

**For information
on 6 March 2013**

**Sub-committee on Subsidiary Legislation Made
under the New Companies Ordinance**

Supplementary Information arising from the Meeting on 27 February 2013

Purpose

This paper provides supplementary information in response to Members' requests at the second meeting of the sub-committee on 27 February 2013.

Companies (Disclosure of Company Name and Liability Status) Regulation

*Disclosure of registered name and liability status on websites
(c.f. items 1, 2 and 3 of LC Paper No. CB(1)667/12-13(01))*

2. It is provided in sections 4 and 5 of the Regulation that a company shall disclose its registered name and status of limited liability on any website of the company. The meaning of website is further elaborated in section 2(3) of the Regulation to include any part of a website relating to the company which the company has caused or authorised to appear. The company legislation in the United Kingdom has imposed a similar requirement and adopts the same elaboration on the meaning of company websites¹.

3. The requirement applies to a dedicated or thematic website set up by a company if the website satisfies the description under section 2(3), i.e. that it relates to the company and that its appearance was caused or authorised by the company. If a website relates to more than one company, each and every company which has caused or authorised the website's appearance shall also disclose its name and status of limited liability on such a website.

4. As regards mobile applications, i.e. commonly known as "apps", they are regarded as software that require installation on a mobile

¹ Sections 1(2)(e), 6 and 7 of the UK Companies (Trading Disclosures) Regulations 2008.

platform. The Regulation does not impose any requirement for the name or liability status of a company to be disclosed in a software application itself. However, by virtue of section 2(2) of the Regulation, sections 4 and 5 of the Regulation provide that a company must state its registered name and liability status on its website as well as on any communication document or transaction instrument in hard copy form, electronic form or any other form. It follows that if a mobile application provides access to a company's website, communication document or transaction instrument, the website, document or instrument concerned would be required to display the registered name and status of limited liability of the company. As we understand it, there is no requirement concerning the disclosure of the registered name or liability status of a company in mobile applications in the company legislation in the United Kingdom, Singapore or Australia.

5. Domain name registration is a contractual arrangement between a company and a registration service provider. Insofar as the Regulation is concerned, there is no requirement for the registered name and liability status disclosed on a website to be necessarily that of the same company which registered for the domain name of the website. The Companies Registry will advise practitioners of this point in its upcoming publicity programme.

Companies (Directors' Report) Regulation

Equity-linked agreement

(c.f. item 4 of LC Paper No. CB(1)667/12-13(01))

6. In respect of the new requirement to disclose information on equity-linked agreements entered into by the company in the directors' report under section 6 of the Regulation, the Companies Registry will consider issuing an external circular before commencement of the new CO to provide additional guidance to practitioners and the public on the requirements in response to Members' suggestion.

Reasons for resignation and permitted indemnity provisions

(c.f. items 5 and 6 of LC Paper No. CB(1)667/12-13(01))

7. Taking into account Members' views, we propose to amend section 8 and the Chinese text of section 9 of the Regulation. Please refer the paper entitled "*Proposed Amendments to Companies (Directors' Report) Regulation and Companies (Summary Financial Reports)*

Regulation” (LC Paper No. CB(1)667/12-13(03)) for details.

Advice Sought

8. Members are invited to note the contents of this paper.

**Financial Services and the Treasury Bureau
Companies Registry
4 March 2013**