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

19 May 2004

Dear Ms Lam

Bills Committee on Companies (Amendment) Bill 2003

Thank you for your letter dated 18 May 2004.

We note the policy intent behind the proposed section 91(1) and (2). It may be necessary to see if subsection (7), which refers to the date of registration under Part XI, needs to be amended.

It would be preferable, for easier reading, to combine subsections (1) and (2), to make it clear that the only cases requiring registration are, if and when a Part XI registered company :

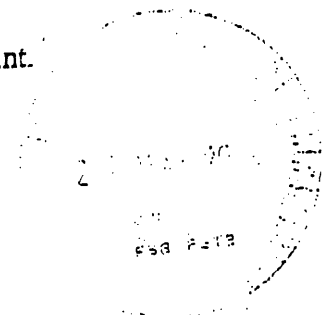
- 1. creates a charge on property that is situated in Hong Kong at the time of creation of the charge; or
- 2. acquires a property that is situated in Hong Kong and on which a charge subsists.

This would, however, still not address our other concern, previously raised in our letter of 7 May, on issues of evidence as to whether a property is in Hong Kong. Are chargees supposed to obtain and maintain evidence in order to defend their charges? If so, they will have to do so without knowing what the opposing case may be.

We would appreciate guidance by the Bills Committee on this point.

Yours sincerely

Katie Yip
Secretary



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

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