

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

The proposal to delete “share transfer or share registration offices” from the definition of “place of business” was raised by the Standing Committee on Company Law Reform’s (“SCCLR”) Sub-Committee formed to conduct a review of Part XI of the Companies Ordinance (“CO”). The proposal was endorsed by the SCCLR which considered that the deletion would not cause practical problems and would give more flexibility. If a share transfer or registration office only dealt with keeping the share register of the company itself and did not fulfil any of the other common law criteria of “having established a place of business”, such an office should be excluded from the definition of place of business.

A body of case law has already stated what constitutes an established place of business and adequate precedents exist to determine when and how a business may be caught by the definition without the need to spell out specific criteria or examples in the definition.

However, in response to your concern, we have further consulted the Securities And Futures Commission (SFC) and the Hong Kong Exchanges and Clearing Limited (HKEx). For the sake of better clarity, we agree to retain in question. We will follow up the matter with the Bills Committee.

As regards the proposed extension of the notification period of cessation of business, we consider that the proposed seven days’ period is in line with international practice as both Australia and Singapore impose the same requirement. In the present commercial environment where electronic communications are widely used, it should not be unduly onerous to require filing within 7 days.

**Financial Services Branch
Financial Services and the Treasury Bureau
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