

**Responses to the submission from  
Hong Kong Small And Medium Enterprises Association  
on Schedule 3 of the Companies (Amendment) Bill 2003**

We note that the Association generally supports the proposals but has expressed concern as to the requirement to disclose more information than in the past in the form of an annual return.

We consider that the registration requirements as set out in the Bill are more or less identical to those contained in the existing legislation. The major change in reporting requirements is the introduction of a new specified form in respect of the annual return required to be submitted by non-Hong Kong companies pursuant to Section 333 (Clause 26).

Overseas companies are, in fact, already required to submit an annual return pursuant to the existing Section 335. An overseas company is currently only required to confirm that there has been no alteration in the documents and particulars delivered under Section 333 other than the alterations notified under Section 335 of the Companies Ordinance. As a result, members of the public now have to search many documents relating to an overseas company in order to find out details of changes relating to the company. By introducing the new annual return, there will be a consolidated document filed once every year to show updated information of the company.

So far as the impact on the operation cost of Small and Medium Enterprises is concerned, the proposed annual registration fee for filing of the annual return is HK\$250. Overseas companies will, in future, be required to pay only one fee annually and no fee will be charged for filing other documents, as under the existing arrangement. The impact is thus considered to be minimal.

**Financial Services Branch  
Financial Services and the Treasury Bureau  
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