

Bills Committee on Companies Bill

Comparison Table for Part 8 – Registration of Charges

PURPOSE

To facilitate clause-by-clause examination of Part 8 (Registration of Charges) of the Companies Bill (CB), this paper provides a comparison table, at **Annex**, on the provisions in Part 8 and the relevant provisions in the Companies Ordinance (Cap 32) (CO) or the company laws of comparable jurisdictions, where applicable. Transitional and saving arrangements for Part 8 are set out in sections 63 to 72 of Schedule 10 to the CB.

PART 8 OF THE CB

2. The major proposals and policy issues concerning Part 8 are set out in Annex C to LegCo Paper CB(1)2175/10-11(01), which was considered by Members at the meeting on 3 June 2011. Members raised the following suggestions at the meeting:-

- (a) Charges on cash deposits should be registrable;
- (b) Early alert system for registration of charges should be put in place;
- (c) Chargees should be responsible for delivering the charge for registration;
- (d) Criminal sanctions for late registration of charges should be removed altogether when the court has granted relief for an extension of time; and
- (e) Notification to the Registrar of Companies of debt satisfaction or release of a charge, etc. under the CB should not be more cumbersome than that under the CO.

3. We have subsequently provided our response to Members via LegCo Paper CB(1)2439/10-11(05).

ADVICE SOUGHT

4. Members are invited to note the contents of this paper and provide their views.

**Financial Services and the Treasury Bureau
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11 October 2011**

Comparison Table for Part 8

This table includes provisions in the third (i.e. “Derivation”) column that indicate the corresponding or original section in the Companies Ordinance (CO) of the clause concerned in the Companies Bill (CB), where applicable. Where reference has been made to the relevant statutory provision(s) in other jurisdictions, such provision(s) is / are also cited in that column. We use the term “Existing law” to mean that the clause is restating an existing section in the CO as set out in the “Derivation” column without change in substance, although the actual wording may be different from the existing section as improvements are made to the drafting language and style.

A list of abbreviations used is as follows: –

ACA: Australia Corporations Act 2001

CFR: Companies (Forms) Regulations (Cap 32B)

CO: Companies Ordinance (Cap 32)

SCA: Singapore Companies Act

UKCA 2006: United Kingdom Companies Act 2006

Clause	Contents	Derivation	Position in CO	Position in CB
Division 1: Preliminary				
331	Interpretation	CO ss.80(9) and 87(8)	Provides that “charge” includes mortgage, and “manager” does not include a special manager appointed under CO s.216.	Subsection (1): Existing law.
		CO s.91(7)	A ship or aircraft registered in Hong Kong shall be treated as property in Hong Kong, notwithstanding its physical location is outside Hong Kong. And if it was registered outside Hong Kong, it shall be treated as property outside	Subsection (2): Existing law.

Clause	Contents	Derivation	Position in CO	Position in CB
			Hong Kong despite being physically located in Hong Kong.	
		CO s.81(1) and CFR Reg.5	Whilst the primary duty to register is on the company, a person interested in the charge to be registered may effect registration.	Subsection (3): Clarifies the meaning of “a person interested in a charge”.
		CFR Reg.5	Under CFR Reg.5, a copy of the instrument by which a charge is created or evidenced to be delivered to the Registrar of Companies (“the Registrar”) under CO ss.80(3) and 82(1) shall be verified or certified to be a true copy under the seal of the company, or under the hand of some person interested therein otherwise than on behalf of the company.	Subsection (4): Existing law with the following modifications:- (i) to remove the requirement to verify or certify under the seal of the company; and (ii) to provide for a list of persons who can certify.
		CO s.91(1) and (2)	Provides that the registration requirement applies to charges on property in Hong Kong of a non-Hong Kong company registered under CO Part XI (referred hereunder as “non-Hong Kong company”) that are created, and to charges on property in Hong Kong that is acquired by the non-Hong Kong company but only if the property was in Hong Kong at the date of the creation of the charge or the date of acquisition of the property.	Subsection (5): Existing law.
332	Application	CO s.91(4)	This Part does not apply to a non-Hong Kong company if it has ceased to have a place of	Existing law.

Clause	Contents	Derivation	Position in CO	Position in CB
	of Part		business in Hong Kong, been dissolved, or its name has been struck off from the register of non-Hong Kong companies.	
Division 2: Obligation to Register Specified Charges after Creation				
333	Specified charge	CO s.80(2) c.f. ACA s.262 ¹ and SCA s.131(3)(i) ²	Provides the list of charges which must be registered under CO s.80(1).	Subsection (1): Existing law, except that:- (i) a charge for securing any issue of debentures (CO s.80(2)(a)) is removed from the list of registrable charges; and (ii) a charge on instalments due, but not paid, on the issue price of shares and a charge on an aircraft or any share in an aircraft are added to the list.
		CO s.80(6)	Provides that the holding of debentures entitling the holder to a charge on land shall not be deemed to be an interest in land for the purposes of CO s.80.	Subsection (2): Existing law.
		CO s.80(5)	Where a negotiable instrument has been given to secure payment of book debts, the deposit of the	Subsection (3)(a): Existing law.

¹ The ACA omits from the list of registrable charges a charge for the purpose of securing any issue of debentures.

² The SCA requires a charge on a ship or aircraft or any share in a ship or aircraft to be registered.

Clause	Contents	Derivation	Position in CO	Position in CB
			negotiable instrument to secure an advance is not to be treated as a charge over those book debts.	
			No corresponding provision in the CO.	Subsection (3)(b): New provision to clarify that a charge over cash deposits is not a charge on book debts.
		c.f. UK Companies Act 1989 s.93	No corresponding provision in the CO.	Subsection (4): New provision to clearly provide that a shipowner's lien on subfreights does not constitute a charge on book debts or a floating charge.
334	Company must register specified charge created by it	CO ss.80(1), (3) and (7) and 81(1)	(i) It is the duty of a company to send the particulars in the specified form of every charge created by it requiring registration under CO s.80 together with the instrument creating it to the Registrar for registration within 5 weeks of creation of the charge, or within 5 weeks after having been received in Hong Kong (if dispatched with due diligence, and in due course of post) if the charge is created in Hong Kong but comprising property outside Hong Kong. Registration may also be effected on the application of any person interested in the charge.	Subsections (1) to (5): Existing law, with the following modifications:- (i) the particulars of the charge required to be submitted for registration will be prescribed by the Registrar in the specified form; (ii) a certified copy of the charge instrument should be lodged; (iii) the certified copy of the charge instrument is available for public inspection; and (iv) the time allowed for registration is shortened to one month.

Clause	Contents	Derivation	Position in CO	Position in CB
			<p>(ii) Where the charge created is given in a debenture forming part of a series and every holder of the debenture is entitled equally to the benefits of the charge, the particulars set out in the CO and the deed containing the charge should be delivered for registration within 5 weeks after the execution of the deed or, if no deed, after execution of one of the debentures in the series.</p>	
		<p>CO ss.80(1), (1A) and (7) and 83(1)</p>	<p>(i) The particulars of a charge required for registration are specified in s.80(1A), which includes the date and description of the instrument creating the charge, the amount secured, details of the mortgaged property and the mortgagee etc.; and the particulars shall be given in the specified form.</p> <p>(ii) Where the charge created is given in a debenture forming part of a series and every holder of the debenture is entitled equally to the benefit of the charge, the particulars required for registration are specified in s.80(7), which includes the total amount secured by the whole series, the dates of the</p>	<p>Subsection (6): Existing law except that the particulars of the charge required to be submitted for registration will be prescribed by the Registrar in the specified form.</p>

Clause	Contents	Derivation	Position in CO	Position in CB
			<p>resolutions authorizing the issue, the date of the covering deed (if any) by which the security is created or defined, description of property charged, names of the trustees (if any).</p> <p>(iii) Upon payment of the prescribed fee, the Registrar shall enter the particulars in the register.</p>	
		CO s.81(2)	Where registration is effected by some persons other than the company, that person shall be entitled to recover the fee paid to the Registrar from the company.	Subsection (7): Existing law.
		CO s.80(4)	Where a charge is created in Hong Kong comprising property outside Hong Kong, the charge instrument may be sent for registration notwithstanding that further proceedings may be necessary to make it valid or effectual in the country in which the property is situated.	Subsection (8): Existing law.
335	Registered non-Hong Kong company must register	CO ss.80(1) and (7), 81(1) and 91(1) and	Applies the requirements to register the particulars of a charge registrable under CO s.80 to charges on property in Hong Kong of a non-Hong Kong company.	<p>Subsections (1) to (6): Existing law, with the following modifications:-</p> <p>(i) the statement of the particulars of the charge required to be submitted for registration will be prescribed by the</p>

Clause	Contents	Derivation	Position in CO	Position in CB
	specified charge created by it	(2)		Registrar in the specified form; (ii) a certified copy of the charge instrument should be lodged; (iii) the certified copy of the charge instrument is available for public inspection; and (iv) the time allowed for registration is shortened to one month.
CO ss.80(1), 83(1) and 91(1)		The particulars of the charge must be submitted in the specified form for registration and upon payment of the prescribed fee, the Registrar shall enter the particulars of the charge on the register.	Subsection (7): Existing law.	
CO s.81(2)		Where registration is effected by a person other than the non-Hong Kong company, that person shall be entitled to recover the fee paid to the Registrar from the non-Hong Kong company.	Subsection (8): Existing law.	
336	Consequences of contravention of section 334 or 335	CO ss.80(1), 81(1) and (3) and 91(1)	Provides for the consequences of failure to register the charge under s.80(1) or s.91(1).	Subsection (1): Existing law.
CO ss.81(3)		Provides that upon breach of the provisions, the company or non-Hong Kong company and every	Subsections (2) and (3): Existing law, except that the maximum amount of further	

Clause	Contents	Derivation	Position in CO	Position in CB
		and 91(1)	officer in default shall be liable to a fine.	daily default fine prescribed for a continuing offence is lowered from \$1,500 to \$1,000.
		CO ss.80(1) and 91(1)	Provides that failure to register the charge within the requisite period means that the charge is void against any liquidator and creditor of the company or non-Hong Kong company.	Subsection (4): Existing law.
		CO ss.80(1) and 91(1)	Provides that the voiding of the charge does not prejudice any contract or obligation to repay the money secured and the money secured becomes immediately repayable.	Subsection (5) and (6): Existing law, subject to a replacement of the “automatic” acceleration provision with a “discretionary” acceleration provision.
Division 3: Obligation to Register Existing Charges				
337	Company must register charge existing on property acquired	CO s.82(1) ³	Provides that where a company acquires property subject to a charge, and the charge would need to be registered under s.80(1) had it been created by the company, the company shall deliver particulars of the charge in the specified form together with a copy of the instrument evidencing the charge within 5 weeks of the date of acquisition, or within 5 weeks after having been received in Hong Kong (if dispatched with due diligence, and in due course of post) if the	Subsections (1) to (3): Existing law, with the following modifications:- (i) the particulars of the charge required to be submitted for registration will be prescribed by the Registrar in the specified form; (ii) the certified copy of the charge instrument as lodged is available for public inspection; and

³ Section 82(1A) of the CO is not re-enacted in the CB as the effect of the provision will be preserved by section 23 of the Interpretation and General Clauses Ordinance (Cap 1).

Clause	Contents	Derivation	Position in CO	Position in CB
			property is outside Hong Kong.	(iii) the time allowed for registration is shortened to one month.
		CO ss.82(1) and 83(1)	The particulars must be in the specified form and will be registered on payment of the prescribed fee.	Subsection (4): Existing law.
		CO s.82(2)	Provides that upon breach of the provision, a company and every officer in default shall be liable to a fine ⁴ .	Subsections (5) and (6): Existing law, except that the maximum amount of further daily default fine prescribed for a continuing offence is lowered from \$1,500 to \$1,000.
338	Registered non-Hong Kong company must register charge existing on property acquired	CO ss.82(1) and 91(1) and (2)	Provides for the same obligations, as set out in the above item, for non-Hong Kong companies but specifically provides that the registration requirements do not apply to charges over property not in Hong Kong at the date of creation or at the time it was acquired by the non-Hong Kong company subsequent to creation.	Subsections (1) to (4): Existing law, with the following modifications:- (i) the particulars of the charge required to be submitted for registration will be prescribed by the Registrar in the specified form; (ii) the certified copy of the charge instrument as lodged is available for public inspection; and (iii) the time allowed for registration is shortened to one month.

⁴ The breach would not make the charge void against the liquidator or any creditor.

Clause	Contents	Derivation	Position in CO	Position in CB
		CO ss.82(1), 83(1) and 91(1)	The particulars must be in the prescribed form and will be registered upon payment of the prescribed fee.	Subsection (5): Existing law.
		CO ss.82(2) and 91(1)	Provides that upon breach of the provision, the non-Hong Kong company and every officer in default shall be liable to a fine ⁵ .	Subsections (6) and (7): Existing law, except that the maximum amount of further daily default fine prescribed for a continuing offence is lowered from \$1,500 to \$1,000.
339	Registered non-Hong Kong company must register charge existing on property on date of company's registration under Part 16	CO s.91(5)	A non-Hong Kong company shall register particulars in the specified form of any charge existing on its property in Hong Kong or subsisting when it acquired the property that would, had it been created by the said company, have been required to be registered under CO within 5 weeks of registering under CO Part XI, together with the instrument or a copy of the instrument creating the charge.	Subsections (1) to (5): Existing law, with the following modifications:- (i) the particulars of the charge required to be submitted for registration will be prescribed by the Registrar in the specified form; (ii) a certified copy of the charge instrument should be lodged; (iii) the certified copy of the charge instrument is available for public inspection; and (iv) the time allowed for registration is shortened to one month.

⁵ The breach will not make the charge void against the liquidator or any creditor.

Clause	Contents	Derivation	Position in CO	Position in CB
		CO ss.83(1) and 91(5)	The particulars of the charge must be submitted in the form specified by the Registrar and will be registered upon payment of the prescribed fee.	Subsection (6): Existing law.
		CO s.91(6)	Provides that upon breach of the provision, the non-Hong Kong company and every officer in default shall be liable to a fine ⁶ .	Subsections (7) and (8): Existing law, except that the maximum amount of further daily default fine prescribed for a continuing offence is lowered from \$1,500 to \$1,000.
Division 4: Obligation to Register Other Particulars of Debentures				
340	Company or registered non-Hong Kong company must register particulars of issue of debentures	CO s.80(7) (the proviso), ss.81(1) and (2), 83(1) and 91(1) and (5)	Provides that a company and a non-Hong Kong company have to register details (the date and the amount of each issue) in the specified form of each issue of debentures where there is more than one issue.	Subsections (1) to (7): Existing law, with the following modifications/ clarifications:- (i) the particulars of an issue of debentures required to be submitted for registration will be prescribed by the Registrar in the specified form; (ii) the period allowed for registration of the statement of particulars is specified to be one month after the relevant time; and (iii) as proposed by the Hong Kong Association of Banks at the Bills

⁶ The breach will not make the charge void against the liquidator or any creditor.

Clause	Contents	Derivation	Position in CO	Position in CB
				Committee meeting with deputations on 9 April 2011, cl.340(1)(c) might be read as suggesting that if no statement of particulars of charge has been delivered, there is no requirement to register other particulars under Division 4. As such, we will amend cl.340(1)(c) to read, “ <i>a statement of the particulars of the charge is required to be delivered for registration...</i> ” (with words in bold to be added).
		CO ss.81(3) and 91(1) and (6)	Provides that upon breach of the provision, the company or non-Hong Kong company and every officer in default shall be liable to a fine.	Subsections (8) and (9): Existing law, except that the maximum amount of further daily default fine prescribed for a continuing offence is lowered from \$1,500 to \$1,000.
		CO s.80(7) (the proviso) and s.91(1)	Default in registration does not affect the validity of the debentures.	Subsections (10) and (11): Existing law, plus providing the meaning of the phrase “the time of the creation of a charge”.
341	Company or registered non-Hong Kong	CO ss.80(8), 81(1) and (2) and	The particulars of the amount or rate (percent) of the commission, discount or allowance paid by a company or non-Hong Kong company to any person for subscribing or agreeing to subscribe	Existing law, with the following modifications/ clarifications:- (i) a statement of the particulars of the commission, allowance or discount

Clause	Contents	Derivation	Position in CO	Position in CB
	company must register particulars of commission etc. in relation to debentures	91(1) and (5)	for any debentures shall be sent to the Registrar for registration.	<p>should also be submitted in the specified form;</p> <p>(ii) the particulars of the commission, allowance or discount as required to be lodged will be prescribed by the Registrar in the specified form;</p> <p>(iii) a distinct period for registration of such statement is provided (cl.341(6))⁷; and</p> <p>(iv) the meaning of the phrase “the time of the creation of a charge” is provided.</p>
342	Consequences of contravention of section 341	CO ss.80(8), 81(3) and 91(1) and (6)	Provides that upon breach of the provision, the company or the non-Hong Kong company and every officer in default shall be liable to a fine.	Existing law, except that the maximum amount of further daily default fine prescribed for a continuing offence is lowered from \$1,500 to \$1,000.
Division 5: Provisions Supplementary to Divisions 2, 3 and 4				
343	Certificate of registration	CO ss.83(2) and 91(1)	The Registrar shall issue a certificate certifying the registration of any charge and the certificate shall be conclusive evidence that all requirements of this Part of the CO with respect to registration	Existing law.

⁷ The registration period is the same as the relevant period specified for the registration of the statement of the particulars of a charge by a company or registered non-Hong Kong company (under cls.334 and 335 respectively); and the statement of the particulars of charge existing on property on date of company’s registration under Part 16 (under cl.339).

Clause	Contents	Derivation	Position in CO	Position in CB
		and (5)	have been complied with.	
344	Notification to Registrar of payment of debt, release, etc.	CO ss.85, 91(1) and (5) and 304	Upon application made in the specified form with the prescribed fee, if the Registrar is satisfied that the debt for which the registered charge was given has been paid or satisfied in whole or in part, or that the whole of any part of the property or undertaking has been released from the charge, she may enter on the register a memorandum regarding the satisfaction, release or cessation of the registered charge.	Existing law, with the following modifications:- (i) the matters required to be set out in the notification will be prescribed by the Registrar in the specified form; (ii) a certified copy of the evidence of discharge as required by the Registrar should be submitted for registration and be available for public inspection; (iii) the certification requirements of such evidence are prescribed; and (iv) the Registrar will no longer be required to endorse the words “satisfaction entered” or the Chinese expression “已清償” on the charge instrument.
345	Extension of time for registration	CO ss.86 and 91(1) and (5)	Upon application, the court can grant an extension of time for registration of particulars of a charge in certain situations on such terms and conditions as it thinks just and expedient.	Existing law, with clarification that if the court makes an order to extend the time for registration of the relevant statement/particulars, etc., unless the Court directs otherwise, criminal liability already incurred for failure to deliver such statement/ particulars etc. for registration is

Clause	Contents	Derivation	Position in CO	Position in CB
				extinguished provided that the registration is effected within the extended time.
346	Rectification of registered particulars	CO ss.86 and 91(1) and (5)	Upon application, the court may order rectification of an omission or misstatement of any particular with respect to any charge or memorandum of satisfaction etc. upon such terms and conditions as it thinks just and expedient.	Existing law, except that the court will also be empowered to rectify an omission or misstatement of the particulars in the registered charge instrument and evidence of discharge to the extent as permitted by common law rules and equitable principles.
Division 6: Notice to Registrar of Enforcement of Security				
347	Notice of appointment of receiver or manager	CO ss.87(1) and 91(1) and (2) c.f. UKCA 2006 s.871(1)	Notice of the appointment of a receiver or manager to the property of a company or a non-Hong Kong company shall be given to the Registrar within 7 days after the date of appointment.	Subsection (1): Existing law, with clarification that in the case of an appointment of a receiver or manager pursuant to an order, the time for registration should be within 7 days after the date of the order.
		CO ss.87(1), (3), (6) and (7) and 91(1)	The notice shall be made in the specified form and registered upon payment of the prescribed fee. Any default in complying with these requirements shall be an offence.	Subsections (2) to (4): Existing law.
348	Notice of mortgagee	CO ss.87(2),	If a mortgagee enters into possession of a property, within 7 days of so doing, he shall give	Existing law.

Clause	Contents	Derivation	Position in CO	Position in CB
	entering into possession of property	(3), (6) and (7) and 91(1) and (2)	notice to the Registrar in the specified form, to include details as required in the CO, and this notice will be registered upon payment of the prescribed fee.	
349	Notice of cessation of appointment of receiver or manager or mortgagee going out of possession of property, etc.	CO ss.87(4), (5), (6) and (7) and 91(1) and (2)	It provides that if a receiver or manager ceases to act or if a mortgagee goes out of possession, he must deliver a notice of cessation or statement to the Registrar within 7 days. Any change of any particulars previously notified should also be notified to the Registrar within 14 days.	Existing law.

Division 7: Company's and Registered Non-Hong Kong Company's Records and Register of Charges

350	Obligation to keep copies of instruments creating charges	CO s.88(1)	Every company shall keep a copy of every charge instrument requiring registration under the CO at the company's registered office, or as otherwise provided in the CO.	Subsection (1): Existing law with modification that copies of charge instruments are to be kept at the company's registered office or at a place prescribed by regulations made under cl.648.
		CO ss.88(1) and 91(1) and (3)(a)	Every non-Hong Kong company shall keep a copy of every charge instrument requiring registration under the CO at the company's principal place of business in Hong Kong or as	Subsection (2): Existing law with modification that copies of charge instruments are to be kept at the registered non-Hong Kong company's principal place of business in Hong Kong or at a place

Clause	Contents	Derivation	Position in CO	Position in CB
			otherwise provided in the CO.	prescribed by regulations made under cl.355.
		CO ss.88(2), (3) and (4) and 91(1) and (3)(a)	(i) For a series of uniform debentures, the keeping of a copy of one of the debentures of the series shall be sufficient. (ii) A notice in the specified form shall be sent to the Registrar advising where copies of instruments required to be kept are kept or any change thereof within 14 days.	Subsections (3) to (6): Existing law.
		CO ss.88(4) and 91(1)	There is no need to send a notice if copies have always been kept at the company's registered office or principal place of business in Hong Kong. Upon breach of this provision, the company or non-Hong Kong company and any officer in default will be liable to a fine.	Subsection (7): Existing law, except the maximum fine level of the offence is lowered from Level 5 to Level 4.
351	Obligation of company to keep register of charges	CO s.89(1) and (2)	Every company shall keep a register of charges at the company's registered office, or as otherwise provided in the CO.	Subsection (1): Existing law, except that the register of charges is to be kept at the company's registered office or at a place prescribed by regulations made under cl.648.
		CO s.89(1)	Provides for details of what must be entered in the register of charges.	Subsection (2): Existing law.
		CO s.89(4)	Upon breach, the company and any officer in	Subsection (3): Existing law except that the maximum fine level of the offence is

Clause	Contents	Derivation	Position in CO	Position in CB
			default will be liable to a fine.	lowered from Level 5 to Level 4.
		CO s.89(5)	Any officer of a company who knowingly and willfully authorizes or permits the omission of any entry to the register shall be liable to imprisonment and a fine.	Subsection (4): Existing law except that the offence is no longer punishable with imprisonment.
352	Obligation of registered non-Hong Kong company to keep register of charges	CO ss.89(1) and (2) and 91(1) and (3)(a)	A non-Hong Kong company shall keep a register of charges at its principal place of business in Hong Kong or as otherwise provided in the CO.	Subsection (1): Existing law, except that the register of charges is to be kept at the registered non-Hong Kong company's principal place of business in Hong Kong or at a place prescribed by regulations made under cl.355.
		CO ss.89(1) and 91(1) and (3)(b)	Provides for details of what must be entered in the register of charges.	Subsection (2): Existing law.
		CO s. 91(2)	Details of any charge on property not in Hong Kong at the date of creation of the charge, or when acquired by the non-Hong Kong company, need not be included in the register.	Subsection (3): Existing law.
		CO ss.89(4) and 91(1)	Upon breach, the non-Hong Kong company and any officer in default will be liable to a fine.	Subsection (4): Existing law, except that the maximum fine level of the offence is lowered from Level 5 to Level 4.
		CO ss.89(5)	Any officer of the non-Hong Kong company who knowingly and willfully authorizes or permits the	Subsection (5): Existing law, except that the offence is no longer punishable by

Clause	Contents	Derivation	Position in CO	Position in CB
		and 91(1)	omission of any entry to the register shall be liable to imprisonment and a fine.	imprisonment.
353	Notification of place where register of charges is kept	CO ss.89(3) and (4) and 91(1) and (3)(a)	Provides for an obligation for both a company and non-Hong Kong company to notify the Registrar of the place where the register of charges is kept, except that no notification has to be given if it has always been kept at the registered office or principal place of business in Hong Kong.	Subsections (1) to (3): Existing law.
		CO ss.89(4) and 91(1)	Upon breach, the company or non-Hong Kong company and any officer in default will be liable to a fine.	Subsection (4): Existing law, except that the maximum fine level of the offence is lowered from Level 5 to Level 4.
354	Instruments and register open to public inspection	CO ss.90(1) and 91(1) c.f. UKCA 2006 s.877(4)	The copies of instruments creating charges requiring registration under the CO and the register of charges of companies or non-Hong Kong companies shall be open to inspection for not less than two hours per business day to any creditor or member of the company or non-Hong Kong company without a fee.	Subsections (1) to (2): Existing law, with the following modifications:- (i) a member or creditor of a company may also inspect copies of instruments creating charges requiring registration under Part III of the CO; and (ii) the time and duration allowed for inspection and other related requirements will be prescribed by regulations made by the Financial Secretary (FS) under cls.355 and 648.
		CO	Any other person may inspect the register of	Subsection (3): Existing law, with the

Clause	Contents	Derivation	Position in CO	Position in CB
		ss.90(1) and 91(1) c.f. UKCA 2006 s.877(4)	charges upon payment of a fee.	following modifications:- (i) any other person may also inspect copies of instruments creating charges requiring registration under Part 8 of the CB; and (ii) the fee required to be paid, the time and duration allowed for inspection and other related requirements will be prescribed by regulations made by the FS under cls.355 and 648.
355	Financial Secretary may make regulations for purposes of this Division		No corresponding provision in CO.	New provision to empower the FS to make regulations regarding registered non-Hong Kong company's duty to keep and make available for inspection copies of charge instruments and register of charges ⁸ .

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⁸ This provision follows the approach adopted under clause 648 (“Regulations about keeping and inspection of company records and provision of copies”) of the CB applicable to Hong Kong companies.