

**Bills Committee on Companies Bill**

**Follow-up actions to be taken by the Administration  
for the meeting on 18 April 2011**

Part 1

*The formulation of "responsible person" (Clause 3)*

Members remained concerned about the use of the formulation of "responsible person" and the wide scope of the phrase "fail to take all reasonable steps to prevent the contravention or failure". To address the concerns, the Administration is requested:

- (a) to provide cases/examples under which a director or shadow director of a company will not be liable for offences under the formulation of "officer who is in default" in the existing Companies Ordinance ("CO"), but will become liable under the new formulation of "responsible person" under the Bill, or vice versa, in order to demonstrate the effect of the new formulation;
- (b) to set out the scope of offences covered by "responsible person" in the Bill and explain the reasons for using such formulation for breaches of mainly regulatory requirements; and
- (c) to provide information on provisions in the CO, other local ordinances, or comparable legislation of overseas jurisdictions which adopt the phrase of "fail to take all reasonable steps to prevent the contravention or failure", and explain the use of the phrase in the respective contexts.