

**Responses to the submission from the  
Hong Kong Kwun Tong Industries and Commerce Association Limited/  
Hong Kong & Overseas Chinese Association of Commerce Limited**

We note the general support for the proposals in the Bill.

2. As regards the compliance burden arising from the proposals, most of the prospectus-related proposals are to facilitate offers of shares and debentures of companies incorporated in Hong Kong and overseas through easing the compliance burden and accommodating new offering structures and offering methods. Other prospectus-related proposals for enhancing investor protection, such as extending the application of the prospectus liabilities provisions under the Companies Ordinance (CO), are expected to constitute little or no compliance burden on issuers. Some of the other proposals (i.e. simplifying the filing requirements for overseas companies together with the use of new specified forms by the Companies Registry; enabling electronic incorporation of companies; and repealing the 20-partner limit) will help ease the compliance burden on companies. The rest of the proposals (such as enhancing the disclosure requirements for overseas companies; enhancing shareholder remedies; amending the definition of “subsidiary” for the purposes of group accounts; stating the purposes for which documents kept or maintained by the Companies Registry under the CO are made available for public inspection) are expected to constitute little or no compliance burden on companies in general.

Financial Services Branch  
Financial Services and the Treasury Bureau  
September 2003