

**Responses to the submission from  
the Hong Kong Society of Accountants –  
Schedule 4 relating to shareholders’ remedies**

***Paragraph 9***

The proposed section 152FA(3) provides that the court may make an order limiting the use that an applicant or a person who inspects the records of a specified corporation may make use of the information or document obtained as a result of the inspection. The proposed section 152FC also provides that subject to certain exceptions, no information or document obtained as a result of the inspection shall be disclosed to any other person without the previous consent in writing of the specified corporation. Hence, we do not consider it necessary to amend the Bill further to state explicitly that the information or document obtained as a result of the inspection should be used or disclosed only in relation to the purpose for which it is sought unless the court orders otherwise.

***Paragraph 10***

2. From the drafting point of view, we do not consider it necessary to state again in the proposed section 152FB that the records are the “records of the specified corporation”, since that section has stated that the records are those that the inspector “is authorized to inspect”. The proposed section 152FA(1)(a) has already stated clearly that the court may only authorize inspection of records “of the specified corporation”.

***Paragraph 11***

3. The proposed section 152FA(2) provides that the court may only make an order under the proposed section 152FA(1) if it is satisfied that –

- (a) the application is made in good faith; and
- (b) the inspection applied for is for a proper purpose having regard to the interests of both the relevant specified corporation and the applicant.

We consider that this section should be able to protect a company against an unscrupulous shareholder accessing the company’s records for frivolous or other improper reasons under the proposed section 152FA(1).