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C2/1/12C(2000)XI

30 March 2000

Ms Leung Siu-kum
Clerk to Bills Committee
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Ms Leung,

Companies (Amendment) Bill 2000

I refer to your letter of 28 March 2000.

As per Members' request, provisions relating to the powers of intervention by the regulatory authorities under the Banking Ordinance (Cap 155) and the Insurance Companies Ordinance (Cap 41) are at Annex for Members' information and reference. Members may wish to note in particular –

- (a) sections 52(1)(C)(I), 53B and 53C of, and the Ninth Schedule to, the Banking Ordinance which set out the power of the "Manager" when he assumes control of an authorised

institution; and

- (b) sections 35(2)(b), 38A and 38B of, and the Seventh Schedule to, the Insurance Companies Ordinance which sets out the power of the "Manager" when he takes over the management of the affairs, business and property of an insurer.

We are looking into the Bills Committee's concern regarding providing more flexibility in respect of the requirement on a company to provide for in a trust account all the arrears it owed to its employees by virtue of the Employment Ordinance (Cap 57), before initiating the corporate rescue procedure. We shall revert once we are in a position to do so.

Yours sincerely,

(L W TING)
for Secretary for Financial Service