-type: none"> Any person who has acted so Indictment: fine of \$1,000,000 and imprisonment for 2 years 	Section 152D	<ul style="list-style-type: none"> It is not clear under the CO whether the offence is applicable where the inspector is appointed under section 143 (on top of investigation by an inspector appointed

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
	or otherwise disposing of records or documents that are required to be produced.	<ul style="list-style-type: none"> Summary: fine at Level 6 and imprisonment for 6 months 		<p>under section 142 and enquiry by the FS under section 152A). Under the CB, the offence will be applicable to all 3 types of investigation / enquiries.</p> <ul style="list-style-type: none"> For the indictment mode of prosecution, the maximum fine is lowered from \$1,500,000 to \$1,000,000 and the maximum term of imprisonment is lowered from 3 years to 2 years. For the summary mode of prosecution, the maximum fine is lowered from \$150,000 to Level 6 (\$100,000) and the maximum term of imprisonment is lowered from 12 months to 6 months. The changes in maximum penalties are aligned with those for similar offences under the SFO (section 192) and FRCO (section 59).

Part 20 – Miscellaneous

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 883	Knowingly or recklessly making a statement that is misleading, false or deceptive in any material particular in any return, report, financial statements, certificate or other document required by or for the purposes of any provisions of the CB	<ul style="list-style-type: none"> • Any person who has acted so • Indictment: fine at \$300,000 and imprisonment for 2 years • Summary: fine at Level 6 and imprisonment for 6 months 	Section 349	<ul style="list-style-type: none"> • Prosecution on indictment is added. The maximum penalty under this prosecution mode is aligned with a similar serious offence under clause 738(7) (in relation to knowingly or recklessly giving information to the Registrar upon an application for deregistration that is false or misleading in a material particular).

Part 21 – Consequential Amendments, and Transitional and Saving Provisions

Offence provision in the CB	General description of the offence	Offender, mode of prosecution and maximum penalty under the CB	Derivation from the CO or new offence	Details of the alignment in the CB
Clause 903(3) (in respect of clause 903(2))	A person commits an offence if after a provision of the predecessor Ordinance is repealed by the CB but has a continuing effect under Schedule 10, or by virtue of section 23 of Cap. 1, or both, the person wilfully makes a false statement knowing it to be false in a return, report, certificate, balance sheet or other document which is required by the provision.	<ul style="list-style-type: none"> • Any person who has acted so • Summary • Fine at Level 6 and imprisonment for 6 months 	New offence	<ul style="list-style-type: none"> • To cover the offence of making false statement after the commencement of the CB in documents required by any provision under the CO which has been repealed by the CB but has a continuing effect under Schedule 10, or by virtue of section 23 of Cap 1, or both. • The maximum penalty level is aligned with section 349 of the CO as this is a transitional provision for false statements made in returns etc. required to be filed by a provision of the CO.

**Financial Services and the Treasury Bureau
Companies Registry
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