

26 June 2003

The Honourable Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Chairman of the House Committee
Legislative Council
8 Jackson Road
Central
Hong Kong

Proposed Priority in the Scrutiny of Bills by Members

I am writing to suggest that priority be accorded to the scrutiny of the Companies (Amendment) Bill 2003, which was introduced into the Legislative Council on 25 June 2003. The primary objectives of the Bill are –

- (a) to improve the prospectus regime to facilitate market development;
- (b) to enhance corporate governance standards by strengthening remedies for shareholders in relation to statutory derivative actions and other matters and aligning the definition of “subsidiary” for the purposes of preparing group accounts with the International Accounting Standards; and
- (c) to modernize the registration regime for overseas companies.

These proposals, if passed by LegCo, will make our company law more business-friendly and ensure that the Companies Ordinance continues to provide Hong Kong with the commercial legal infrastructure commensurate with its status as a major international commercial centre.

In view of its length and complexity, the Bill might require longer scrutiny time. Given that the current LegCo term will end in 2004, it is essential for the Bill to be enacted by July 2004, failing which the Bill will lapse. We therefore recommend that priority be accorded to the Bill so that the relevant Bills Committee, once set up by the House Committee, could commence operation as soon as possible.

I should be grateful if you would put forward our above suggestion for Members' consideration at the coming House Committee meeting on 27 June 2003.

(Andrew H Y Wong)
Director of Administration