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7 May 2004

Ms Shirley Lam
 Financial Services and the Treasury Bureau
 18/F., Admiralty Centre Tower 1
 18 Harcourt Road
 Hong Kong



Dear Ms Lam

Bills Committee on Companies (Amendment) Bill 2003

(28) in Pt. 13

Thank you for your letter of 29th April 2004.

We have no comments to make on the proposed Committee Stage Amendments themselves.

However, the deletion of the provisions allowing registration 5 weeks after the date on which a non-Hong Kong company brings property into Hong Kong leaves unresolved the problem which exists where a non-Hong Kong company has property outside of Hong Kong over which it creates a charge and then brings that property into Hong Kong after 5 weeks from the date of the creation of the charge. The problem which exists in this case is that when the charge is initially created, there is no obligation to register it; once it is brought into Hong Kong, however, there is an obligation to register the charge but by then the period for registration has expired.

The only relief available to a chargee in this event is to apply to court for leave for late registration under Section 86 of the Companies Ordinance. This is an expensive and time-consuming process.

Chairman Standard Chartered Bank
Vice Chairmen The Hongkong and Shanghai Banking Corporation Limited
 Bank of China (Hong Kong) Ltd
Secretary Katie Yip

主席 渣打銀行
副主席 香港上海匯豐銀行有限公司
 中國銀行(香港)有限公司
秘書 葉其榮

Incorporated by Ordinance, Cap. 564
 根據條例第364章成立



We would therefore like to suggest that consideration be given to making a further amendment to Section 91 to give the Registrar of Companies the discretion to allow late registration of charges in the circumstances referred to above. This will at least go some way towards remedying what is presently a drafting lacuna in Part III of the Companies Ordinance.

We look forward to hearing from you.

Yours sincerely

Katie Yip
Secretary

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