

**National Security (Legislative Provisions) Bill :
Part XIII A of the Companies Ordinance (Cap 32)**

Part XIII A of the Companies Ordinance was added to the Ordinance in 1984. It enabled the Governor in Council (now the Chief Executive in Council) –

- (1) to order the Registrar of Companies to refuse registration under the Companies Ordinance if the Governor (now the Chief Executive) in Council is satisfied that the company is being formed to circumvent or evade the Societies Ordinance (s 360B);
- (2) to order the Registrar of Companies to strike a company off the register of companies (“the register”) on grounds which would justify cancellation of registration or prohibition of operation if it were a society registered under the Societies Ordinance (s 360C); and
- (3) to order a company incorporated outside Hong Kong, but carrying on business within it, to cease to carry on business, whereupon such company will be deemed to be an unlawful society within Hong Kong within the meaning of and for the purposes of the Societies Ordinance (s 360N).

Relevant provisions in the Societies Ordinance

2. The relevant provisions in the Societies Ordinance (Cap 151) have changed on two occasions since 1984.

- (1) Initially, the grounds on which registration of a society could be refused included that “the society is likely to be used for any purpose prejudicial to or incompatible with peace, welfare or good order in Hong Kong.”
- (2) In 1992, Cap 151 was amended so that the operation or continued operation of a society might be prohibited if it was reasonably believed that it “may be prejudicial to the security of Hong Kong or to public safety or public order”.
- (3) In 1997, Cap 151 was amended so that registration might be refused or cancelled, or the operation or continued operation of a society might be prohibited if this was reasonably believed to be “necessary in the interests of national security or public safety, public order (*ordre public*) or the protection of the rights and freedoms of others”.

Orders under Part XIII A of Cap 32

3. According to the Registrar of Companies, between 1984 and the Reunification, eight companies were struck off the register either under section 360C or section 360N. Details are in the annex.

4. In addition, there was one further company in respect of which the Governor in Council made an order under section 360C of Cap 32. However, after proceedings were brought by way of judicial review against the decision, the company was restored to the register solely for the purpose of a voluntary winding up.

5. Since Reunification, the Chief Executive in Council has not exercised the powers under Part XIII A.

Reasons for striking off

6. Since the case referred to in paragraph 4 above was subject to legal proceedings, and was also reported in the media, the background facts are known. The company, Rex International Development Company Ltd (“Rex”) was alleged to have been arranging the transfer of technology and equipment to assist Iran’s chemical weapons programme.

7. The decision to order the closure of Rex was referred to favourably in the United States Hong Kong Policy Act Report, as of April 1, 1998. The report stated that “Hong Kong has a long history of effective strategic trade controls” and that –

“Although Hong Kong is not a member of the various international control regimes, it has committed to maintaining the standards of those regimes via its own laws, both before and after July 1, 1997.”

8. One example given in the report of “Hong Kong’s efforts to sustain vigorous enforcement of export controls” was that “In June 1997, the Hong Kong Government ordered the closure of Rex . . . suspected of selling chemical weapons-making equipment to Iran”.

Department of Justice
June 2003

Information supplied by Registrar of Companies

Since the enactment of Part XIII A in 1984 to replace the Companies (Prevention of Evasion of the Societies Ordinance) Ordinance (Cap 312), there have been only a handful of cases which have required action under Part XIII A. The details of these cases which are available in the records of the Companies Registry are as follows :-

- (a) Companhia de Polvoras E Manicoes de Barcarena, SA
(Company No. F-5761)

This company, incorporated in Lisbon, Portugal was registered as an oversea company in Hong Kong on 14 December 1992. Article 3 of the Company's Articles of Association had declared that the company traded in defence material, namely, ammunitions, explosives and gun-powder. The Governor in Council made an order under section 360N on 27 July 1993 that the company cease to carry on business in Hong Kong. A copy of the order is enclosed;

- (b) Mainway International Limited (Company No. 369179)
Worldco (Hong Kong) Limited (Company No. 389479)
Asian-Ways Limited (Company No. 470190)
Asian-Ways Holdings Limited (Company No. 463739)

The Registrar of Companies was ordered by the Governor in Council under section 360C of the Companies Ordinance on 14 February 1995 to strike these four local companies off the Register of Companies in Hong Kong. Copies of the ExCo decision and Gazette Notifications are enclosed;

- (c) Nordex (Hong Kong) Limited (Company No. 389745)
Nordex Steel Limited (Company No. 446852)
The Kazakhstan Trading House (Hong Kong) Limited
(Company No. 389804)

The Registrar of Companies was ordered by the Governor in Council under section 360C of the Companies Ordinance on 27 July 1995 to strike these three local companies off the Register of Companies in Hong Kong. Copies of the ExCo decision and Gazette Notifications are enclosed.

389479

FILED



20 FEB 1995

for Registrar of Companies

EXECUTIVE COUNCIL DECISION ON 14.2.95

COMPANIES ORDINANCE (CHAPTER 32)
APPLICATION TO THE GOVERNOR IN COUNCIL
TO ORDER THE FOLLOWING COMPANIES
STRUCK OFF THE REGISTER OF COMPANIES

- (A) MAINWAY INTERNATIONAL LIMITED
- (B) WORLDCO (HONG KONG) LIMITED
- (C) ASIAN-WAYS LIMITED
- (D) ASIAN-WAYS HOLDINGS LIMITED : XCS(95)1

DECISION

that - The Council ADVISED and the Governor ORDERED

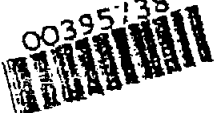
under section 360C of the Companies Ordinance, the Registrar of Companies should be ordered to strike the following companies off the Register of Companies in Hong Kong -

- (a) Mainway International Limited;
- (b) Worldco (Hong Kong) Limited;
- (c) Asian-Ways Limited; and
- (d) Asian-Ways Holdings Limited.

J. G. WERT

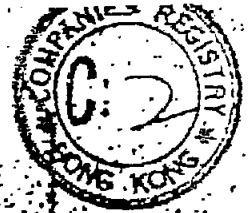
CLERK TO THE EXECUTIVE COUNCIL

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20 FEB 1995



for Registrar of Companies

LATE NOTICE

G.N. 550

COMPANIES REGISTRY

Notice is hereby published that pursuant to section 360C of the Companies Ordinance (Chapter 32), the Governor in Council ordered on 14 February 1995 the Registrar of Companies to strike the undermentioned Companies off the Register of Companies in Hong Kong. The names of the Companies, have accordingly been struck off the Register and the Companies are under section 360C(2) deemed dissolved as from the date of publication of this notice.

- MAINWAY INTERNATIONAL LIMITED
- WORLDCO (HONG KONG) LIMITED
- ASIAN-WAYS LIMITED
- ASIAN-WAYS HOLDINGS LIMITED

17 February 1995

G. W. E. JONES Registrar of Companies

最後公告

第 550 號公告 公司註冊處

現公布憲會同行政局已於 1995 年 2 月 14 日依據公司條例(第 32 章)第 360C 條的規定，指令公司註冊處處長將下列公司的名稱從香港的公司登記冊上刪除。該等公司的名稱現已從登記冊上刪除，並根據第 360C(2) 條被視為由本公告刊登當日起予以解散。

- 捷通國際有限公司
- WORLDCO (HONG KONG) LIMITED
- 亞洲之路有限公司
- 亞洲之路控股有限公司

1995 年 2 月 17 日

公司註冊處處長 鍾德恩

389745



FILED

- 4 AUG 1995

P. Registrar of Companies

COMPANIES ORDINANCE (CHAPTER 32)
APPLICATION TO THE GOVERNOR IN COUNCIL
TO ORDER THE FOLLOWING COMPANIES
STRUCK OFF THE REGISTER OF COMPANIES:

- (A) NORDEX (HONG KONG) LIMITED
- (B) NORDEX STEEL LIMITED
- (C) THE KAZAKHSTAN TRADING HOUSE (HONG KONG) LIMITED

DECISION

The Council ADVISED and the Governor ORDERED
that -

Under Section 360C of the Companies Ordinance,
the Registrar of Companies should be ordered to
strike the following companies off the Register
of Companies in Hong Kong -

- (a) Nordex (Hong Kong) Limited;
- (b) Nordex Steel Limited; and
- (c) The Kazakhstan Trading House (Hong Kong)
Limited.

Clerk to the Executive Council.

COUNCIL CHAMBER,

25 July 1995.

FILED

1995



A. Registrar of Companies

G.N. 2999 in Hong Kong Government Gazette No. 31 of 1995
published on 4th day of August, 1995

G.N. 2999

COMPANIES REGISTRY

Notice is hereby published that pursuant to section 360C of the Companies Ordinance (Chapter 32), the Governor in Council ordered on 25 July 1995 the Registrar of Companies to strike the undermentioned Companies off the Register of Companies in Hong Kong. The names of the Companies, have accordingly been struck off the Register and the Companies are under section 360C(2) deemed dissolved as from the date of publication of this notice.

NORDEX (HONG KONG) LIMITED

NORDEX STEEL LIMITED

(俄羅斯貿易有限公司)

THE KAZAKHSTAN TRADING HOUSE (HONG KONG) LIMITED

28 July 1995

A. H. PATEL, Registrar of Companies

第 2999 號公告

公司註冊處

現公布地督會同行政局已於 1995 年 7 月 25 日依據公司條例(第 32 章)第 360C 條的規定，指令公司註冊處處長將下列公司的名稱從香港的公司登記冊上刪除。該等公司的名稱現已從登記冊上刪除，並根據第 360C(2) 條被視為由本公告刊登當日起予以解散。

NORDEX (HONG KONG) LIMITED

俄羅斯貿易有限公司

THE KAZAKHSTAN TRADING HOUSE (HONG KONG) LIMITED

1995 年 7 月 28 日

公司註冊處處長白燕