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Panel on Financial Affairs

Meeting on 7 January 2013

**Background brief on subsidiary legislation for implementation of
the new Companies Ordinance**

Purpose

This paper provides background information on the subsidiary legislation to implement the new Companies Ordinance ("CO"). It also summarizes the discussions when relevant issues were deliberated by the Bills Committee on Companies Bill ("the Bills Committee").

Background

2. The CO was enacted in 1932 with its major provisions originated from the 1929 Companies Act of the United Kingdom ("UK"). The legislation provides the legal framework which enables the business community to form and operate companies, and sets out the parameters within which companies must operate so as to safeguard the interests of those parties who have dealings with them such as shareholders and creditors. Following the major review in 1984, there have been amendments from time to time to keep the CO attuned to business needs. As piecemeal amendments to the CO can no longer meet the needs of the business community, the Administration launched a comprehensive rewrite of the CO ("CO Rewrite") in mid-2006. Three topical public consultations were conducted in 2007 and 2008 to gauge public views on a number of more complex subjects, and a draft bill was published for further public consultation in two phases from December 2009 to August 2010.

3. In view of the extensive nature of the CO Rewrite, the Administration has adopted a phased approach by tackling the provisions which affect the operation of live companies in Hong Kong through the introduction of the Companies Bill ("CB"). The Administration introduced the CB into the Legislative Council ("LegCo") on 14 January 2011. The Bills Committee was formed in February 2011 to scrutinize the CB. The hyperlink of the Bills Committee's report is in **Appendix I**. The CB¹ was enacted by LegCo on 12 July 2012.

Subsidiary legislation to be made for implementation of the new Companies Ordinance

4. The new CO has adopted the same approach as the existing CO of prescribing technical requirements, operational details and fees items in subsidiary legislation so as to facilitate future updates. Majority of this subsidiary legislation, which will be made by the Chief Executive in Council, the Financial Secretary ("FS") and the Chief Justice ("CJ"), are subject to the negative vetting procedures of LegCo. Appendix V to the Bills Committee's report has set out details of the subsidiary legislation to be made under the new CO before its commencement. The relevant details are reproduced in **Appendix II**.

5. The Financial Services and the Treasury Bureau and the Companies Registry ("CR") have jointly published documents for public consultation on 12 pieces of subsidiary legislation for implementation of the new CO in two phases in September and December 2012. According to the Administration, its plan is to introduce the subsidiary legislation in batches in the first half of 2013. Subject to LegCo's scrutiny, the subsidiary legislation will commence operation together with the new CO, tentatively in 2014. A brief description of the 12 pieces of the subsidiary legislation is given below² –

- (a) Companies (Summary Financial Reports) Regulation – to provide for the forms and contents of a summary financial report prepared by companies, and the notification to members of the companies for ascertaining their intention to receive summary reports under the new CO regime;

¹ The enacted CB was published in the gazette on 10 August 2012 as the new Companies Ordinance (Ordinance no. 28 of 2012). The new Companies Ordinance will be given a new Chapter number. The existing CO is still Cap. 32 but re-titled as Companies (Winding up and Miscellaneous Provisions) Ordinance.

² The hyperlinks of the Administration's consultation papers containing details of the scope and draft provisions of the proposed subsidiary legislation are available at Appendix I.

- (b) Companies (Directors' Report) Regulation – to stipulate the information to be contained in the directors' report (which shall be attached to the company's balance sheet), including the information about the directors' interests under certain arrangements entered into by the company or another company in the same corporate group, donations made by the company and its subsidiary undertakings, shares issued by the company, equity-linked agreements entered into by the company, dividends recommended to be paid by the directors, reasons for the resignation of a director, and directors' permitted indemnity provision;
- (c) Companies (Words and Expressions in Company Names) Order³ – to re-enact an order under the existing CO for the purpose of specifying the words and expressions contained in a company's name which required prior approval;
- (d) Companies (Non-Hong Kong Companies) Regulation – to prescribe the detailed requirements and matters in relation to non-Hong Kong companies ("NHKC"), including the registration of NHKC, and filing of annual returns and revision of accounts by NHKC;
- (e) Company Records (Inspection and Provision of Copies) Regulation – to provide for the arrangement for inspection of company records, provision of copies of the records and related matters (e.g. the procedures for making request for inspection of company records, inspection fees and fees for provision of copy of records, the withholding of certain information from inspection, a place for keeping company records and for inspection of such records, and the penalty for contravening the requirements);
- (f) Companies (Model Articles) Notice – to prescribe, similar in scope to those in the existing CO but with clearer layout and drafting, model articles of association⁴ for three types of companies: public companies limited by shares, private companies limited by shares and companies limited by guarantee;

³ This Regulation was entitled the Companies (Specification of Names) Order in the consultation document. It has been renamed to better reflect its contents.

⁴ Articles of association of a company is a set of rules which regulates the internal management of the company. The memorandum of association of a company which contains the object clause and the authorized capital of the company is abolished under the new CO. The provisions in the memorandum of association of an existing company will be deemed to be provisions of the company's articles of association.

- (g) Companies (Accounting Standards (Prescribed Body)) Regulation – to prescribe the Hong Kong Institute of Certified Public Accountants ("HKICPA")⁵ as the body for the issuance or specification of accounting standards which the accounts of a company must comply with;
- (h) Companies (Disclosure of Company Name and Liability Status) Regulation⁶ – to provide for various requirements concerning the display of a company's name and the disclosure of the company's status, as well as the penalty for contravention of the requirements;
- (i) Companies (Revision of Financial Statements and Reports) Regulation – to prescribe various matters relating to the revision of financial statements and reports by a company;
- (j) Companies (Disclosure of Information about Benefits of Directors) Regulation – to prescribe the particulars to be disclosed in the company's accounts in respect of the various types of benefits to directors of companies and specified dealings (e.g. directors' emoluments and retirement benefits, loans/quasi-loans in favour of directors);
- (k) Companies (Residential Addresses and Identification Numbers) Regulation – to set out the details and procedural matters relating to the application for withholding personal information of directors and other individuals of companies from public inspection and the application for disclosure of any withheld or protected information; and
- (l) Companies (Unfair Prejudice Petitions) Proceedings Rules⁷ – the rules to be made by CJ⁸ for regulating the conduct of proceedings in relation to the making of petition to the court if a company's affairs are being or have been conducted in a manner unfairly prejudicial to the interests of its members, including a proposed act or omission of the company that will be unfairly prejudicial. The rules will cover,

⁵ There is no express provision in the present CO which requires accounts to be prepared in compliance with the accounting standards. However, under the Professional Accountants Ordinance (Cap. 50) ("PAO"), certified public accountants (including auditors) are required to observe the professional standards of HKICPA. Section 18A of PAO provides that the Council of HKICPA is responsible for promulgating accounting and auditing standards in Hong Kong.

⁶ This Regulation was entitled the Companies (Trading Disclosures) Regulation in the consultation document. It has been renamed to better reflect its contents.

⁷ This Regulation was entitled the Companies (Unfair Prejudice Proceedings) Rules in English in the consultation document. It has been renamed to better reflect its contents.

⁸ This piece of subsidiary legislation will be subject to positive vetting by LegCo.

amongst others, the prescribed form of petition, return of petition by the court to the petitioner and advertising of the court order for granting relief.

Major deliberation of the Bills Committee on Companies Bill

6. The Bills Committee held a total of 44 meetings to deliberate the CB. The major views and concerns raised by the Bills Committee which are relevant to the proposed subsidiary legislation are summarized in the ensuing paragraphs.

Accessibility to information on residential addresses of directors and company secretaries

7. Regarding the arrangements for protection of personal information (i.e. residential addresses and identification numbers) of directors and other individuals of a company as well as the disclosure of such information under the new CO, while some members of the Bills Committee supported withholding such information from public inspection in order to enhance protection of personal privacy, some other members considered that disclosure of such information might be required for preparation of legal documents or conducting legal proceedings, and correspondence address might not facilitate effective communication with directors. The Bills Committee was of the view that there should be procedures allowing access to the protected information on legitimate need, and suggested that the Registrar of Companies ("the Registrar") should verify the validity of a director's correspondence address when there were complaints about ineffective communication with the director at the address and that such action should be set out in the relevant practice note of CR.

8. The Administration advised that the proposal to restrict access to residential addresses and identification number of directors and company secretaries had struck a balance between protection of privacy and the need to identify and contact directors. Protected information would continue to be made available to entities prescribed by regulations to be made by the FS upon application to the Registrar. Tentatively, the list should include specified public authorities (e.g. Labour Department, Police, etc.) and regulators, liquidators and provisional liquidators, members of the relevant companies, and the individual to whom the information related and any person authorized in writing by the individual to obtain the information.

9. The Bills Committee also expressed concern about the transitional arrangements for the existing residential addresses of directors and companies secretaries shown in the Companies Register as such information would automatically be recorded as "correspondence address" and would only be withheld from public disclosure by directors and companies secretaries making application and paying the necessary fee to change the information. Having considered members' suggestion, the Administration agreed that CR would record, at the commencement of the CB, the addresses of the companies registered offices, instead of the residential addresses of the directors and company secretaries, as the correspondence addresses. However, the residential addresses would still appear on various documents already filed with the CR before CB's commencement, which would only be withheld from public inspection upon application and payment of a fee.

Place for keeping records and registers of a company available for inspection

10. Members suggested that companies should be allowed to keep its records and registers in more than one place as many companies in Hong Kong had to keep records in different warehouses. The Administration has taken on board the Bills Committee's suggestion to allow a company to keep its records at more than one place in Hong Kong and to allow inspection to take place at a place other than the place(s) at which the records are kept (provided that there should be no more than one inspection place).

Requirements for non-Hong Kong companies to register and submit returns

11. About the requirement that any NHKC which has established a place of business in Hong Kong must apply to the Registrar for registration, the Bills Committee considered that the definition of "place of business" should ensure that all NHKCs which were "carrying on business" in Hong Kong would be covered. According to the Administration, the threshold of registration followed the position in UK. While it was difficult formulating a definition of "carrying on business", the presence of a well-settled body of case law on what constituted an established place of business would facilitate the interpretation of the concept. In response to members' suggestion on allowing adequate time for a NHKC to file a warning statement to the Registrar when it revised its accounts, the Administration has replaced the time limit of "7 days" with "15 days".

Directors' reports and directors' benefits

12. On the proposal under the CB for not requiring a company to prepare separate directors' remuneration report, the Administration advised that during

consultation on the draft CB, the majority of respondents did not support the proposal on concern that it would be too onerous and would increase compliance costs for unlisted companies, the vast majority of which were small and medium-sized enterprises. Unlisted companies would be required to include information such as directors' emoluments, retirement benefits etc. by regulations to be made by the FS. As for listed companies, any improvements to the disclosure of the remuneration of directors of listed companies would be considered under the Listing Rules and/or the Securities and Futures Ordinance (Cap. 571). The Administration has invited the Securities and Futures Commission and the Hong Kong Exchanges and Clearing Limited to keep under review the compliance and effectiveness of the relevant Listing Rules.

Offences relating to contents of auditor's report

13. Bills Committee members considered that it was of paramount importance to ensure that an effective regulatory regime for auditors, who had a statutory duty to report on the financial statements prepared by companies, was in place in Hong Kong. They generally agreed to impose appropriate criminal sanctions on auditors' deliberate omission of important information in the auditor's report⁹ in enhancing the accountability of auditors and integrity of the financial reporting system thus inspiring investors' confidence in the auditor's work and the company's accounts. Taking on board views from the Bills Committee and depositions about the wide scope of the offence provision covering an officer, partner, employee and agent of the auditor, the Administration proposed Committee Stage amendments ("CSAs") to remove the references to officer, partner, employee and agent of the auditor from the offence clause to make it clear that only the persons who signed the auditor's report or perform managerial functions in relation to the audit, and who knowingly or recklessly caused the relevant statements to be omitted from the auditor's report would be liable. However, during the passage of the new CO by LegCo, it was noted that there was room for future improvement to the drafting of the offence clause to address industry concerns and bridge potential implementation gaps. The Administration's proposed CSAs were not passed and the original offence clause was incorporated in the new CO.

⁹ Under section 407 the new CO (i.e. clause 398 of the CB), if the auditor is of the opinion that the financial statements of the company are not in agreement with its accounting records in any material respect, or the auditor has failed to obtain all the information or explanations that are necessary and material for the purpose of the audit ("the two statements"), the auditor must state that fact in the auditor's report. Section 408 of the new CO (i.e. clause 399 of the CB) imposes a criminal sanction on a person for "knowingly or recklessly" causing the omission of the two statements from the auditor's report.

Latest development

14. The Administration will brief the Panel on Financial Affairs on the subsidiary legislation to implement the new CO at the meeting to be held on 7 January 2013.

Relevant papers

15. A list of the relevant papers on the LegCo website is in **Appendix I**.

Council Business Division 1
Legislative Council Secretariat
3 January 2013

List of relevant papers

Date	Event	Papers/Minutes of meeting
4 January 2010	Meeting of the Panel on Financial Affairs (FA Panel)	Minutes of meeting (LC Paper No. CB(1)1152/09-10) http://www.legco.gov.hk/yr09-10/english/panels/fa/minutes/fa20100104.pdf
7 June 2010	FA Panel meeting	Minutes of meeting (LC Paper No. CB(1)2784/09-10) http://www.legco.gov.hk/yr09-10/english/panels/fa/minutes/fa20100607.pdf
1 November 2010	FA Panel meeting	Minutes of meeting (LC Paper No. CB(1)906/10-11) http://www.legco.gov.hk/yr10-11/english/panels/fa/minutes/fa20101101.pdf
25 February 2011	Meeting of the Bills Committee on Companies Bill	Background brief on the Companies Bill (LC Paper No. CB(1)1406/10-11(01)) http://www.legco.gov.hk/yr10-11/english/bc/bc03/papers/bc030225cb1-1406-1-e.pdf Legislative Council Brief on Companies Bill (File Ref.: CBT/17/2C) http://www.legco.gov.hk/yr10-11/english/bills/brief/b20_brf.pdf
29 June 2011	Council meeting	Report of the Bills Committee on Companies Bill (LC Paper No. CB(1)2221/11-12)) http://www.legco.gov.hk/yr10-11/english/bc/bc03/reports/bc030627cb1-2221-e.pdf
12 July 2011	Council meeting	Companies Bill passed at the Council meeting http://www.legco.gov.hk/yr11-12/english/ord/ord028-12-e.pdf

Date	Event	Papers/Minutes of meeting
September 2012	Public consultation on subsidiary legislation for implementation of the new Companies Ordinance (Phase One)	Phase One consultation document http://www.fstb.gov.hk/fsb/co_rewrite/eng/pub-press/doc/sub_leg_new_comp_ordinance_ph1_e.pdf
November 2012	Public consultation on subsidiary legislation for implementation of the new Companies Ordinance (Phase Two)	Phase Two consultation document http://www.fstb.gov.hk/fsb/co_rewrite/eng/pub-press/doc/sub_leg_new_comp_ordinance_ph2_e.pdf

Subsidiary legislation to be made under the Companies Bill before its commencement
(Position as at June 2012)

No.	Empowering provisions in the Companies Bill ("CB")	Relevant provisions in the Companies Ordinance ("CO")	Brief description of the subsidiary legislation to be made
1	Clause 25	Section 304 and the Eighth Schedule	<ul style="list-style-type: none"> • The Financial Secretary may make regulations pursuant to clause 25(1) to require payment to the Registrar of fees in respect of -- <ul style="list-style-type: none"> (a) the performance of any of the Registrar's functions; or (b) the provision of services or facilities connected with the performance of functions. • The regulations may -- <ul style="list-style-type: none"> (a) provide for the amount of the fees to be fixed by or determined under the regulations; (b) provide for different fees to be payable in respect of the same matter in different circumstances; and (c) specify when and how fees are to be paid. • The fees payable would include those in relation to the registration of documents, inspection of documents, granting of licences and other miscellaneous fees.

No.	Empowering provisions in the Companies Bill ("CB")	Relevant provisions in the Companies Ordinance ("CO")	Brief description of the subsidiary legislation to be made
2	Clauses 47, 53, 648 and new provisions to be introduced through Committee Stage Amendments ("CSAs") ¹	N/A	<ul style="list-style-type: none">• The Financial Secretary may make regulations to prescribe --<ul style="list-style-type: none">(a) the information to be contained in an application under clause 47(1) for withholding a residential address or a full identification number, as well as the documents and fees to accompany such an application; and(b) the entities to whom the protected or withheld residential addresses and full identification numbers may be disclosed under clause 53(4) and the new provisions to be introduced through CSAs, the conditions for the disclosure and the fees payable. It is envisaged that the entities would at least include --<ul style="list-style-type: none">(i) the individual to whom the information relates and other persons authorised by him;(ii) the members of the relevant company;(iii) relevant government bureau and departments, as well as other relevant regulators; and(iv) a liquidator or a provisional liquidator.• The regulations would also prescribe the manner in which residential addresses and full identification numbers should be withheld for companies

¹ CSAs will be introduced to add new provisions to provide for disclosure of the information withheld pursuant to clause 47 similar to the provisions under clauses 53 and 54.

No.	Empowering provisions in the Companies Bill ("CB")	Relevant provisions in the Companies Ordinance ("CO")	Brief description of the subsidiary legislation to be made
			intending to withhold the information contained in its registers of directors and company secretaries from inspection pursuant to clauses 635 and 642.
3	Clause 73	Tables A , C, D and E of the First Schedule	<ul style="list-style-type: none">• The Financial Secretary may prescribe model articles for companies. It is envisaged that there will be model articles for public companies limited by shares, private companies limited by shares and companies limited by guarantee. A company may adopt as its articles any or all of the provisions of the model articles. On the incorporation of a limited company, the model articles that are prescribed for the type of company to which the company belongs, so far as applicable, form part of the company's articles if the company's articles do not exclude or modify the model articles.• It is envisaged that the model articles for public companies limited by shares would be similar in scope to the current Table A and there would be suitable modifications, including those for clearer layout and drafting. The model articles for private companies limited by shares would be considerably simpler, reflecting how small companies operate.• Unlike the current Tables C and D which only provide the forms of the memorandum and articles of association of a company limited by guarantee, the model articles would be comprehensive in scope. However, they will be simple and concise taking into account the fact that most of the companies limited by guarantee in Hong Kong are small to medium in size.

No.	Empowering provisions in the Companies Bill ("CB")	Relevant provisions in the Companies Ordinance ("CO")	Brief description of the subsidiary legislation to be made
4	Clause 96	Section 22B and the Companies (Specification of Names) Order (Cap. 32E)	The Financial Secretary may specify any word or expression, to the effect that a company must not be registered by a name containing those words or expressions without prior approval of the Registrar of Companies. This subsidiary legislation would serve the same function as the current Companies (Specification of Names) Order.
5	Clause 355	N/A	<ul style="list-style-type: none">• The Financial Secretary may make regulations --<ul style="list-style-type: none">(a) prescribing places at which copies of instruments creating charges and a register of charges are to be kept by a registered non-Hong Kong company under clauses 350 and 352. It is envisaged that a registered non-Hong Kong company may keep those copies and the register at its principal place of business in Hong Kong or another place in Hong Kong;(b) providing for the obligations of a registered non-Hong Kong company to keep the copies and the register available for inspection under clause 354(2). The regulations would prescribe the notice required from the person who would like to inspect the records. Given the required notice, a registered non-Hong Kong company would be required to allow for the person to inspect and make copies of the records; and(c) prescribing the fees payable by persons who are not members of the company for inspection of the copies and the register under clause 354.

No.	Empowering provisions in the Companies Bill ("CB")	Relevant provisions in the Companies Ordinance ("CO")	Brief description of the subsidiary legislation to be made
			<ul style="list-style-type: none">• This subsidiary legislation would mirror the one relating to company records for Hong Kong companies to be made under Part 12 (see item 11 below).
6	Clause 441	Section 141E and Companies (Revision of Accounts and Reports) Regulation (Cap. 32N)	<ul style="list-style-type: none">• The Financial Secretary may make regulations providing for the application of the CB in relation to the financial statements, summary financial report or directors' report ("the reports") that has been revised under clause 440. The regulations may, among others, --<ul style="list-style-type: none">(a) make different provisions depending on how the reports have been revised;(b) provide for the functions of the auditors in relation to the revised reports; and(c) require the company to take certain steps if the reports have been laid before the company in general meeting or sent to members before the revision.• It is envisaged that the regulations would be derived from the current requirements under the Companies (Revision of Accounts and Reports) Regulation (Cap. 32N) with suitable modifications. Among others, the regulations would require --<ul style="list-style-type: none">(a) that the revised reports must contain statements on the revision in a prominent position;

No.	Empowering provisions in the Companies Bill ("CB")	Relevant provisions in the Companies Ordinance ("CO")	Brief description of the subsidiary legislation to be made
			<p>(b) that the auditor has to make a report on the revised financial statements; and</p> <p>(c) that the revised reports and audit reports must be laid at a general meeting and/ or sent to members, and forwarded to the Registrar of Companies within a prescribed period after the revision.</p>
7	Clause 443	Section 129D	<ul style="list-style-type: none"> • The Financial Secretary may make regulations -- <ul style="list-style-type: none"> (a) prescribing information that is required to be contained in a directors' report under clause 380(1) and (2); and (b) prescribing other requirements for a directors' report. • It is envisaged that the regulations would be derived from the current requirements under section 129D of the CO with suitable modifications. Among others, the directors' report in respect of a financial year would be required to include -- <ul style="list-style-type: none"> (a) a statement explaining the effect of the arrangements to which the company or other relevant companies are parties the object of which is to enable directors of the company to acquire benefits by means of the acquisition of shares in the company or any other body corporate; (b) the amount of donations of not less than \$10,000 made for charitable or other purposes by the company and its subsidiaries (companies falling within the reporting exemption under Part 9 would be exempted from this requirement);

No.	Empowering provisions in the Companies Bill ("CB")	Relevant provisions in the Companies Ordinance ("CO")	Brief description of the subsidiary legislation to be made
			<p>(c) the details of shares issued by the company and equity linked arrangements entered into by the company;</p> <p>(d) the amount of dividend (companies falling within the reporting exemption under Part 9 would be exempted from this requirement); and</p> <p>(e) if any director has resigned on grounds of his disagreement with the management of the company, the reasons he has given to the company (companies falling within the reporting exemption under Part 9 would be exempted from this requirement).</p>
8	Clause 443	Section 161(1), 161B(1) to (7), (11) & (17), 161BB(1), and 161C(1), (2A) & (3)	<ul style="list-style-type: none"> • The Financial Secretary may make regulations -- <ul style="list-style-type: none"> (a) prescribing information that is required to be contained in the notes to any financial statements under section 378(1); and (b) prescribing other requirements for notes to any financial statements. • It is envisaged that the regulations would focus on information in relation to the benefits of directors and would be derived from the current requirements under sections 161, 161A, 161B and 161BB of the CO with suitable modifications. Among others, the notes to the financial statements of a company would be required to include information on -- <ul style="list-style-type: none"> (a) directors' emoluments;

No.	Empowering provisions in the Companies Bill ("CB")	Relevant provisions in the Companies Ordinance ("CO")	Brief description of the subsidiary legislation to be made
			<ul style="list-style-type: none"> (b) for listed companies, benefits in respect of share options or shares; (c) retirement benefits in excess of the directors' entitlements; (d) payment for loss of office ; and (e) transactions entered into by the company and its subsidiaries which are restricted under Part 11 (including loans, quasi-loans, credit transactions, etc. in favour of the directors and their connected entities) or similar transactions in which the directors or their connected entities have material interest.
9	Clause 443	Sections 141CB, 141CF and Companies (Summary Financial Reports for Listed Companies) Regulation (Cap. 32M)	<ul style="list-style-type: none"> • The Financial Secretary may make regulations -- <ul style="list-style-type: none"> (a) prescribing information that is required to be contained in a summary financial report under clause 430(2); (b) prescribing other requirements for a summary financial report; and (c) providing for the form and contents of notifications given by the company to members under clause 433(2) and the notice of intent given by members to the company in relation to summary financial report. • It is envisaged that the regulations would be derived from the current requirements under the Companies (Summary Financial Reports of Listed Companies) Regulation (Cap. 32M) of the CO with suitable modifications. Among others, the summary financial reports must be derived from the

No.	Empowering provisions in the Companies Bill ("CB")	Relevant provisions in the Companies Ordinance ("CO")	Brief description of the subsidiary legislation to be made
			<p>reporting documents of the company to which it relates and must contain the following information in relation to the company --</p> <ul style="list-style-type: none">(a) the information and particulars included in the company's statement of financial position and statement of comprehensive income;(b) the information required to be contained in the directors' report;(c) relevant auditor's statements and opinion (e.g. the statement that the financial statements have not been properly prepared, that the financial statements are not consistent with the directors' report, etc.);(d) important events which occur after the end of the financial year that may affect the company ; and(e) any other information necessary to ensure that the report is consistent with the reporting documents for the financial year in question. <ul style="list-style-type: none">• It is also envisaged that the regulations would set out the technical requirements on the form and contents of notifications given by the company to members and potential members under clause 433(2) in relation to summary financial report. For example, the regulations would require that the notification must make it clear that the members may request the company to send them the full reporting documents or, instead, the summary financial reports. The notice of intent has to be postage prepaid if sent to an address in Hong Kong.

No.	Empowering provisions in the Companies Bill ("CB")	Relevant provisions in the Companies Ordinance ("CO")	Brief description of the subsidiary legislation to be made
10	Clause 443	N/A	<ul style="list-style-type: none">• The Financial Secretary may make regulations prescribing a body for the purposes of section 376(8)(a). The reference to "accounting standards" in the CB means the statements of standard accounting practice issued by that body. It is envisaged that the body would be the Hong Kong Institute of Certified Public Accountants.
11	Clause 648	N/A	<ul style="list-style-type: none">• The Financial Secretary may make regulations to provide for the obligations of a company that is required by the CB to keep, make available for inspection and provide copies of any company records. The regulations may --<ul style="list-style-type: none">(a) prescribe places for the keeping of company records. It is envisaged that a company may keep the records at its registered office or a place in Hong Kong;(b) make provision as to the inspection and copying of the company records. The regulations would prescribe the notice required from the person who would like to inspect the records. Given the required notice, a company would be required to allow the person to inspect and make hard or electronic copies of the records; and(c) prescribe the fees payable for inspection of company records by persons who are not members of the company and for making copies of the records.

No.	Empowering provisions in the Companies Bill ("CB")	Relevant provisions in the Companies Ordinance ("CO")	Brief description of the subsidiary legislation to be made
12	Clauses 650 and 651	Section 93	<ul style="list-style-type: none"> • The Financial Secretary may make regulations to require companies -- <ul style="list-style-type: none"> (a) to display prescribed information in prescribed locations. Among others, a company has to display its name outside of its registered office and other places of business; (b) to state prescribed information in prescribed descriptions of documents or communications. Among others, a company has to display its name on its website and also its registration number in its business letters and official publications. For companies with limited liability, "Limited" should be added to its name (unless exempted); and (c) to provide prescribed information on request to those they deal with in the course of their business. The information would include the addresses of the registered office and places where company records are kept, and the types of records kept.
13	Clause 716	Sections 168A, 296 and Companies (Winding-up) Rules (Cap. 32H)	<p>The Chief Justice may make rules for regulating unfair prejudice proceedings. It is envisaged that the rules may --</p> <ul style="list-style-type: none"> (a) prescribe the form, contents and manner of the presentation, service and return of petition as well as the advertisement of the order; and (b) prescribe fees or empower the Court to fix fees.

No.	Empowering provisions in the Companies Bill ("CB")	Relevant provisions in the Companies Ordinance ("CO")	Brief description of the subsidiary legislation to be made
14	Clauses 792 and 793	Sections 333, 333B, 334, 335, 336, 359A(1) and Companies (Revision of Accounts and Reports) Regulation (Cap. 32N)	<ul style="list-style-type: none"> • The Financial Secretary may make regulations in relation to the revision of accounts by a registered non-Hong Kong company. It is envisaged that the regulations would be derived from the requirements under section 20 and 21 of the Companies (Revision of Accounts and Reports) Regulation (Cap. 32N). • The Financial Secretary may also make regulations prescribing the particular and accompanying documents in an application, notification and return under Part 16. It is envisaged that the regulations would be derived from the requirements under sections 333, 333B, 334, 335 and 336 of the CO with suitable modifications. • The Financial Secretary may also make regulations providing that an application under section 764(2) or (3), or a return under section 766(2), may contain a certified translation of a domestic name of the non-Hong Kong company; and providing for the procedures and requirements for the purpose. It is envisaged that the requirements will be derived from the current practice and procedure as set out in Companies Registry External circular No.1/2001.

(Source: Appendix V to the report of the Bills Committee on Companies Bill (LC Paper No. CB(1)2221/11-12))