

立法會
Legislative Council

LC Paper No. CB(1) 72/01-02
(These minutes have been seen
by the Administration)

Ref : CB1/BC/12/00/2

**Bills Committee on
Companies (Corporate Rescue) Bill**

**Minutes of second meeting held on
Thursday, 27 September 2001 at 10:45 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Margaret NG (Chairman)
Hon Kenneth TING Woo-shou, JP
Hon Albert HO Chun-yan
Hon Eric LI Ka-cheung, JP
Hon CHAN Kwok-keung
Hon CHAN Yuen-han, JP
Hon SIN Chung-kai
Hon Jasper TSANG Yok-sing, JP
Hon CHOY So-yuk
Hon LI Fung-ying, JP
Hon Audrey EU Yuet-mee, SC, JP
- Public officers attending** : Mr Esmond LEE
Principal Assistant Secretary for Financial Services
- Mr Eamonn O'CONNELL
Official Receiver
- Mr Edward LAU
Assistant Official Receiver
- Mr J A GLEN
Assistant Principal Solicitor
- Miss Leonora IP
Government Counsel

Mr TING Lup-wong
Assistant Secretary for Financial Services (Companies)

Clerk in attendance : Miss Salumi CHAN
Chief Assistant Secretary (1)5

Staff in attendance : Mr KAU Kin-wah
Assistant Legal Adviser 6

Ms Rosalind MA
Senior Assistant Secretary (1)3

I. Confirmation of minutes of meeting
(LC Paper No. CB(1) 2071/00-01)

The minutes of the first Bills Committee meeting held on 12 July 2001 were confirmed.

II. Internal discussion
(LC Paper Nos. CB(1) 2026/00-01 to CB(1) 2029/00-01 and LS168/00-01)

2. The Bills Committee deliberated (Index of proceedings attached at **Appendix**).

III. Meeting with the Administration
(LC Paper Nos. CB(1) 2073/00-01(01) and (02))

3. The Bills Committee deliberated (Index of proceedings attached at **Appendix**).

4. The Bills Committee would, at its future meetings, study the need for a statutory corporate rescue procedure; and if the need was established, the best and simplest way for implementation. In this connection, the Administration was requested to provide further information on the following to facilitate the work of the Bills Committee:

- (a) To prepare a comprehensive response to the submissions received by the Bills Committee by addressing the major areas of concern listed in the summary of submissions prepared by the Legislative Council Secretariat;
- (b) To respond to the issues and concerns raised by the Assistant Legal

Adviser in LS Paper No. LS 168/00-01;

- (c) To consider whether the contributions/compensations under other relevant ordinances, such as the Occupational Retirement Schemes Ordinance (Cap. 426) and the Employees' Compensation Ordinance (Cap.282), should be covered by clause 3(d)(i) of Schedule 2 of the Bill;
- (d) To provide a comparison of the proposed corporate rescue provisions in the Bill with relevant provisions in other jurisdictions, in particular the major provisions on which various organizations had expressed their concern in their submissions;
- (e) To provide a comparison of the powers and liabilities of a provisional supervisor with those of a liquidator as well as the requirements to be fulfilled before the appointment of a provisional supervisor and a liquidator should take effect; and
- (f) To further explore the feasibility of providing flexibility in the requirement for settlement of outstanding wages and other entitlements of employees before starting the corporate rescue procedures. The Administration was requested to consider the two proposals: setting an upper limit on employees entitlements, and offering statutory protection to employees of lower levels of income and other options to employees of higher levels of income.

5. The Bills Committee agreed that the next meeting be held on Monday, 22 October 2001 at 4:30 pm to receive oral presentations from deputations.

(Post-meeting note: Invitation letters were sent to the 12 relevant organizations on 28 September 2001.)

6. There being no other business, the meeting ended at 12:45 pm.

Legislative Council Secretariat
18 October 2001

Appendix

Proceedings of the Second meeting of the Bills Committee on Companies (Corporate Rescue) Bill on Thursday, 27 September 2001 at 10:45 am in Conference Room A of the Legislative Council Building

Time	Speaker	Subject(s)	Action required
<i>Agenda Item I — Confirmation of minutes of meeting</i>			
0001-0626	Chairman	Confirmation of minutes of meeting held on 12 July 2001 and opening remarks	
<i>Agenda Item II — Internal discussion</i>			
0627-2518	Clerk	Briefing on background of the Bill	
2519-2601	Mr Eric LI	Feasibility of the proposed corporate rescue procedures	
2602-2706	Chairman	-ditto-	
2707-2823	Mr SIN Chung-kai	Administration's response to submissions	
2824-2903	Clerk	Briefing on summary of submissions	
2904-2947	Chairman	Administration's response to submissions	Admin
2948-3025	Ms Audrey EU	Comparison of relevant provisions in other jurisdictions	
3026-3035	Chairman	-ditto-	
3036-3038	Mr Eric LI	-ditto-	
3039-3048	Chairman	-ditto-	Admin
3049-3108	Ms Audrey EU	-ditto-	
3109-3126	Chairman	-ditto-	
3127-3220	Mr Eric LI	Comparison of provisional supervisor and liquidator	Admin
3221-3342	Chairman	-ditto-	
3343-4500 (file 1)	ALA6	Briefing on legal aspects of the Bill	
0001-0554 (file 2)			
0555-0639	Chairman	-ditto-	
0640-0655	Ms LI Fung-ying	-ditto-	
0656-0722	Chairman	-ditto-	
0723-0756	Mr Eric LI	Administration's response to submissions	
<i>Agenda Item III — Meeting with the Administration</i>			
0757-0941	Chairman	Welcoming remarks	
0942-1225	Administration	Briefing on the Bill	

1226-1422	Chairman	Administration's response to submissions and comparison of relevant provisions in other jurisdictions	
1423-1503	Ms Audrey EU	Administration's response to LC Paper No. LS 168/00-01	
1504-1549	Chairman	-ditto-	Admin
1550-1706	Ms LI Fung-ying	Clause 3(d)(i) of Schedule 2	Admin
1707-2430	Mr Eric LI	Provision of flexibility to the requirement to settle all arrears due and owing by the company to its employees	
2431-2636	Administration	-ditto-	
2637-2818	Mr Eric LI	-ditto-	
2819-2855	Administration	-ditto-	
2856-3014	Chairman	-ditto-	
3015-3139	Admin	-ditto-	
3140-3337	Mr Albert HO	-ditto-	
3338-3434	Chairman	-ditto-	
3435-3618	Ms LI Fung-ying	-ditto-	
3619-3658	Chairman	-ditto-	
3659-3714	Ms LI Fung-ying	-ditto-	
3715-3753	Administration	-ditto-	
3754-3805	Chairman	-ditto-	
3806-4219	Mr Eric LI	-ditto-	
4220-4430	Administration	-ditto-	
4431-4500 (file 2) 0001-0328 (file 3)	Administration	Application of moratorium	
0329-0419	Mr Eric LI	-ditto-	
0420-0431	Chairman	-ditto-	
0432-0546	Mr Albert HO	Provision of flexibility to the requirement to settle all arrears due and owing by the company to its employees	
0547-0606	Chairman	-ditto-	
0607-0612	Clerk	-ditto-	
0613-0634	Mr Eric LI	-ditto-	
0635-0825	Chairman	-ditto-	
0826-0921	Administration	-ditto-	
0922-0938	Chairman	-ditto-	
0939-1008	Mr Albert HO	-ditto-	
1009-1050	Chairman	-ditto-	Admin
1051-1113	Mr Albert HO	-ditto-	
1114-1200	Chairman	-ditto-	

1201-1247	Ms Audrey EU	The need for a statutory corporate rescue procedure and the best way of implementation	
1248-1413	Administration	-ditto-	
1414-1538	Ms Audrey EU	-ditto-	
1539-1607	Administration	-ditto-	
1608-1625	Chairman	-ditto-	
1626-1645	Ms Audrey EU	-ditto-	
1646-1655	Administration	-ditto-	
1656-1852	Ms Audrey EU	-ditto-	
1853-2014	Administration	-ditto-	
2015-2244	Chairman	-ditto-	
2245-2344	Mr Eric LI	-ditto-	
2345-2444	Chairman	Arrangements for the next meeting	
2445-2726	Clerk	-ditto-	
2727-2743	Chairman	-ditto-	
2744-2801	Clerk	-ditto-	
2802-2812	Chairman	-ditto-	
2813-2826	Mr Eric LI	-ditto-	
2827-2835	Chairman	-ditto-	

Note: The audio records of the above proceedings are kept at the Legislative Council Library

Legislative Council Secretariat

18 October 2001