

立法會
Legislative Council

LC Paper No. CB(1)1732/12-13
(These minutes have been seen
by the Administration)

Ref : CB1/SS/5/12/1

**Subcommittee on Subsidiary Legislation Made under
the New Companies Ordinance**

**Minutes of the sixth meeting on
Tuesday, 16 April 2013, at 4:30 pm
in Conference Room 2A of the Legislative Council Complex**

- Members present** : Hon WONG Ting-kwong, SBS, JP (Chairman)
Hon Albert HO Chun-yan
Hon James TO Kun-sun
Hon Abraham SHEK Lai-him, SBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon Starry LEE Wai-king, JP
Hon Paul TSE Wai-chun, JP
Hon James TIEN Pei-chun, GBS, JP
Hon Steven HO Chun-yin
Hon Charles Peter MOK
Dr Hon Kenneth CHAN Ka-lok
Hon Dennis KWOK
Hon SIN Chung-kai, SBS, JP
Hon Martin LIAO Cheung-kong, JP
Dr Hon CHIANG Lai-wan, JP
- Members absent** : Hon Kenneth LEUNG (Deputy Chairman)
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHUNG Kwok-pan

Public officers Attending : Financial Services and the Treasury Bureau

Mr Arsene YIU
Principal Assistant Secretary for Financial Services and
the Treasury (Financial Services) 6

Companies Registry

Mrs Karen HO
Deputy Principal Solicitor (Company Law Reform)

Ms Phyllis MCKENNA
Deputy Principal Solicitor (Company Law Reform)

Mrs Christine Frances SIT
Senior Solicitor (Company Law Reform)

Mr CHUNG Wai-tim
Acting Senior Solicitor (Company Law Reform)

Department of Justice

Ms Phyllis KO
Senior Assistant Law Draftsman

Ms Amy CHAN
Senior Government Counsel

Ms Mandy NG
Acting Senior Government Counsel

Ms Carmen CHAN
Government Counsel

Clerk in attendance : Ms Connie SZETO
Chief Council Secretary (1)4

Staff in attendance : Mr Timothy TSO
Assistant Legal Adviser 2

Ms Angel SHEK
Senior Council Secretary (1)4

I Meeting with the Administration

- (LC Paper No. CB(1)844/12-13(01) — Letter dated 9 April 2013 from Legal Service Division to the Administration
- LC Paper No. CB(1)844/12-13(02) — Letter dated 11 April 2013 from Legal Service Division to the Administration
- LC Paper No. CB(1)844/12-13(03) — Reply letter dated 15 April 2013 from the Administration to Legal Service Division
- LC Paper No. CB(1)844/12-13(04) — List of follow-up actions arising from the discussion at the meeting on 9 April 2013
- L.N. 34 of 2013 — Companies (Revision of Financial Statements and Reports) Regulation
- L.N. 35 of 2013 — Companies (Disclosure of Information about Benefits of Directors) Regulation
- File Ref: CBT/7/6C — Legislative Council Brief
- LC Paper No. LS34/12-13 — Legal Service Division Report
- LC Paper No. CB(1)802/12-13(01) — Updated background brief on the Subsidiary Legislation Made under the New Companies Ordinance prepared by the Legislative Council Secretariat)

The Subcommittee deliberated (Index of proceedings attached at **Appendix**).

Follow-up action to be taken by the Administration

2. The Administration was requested to take follow-up actions in addressing the views or concerns expressed by members and the Legal Adviser of the Subcommittee as explained below:

Companies (Revision of Financial Statements and Reports) Regulation

- (a) To provide response to the enquiries made by the Legal Adviser of the Subcommittee in respect of sections 2(1), 7(2), 8(2), 9(2) and 18 of the Regulation vide his letter dated 15 April 2013 to the Administration.
- (b) Regarding the Administration's proposed amendments of adding the new section 20(4A), to explain the operation of the proposed section 20(4A) in relation to section 20(3)(a), (b) and (c), including how the use of the reference to "... knows that, or is reckless as to whether or not..." in section 20(3)(c), and "wilfully" in the proposed section 20(4A) would impact the court in considering the conviction for the offence and determining the sentence involved.
- (c) In respect of the penalty for the offence under section 27 of the Regulation, to provide information on –
 - (i) the justifications for retaining the daily default fine for the offence; and
 - (ii) the number of convictions on the same offence provided in the relevant subsidiary legislation under the existing Companies Ordinance ("CO") in which daily default fines have been imposed.
- (d) To undertake that the Companies Registry would issue, before commencement of the operation of the new CO, guidelines/practice notes to facilitate the understanding of the accounting profession on the operation of section 408 of the new CO and section 16 of the Regulation regarding the liability of auditor in relation to contents of auditor's report for a company's financial statements and the revised financial statements.

Companies (Disclosure of Information about Benefits of Directors) Regulation

- (e) In the light of comments of the Legal Adviser of the Subcommittee, to review the drafting of –
 - (i) section 3(4)(a) of the Chinese text to make a minor technical change;

- (ii) section 16(2)(a) and (b) to better reflect the policy intent; and
- (iii) section 18 to better reflect the policy intent that a loan or quasi-loan made by a company to an employee of the company's subsidiary undertaking or by a company's subsidiary undertaking to an employee of the company would not be exempted under the section.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(1)915/12-13 on 25 April 2013.)

Matters relating to the second batch of subsidiary legislation made under the new CO

3. The Chairman concluded that the Subcommittee had completed scrutiny of the second batch of two pieces of subsidiary legislation (L.N. 34 and L.N. 35 of 2013) made under the new CO. Members agreed that the Administration should provide written response on follow-up actions which would be circulated to members. If members had no further views on the written response, the Chairman would report the deliberations of the Subcommittee to the House Committee on 3 May 2013. Members noted that the Chairman would move a motion at the Council meeting of 17 April 2013 to extend the scrutiny period of the second batch of subsidiary legislation to 15 May 2013, and the Administration would move amendments to the subsidiary legislation. The deadline of giving notice of amendments was 8 May 2013.

(Post-meeting note: As the Council was unable to deal with the extension motion at the Council meetings of 17 and 24 April 2013, the Administration was unable to move the motions to make the proposed amendments to the two pieces of subsidiary legislation as the scrutiny period of the subsidiary legislation had expired at the Council meeting of 24 April 2013.)

Legislative timetable for the third batch of subsidiary legislation to be made under the new CO

4. In reply to the Chairman's enquiry, the Administration advised that the third batch of subsidiary legislation to be made under the new CO subject to the negative vetting procedure would be tabled at the Legislative Council ("LegCo") meeting of 22 or 29 May 2013. The one piece of subsidiary legislation to be made by the Chief Justice subject to the positive vetting procedure would be introduced into LegCo in due course. It was the Administration's plan to pass the third batch of subsidiary legislation by the Council meeting of 17 July 2013 the latest.

II Any other business

Cancellation of meeting on 22 April 2013

5. As the Subcommittee had completed scrutiny of the second batch of subsidiary legislation, members agreed that the meeting originally scheduled for 22 April 2013 would be cancelled.

6. There being no other business, the meeting ended at 6:35 pm.

Council Business Division 1
Legislative Council Secretariat
23 August 2013

**Proceedings of the Subcommittee on Subsidiary Legislation Made under
the New Companies Ordinance**

**Sixth meeting on Tuesday, 16 April 2013, at 4:30 pm
in Conference Room 2A of the Legislative Council Complex**

Time Marker	Speaker	Subject(s)	Action Required
000556 – 000814	Chairman	Opening remark	
000815 – 000945	ALA2 Chairman	ALA2 highlighted the major points in his letters dated 9 and 11 April 2013 to the Administration on legal and drafting aspects of the Companies (Revision of Financial Statements and Reports) Regulation and the Companies (Disclosure of Information about Benefits of Directors) Regulation (LC Paper Nos. CB(1)844/12-13(01) and (02)). The Administration's response was given in LC Paper No. CB(1)844/12-13(03).	
000946 – 001220	Administration Chairman	Administration's briefing on its proposed amendment to section 20 of the Companies (Revision of Financial Statements and Reports) Regulation (L.N. 34) (LC Paper No. CB(1)865/12-13(02)) tabled at the meeting – (a) to amend section 20(4)(a) such that the maximum period of imprisonment for an offence under section 20 of the Regulation would be 12 months (instead of two years); and (b) to introduce the new section 20(4A) to stipulate that a person might be sentenced to imprisonment only if the relevant offence was committed wilfully, whether or not it was a conviction on indictment or summary conviction.	
001221 – 002354	Mr James TO Mr Martin LIAO Administration Chairman	Mr TO enquired about – (a) the operation of the new section 20(4A) of the Regulation in relation to section 20(3)(a), (b) and (c), in particular how the use of the reference to "...knows that, or is reckless as to whether or not..." in section 20(3)(c), and "wilfully" in the new section 20(4A) would impact the court in considering the conviction for the offence and determining the sentence; and	

Time Marker	Speaker	Subject(s)	Action Required
		<p>(b) with the proposed new section 20(4A), whether imprisonment could be imposed for the offence under section 20(3)(c) if the defendant was reckless as to whether or not the statement he had made was misleading/false/deceptive but he did not have the actual knowledge that the statement was misleading/false/deceptive.</p> <p>Mr LIAO opined that being "reckless" implied carelessness in one's act which might not carry a wilful intention. On the other hand, if a person knew that the statement was misleading/false/deceptive and still provided it to the auditor, it was likely that he had a wilful intention.</p> <p>The Administration advised that –</p> <p>(a) the principle underpinning the Regulation was that the penalty for offences committed in respect of the revised documents or the auditor's report on the revised financial statements should be aligned with that imposed for offences committed in respect of the original documents or the auditor's report on the original financial statements in the new CO. On this basis, the offence under section 20(3) and (4) of the Regulation mirrored the offence and penalty prescribed in section 413(3) and (4) of the new CO;</p> <p>(b) as section 450(4) of the new CO had provided that the Regulation might prescribe penalty of imprisonment up to one year only (and not two years) in case an offence was committed wilfully, it was necessary to introduce the new section 20(4A) to stipulate that a person might be sentenced to imprisonment only if the offence under section 20(3) was committed wilfully. In practice, the court would refer to section 20(3)(a), (b) and(c) for consideration of conviction for the offence and to section 20(4) and subsection (4A) in determining the sentence, including whether imprisonment should be imposed;</p> <p>(c) in the present context, the threshold for an offence committed wilfully was different from and higher than that for an offence</p>	

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		<p>committed recklessly, and imprisonment would not be imposed on the latter having regard to the new section 20(4A); and</p> <p>(d) the Administration would review the relevant provisions in the next legislative exercise after the commencement of the new CO with a view to aligning the penalties in relation to similar offences imposed under the new CO and the Regulation.</p> <p>The Chairman sought the Administration's view on whether the proposed amendment was the best interim arrangement before the penalties in question could be aligned in the next legislative exercise.</p> <p>The Administration advised that the proposed approach was considered appropriate as it would bring section 20(4) of the Regulation within the scope of the empowering section 450 of the new CO whilst resembling as closely as possible the penalties for similar offences under the principal ordinance.</p>	
002355 – 003332	Chairman Mr James TO Mr Martin LIAO Administration ALA2	<p>Mr TO re-iterated his concerns about the operation of section 20(3), in particular subsection (3)(c), the amended section 20(4) and the new section 20(4A); and how the court would interpret the mental elements of "knows", "reckless" and "wilful" of a defendant in considering the conviction of and sentence for an offence.</p> <p>The Administration advised that sections 20(3)(c) and 20(4A) were about the state of mind of the defendant for the same offence but in two distinctive contexts. The former prescribed the state of mind that must be satisfied for conviction of an offence under section 20(3), whereas the latter prescribed the state of mind that must be satisfied for imposing a certain form of penalty (i.e. imprisonment) upon conviction of the offence. The addition of section 20(4A) would not affect the operation of section 20(3).</p> <p>ALA2 advised that for conviction of an offence under section 20 of the Regulation, the court must first be satisfied that all three elements in section 20(3)(a), (b) and (c) were met. When it came to the determination of sentence, the court would</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>have regard to section 20(4A) and determine whether the offence was committed wilfully.</p> <p>Mr LIAO agreed with the views of the Administration and ALA2 and pointed out that a person who merely knew that the statement was misleading/false/deceptive might not have committed the offence wilfully, as "wilfulness" should involve some sort of scheming. The issue would not give rise to concern for the court, as it was familiar with the legal concepts involved and had encountered no difficulties in making judgment on cases in the past.</p>	
<p>003333 – 004546</p>	<p>Chairman Mr James TO Mr Dennis KWOK Mr Paul TSE Administration</p>	<p>Mr TO re-iterated his concerns and questioned the need to add the new section 20(4A) as the court could still determine the penalty by making reference to section 20(3)(a), (b) and (c) of the Regulation and section 450(4) of the principal ordinance. On the other hand, he had reservation from a policy point of view to lower the imprisonment penalty in section 20(4) from two years to 12 months as it was a serious crime for a person who recklessly provided a misleading/false/deceptive statement to an auditor for preparing the auditor's report on revised financial statements.</p> <p>Mr KWOK said that in the judgment handed down by the Court of Final Appeal in the case of Wheelock Marden in which the case of R v Grantham [1984] QB 675 was quoted, the court applied, amongst others, the test of whether a person was "wilfully shutting one's eyes to the obvious" in order to establish dishonesty in fraudulent trading. He observed from the judgment that the concepts "wilfulness" and "recklessness" were not incompatible.</p> <p>Mr TSE agreed with Mr KWOK's observation. He said that it was understandable to make the proposed amendments to align with the maximum penalty prescribed in section 450(4) of the new CO given that section 450 in the principal ordinance was the empowering provision of the Regulation. He observed that section 20(3)(a), (b) and (c) of the Regulation had already set out the elements of the relevant offence whereas the new section 20(4A) applied to the imposition of a certain form of penalty upon conviction of the offence. There</p>	

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		<p>was no conflict in the application of the said provisions. He did not consider that the new section 20(4A) would give rise to any problem.</p> <p>The Administration advised that –</p> <ul style="list-style-type: none"> (a) the policy intent was to prescribe a maximum imprisonment penalty of two years for the offence, which was reflected in the original section 20(4)(a) of the Regulation to align with that provided in section 413(4)(a) of the new CO; and (b) the proposed amendment to section 20(4) and the new section 20(4A) of the Regulation were an interim arrangement to prevent section 20(4) from being ultra vires as section 450(4) of the new CO had provided that the maximum imprisonment prescribed by the Regulation for offences committed wilfully was 12 months. 	
004547 – 004922	ALA2 Administration Chairman	<p>ALA2 pointed out that the penalty under section 11(5) of the existing Companies (Revision of Accounts and Reports) Regulation (Cap. 32 sub. leg. N) was not within the scope of the empowering provision under section 359A(6)(b) in the existing CO which prescribed a penalty of imprisonment of 12 months for an offence committed wilfully. ALA2 enquired how the Administration would address the discrepancy.</p> <p>The Administration advised that there had been no conviction of the offence under section 11(5) of Cap. 32 sub. leg. N in the past three years. It should be noted that, in determining the sentence for an offence, the court would take into account the penalty level stipulated in the empowering provision under the existing CO where appropriate. It is likely that the ultra vires part of the provision could be severed from the rest of the provision and it would not render the whole offence provision ultra vires. As Cap. 32 sub. leg. N would be repealed upon commencement of the new CO (tentatively in the first quarter of 2014), the Administration had no plan to amend Cap. 32N for the above purpose.</p>	

Time Marker	Speaker	Subject(s)	Action Required
Clause-by-clause examination of the subsidiary legislation			
004923 – 005007	Administration Chairman	<p><u>Companies (Revision of Financial Statements and Reports) Regulation (L.N. 34 of 2013)</u></p> <p>Part 5 – Auditor's Report on Revised Financial Statements</p> <p><u>Section 21 – Auditor's report on revised financial statements to be attached to revised financial statements in certain cases</u></p> <p>Members raised no questions.</p>	
005008 – 005228	ALA2 Chairman Administration	<p>Part 6 – Company's Obligations Regarding Revised Documents</p> <p><u>Section 22 – Company to send revised financial statements or revised directors' report</u></p> <p>ALA2 enquired how a company would be considered as "wilfully" contravening the relevant requirement in relation to the sending of revised financials statements or revised directors' report as stipulated in section 22(4).</p> <p>The Administration advised that a company as a legal entity could be held liable for offences under the new CO. The court would look into the state of mind of the directors and managers of the company who represented its directing mind and will in ascertaining whether the company in question had committed the offence wilfully.</p>	
005229 – 005655	Administration Chairman	<p><u>Section 23 – Exception to section 22</u></p> <p><u>Section 24 – Company to notify recipient of summary financial report after revising financial statements</u></p> <p><u>Section 25 – Communication for purposes of sections 22 and 24 by website</u></p> <p><u>Section 26 – Company to lay revised financial statements or revised directors' report etc. before general meeting</u></p> <p>Members raised no questions.</p>	

Time Marker	Speaker	Subject(s)	Action Required
005656 – 010229	Mr Paul TSE Chairman ALA2 Administration	<p><u>Section 27 – Company to deliver revised financial statements or revised directors' report to Registrar</u></p> <p>ALA2 noted that section 27(2) required a company to provide a certified translation of the copy of revised financial statements or revised directors' report to the Registrar if the copy was not in English or Chinese. As the requirement had been set out in section 31(1)(b) of the new CO in relation to registration of documents with the Registrar in general, ALA2 enquired about the rationale to re-state the same requirement in the Regulation.</p> <p>The Administration advised that, as Schedule 6 to the new CO had prescribed similar requirement in respect of the certified translation of the original financial statements/directors' report by which the annual return must be accompanied, it was appropriate to re-state the same requirement in respect of the revised financial statements/directors' report in the Regulation.</p> <p>ALA2 observed that under section 31(1)(b) of the new CO, a document delivered to the Registrar for registration would be regarded as unsatisfactory if, in the case of a document that was neither in English nor in Chinese, it was not accompanied by a certified translation of it in English or Chinese. In his understanding, the non-provision of the certified translation would be taken as a failure to provide the relevant document and hence constituted an offence, but the mere non-provision of the certified translation by itself would not constitute an offence. As such, he queried the need to prescribe seemingly two offences under section 27 of the Regulation (i.e. (a) failure to provide a certified copy of the revised financial statements/directors' report under section 27(1); and (b) failure to provide a certified translation of the certified copy of the revised financial statements/directors' report under section 27(2) if the copy was not in English or Chinese).</p> <p>Mr TSE shared ALA2's view.</p> <p>The Administration advised that the effect of section 27 of the Regulation would be the same as section 31 of the new CO. It was added having</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>regard to the fact that a similar provision was also present in the provisions concerning the delivery of the original financial statements for registration in Schedule 6 to the new CO.</p>	
010230 – 010616	Mr Paul TSE Chairman Administration	<p>Mr TSE queried the need to prescribe multiple and cumulative penalties, including imposing a daily default fine for a continuing offence, in section 27(3), (4) and (5) of the Regulation in relation to offences in the delivery of revised financial statements or revised directors' report to the Registrar. He expressed reservation about the arrangement having regard to the relatively minor nature of the offences.</p> <p>The Administration advised that the provisions under section 27 dealt with essentially two different offences and did not involve imposition of additional penalty for one single offence: the penalty under section 27(3) was related to the offence of failing to provide documents stipulated in section 27(1) and (2), whereas the penalty under section 27(5) referred to the offence when a person convicted of not providing the relevant documents failed to provide so in accordance with the magistrate's order.</p>	
010617 – 010749	Chairman Mr Paul TSE Administration	<p>In respect of the penalty for the offence under section 27 of the Regulation, Mr TSE requested the Administration to provide information on –</p> <p>(a) the justifications for retaining the daily default fine for the offence; and</p> <p>(b) the number of convictions on the same offence provided in the relevant subsidiary legislation under the existing CO in which daily default fines had been imposed.</p> <p>The Administration agreed to provide the information as requested by Mr TSE.</p>	The Administration to take action as required in paragraph 2(c) of the minutes.
010750 – 010903	Chairman Administration	<p><u>Companies (Disclosure of Information about Benefits of Directors) Regulation (L.N. 35 of 2013)</u></p> <p>Part 1 – Preliminary</p> <p><u>Section 1 – Commencement</u></p>	

Time Marker	Speaker	Subject(s)	Action Required
		<u>Section 2 – Interpretation</u>	
010904 – 011617	Chairman Mr Paul TSE Clerk	Mr TSE drew attention to the Chairman that a quorum was not present. The Chairman directed the Clerk to ring the quorum bell for 15 minutes for summoning of members to the meeting. As a quorum was present within 15 minutes, the Chairman ordered that the meeting be resumed.	
011618 – 012047	Chairman ALA2 Administration	Part 2 – Disclosure of Directors' Emoluments and Retirement Benefits, Payments in Respect of Termination of Directors' Services and Consideration for Directors' Services <i>Division 1—Interpretation</i> <u>Section 3 – Interpretation of Part 2</u> In the light of ALA2's comments, the Administration agreed to make a minor technical change in section 3(4)(a) of the Chinese text.	The Administration to take action as required in paragraph 2(e)(i) of the minutes.
012048 – 013344	Chairman Administration	<i>Division 2—Information to be Contained in Notes to Financial Statements</i> <u>Section 4 – Information about directors' emoluments</u> <u>Section 5 – Information about directors' retirement benefits</u> <u>Section 6 – Information about payments made or benefit provided in respect of termination of directors' services</u> <u>Section 7 – Information about consideration provided to or receivable by third parties for making available directors' services</u> <i>Division 3—Supplementary Provisions</i> <u>Section 8 – Only information contained in company's records required to be given</u> <u>Section 9 – Amounts paid or receivable in which period to be shown</u>	

Time Marker	Speaker	Subject(s)	Action Required
		<p><u>Section 10 – Payments made by or to which person to be shown</u></p> <p><u>Section 11 – Payments accounted for not to be included until liability released or not enforced</u></p> <p><u>Section 12 – How to distinguish between different payments</u></p> <p>Part 3 – Disclosure of Loans, Quasi-loans and Other Dealings in Favour of Directors</p> <p><i>Division 1—Interpretation</i></p> <p><u>Section 13 – Interpretation of Part 3</u></p> <p><u>Section 14 – Application of Part 3</u></p> <p><i>Division 2—Information to be Contained in Notes to Financial Statements</i></p> <p><u>Section 15 – Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate and connected entities</u></p> <p>Members raised no questions.</p>	
013345 – 014249	Chairman ALA2 Administration	<p><i>Division 3—Other Requirements Prescribed for Purposes of this Part</i></p> <p><u>Section 16 – Provisions for statement in lieu of information prescribed by section 15</u></p> <p>In the light of ALA2's comments, the Administration agreed to review the drafting of section 16(2)(a) and (b) to better reflect the policy intent.</p>	The Administration to take action as required in paragraph 2(e)(ii) of the minutes.
014250 – 014807	Chairman Administration	<p><u>Section 17 – Provisions applicable to company that is or where its subsidiary undertaking is authorized financial institution</u></p> <p>Members raised no questions.</p>	
014808 – 014951	Chairman ALA2 Administration	<p><i>Division 4—Supplementary Provisions</i></p> <p><u>Section 18 – Exemption for employee</u></p> <p>In the light of ALA2's comments, the Administration agreed to review the drafting of section 18 to better reflect the policy intent that a</p>	The Administration to take action as required in paragraph 2(e)(iii) of the minutes.

Time Marker	Speaker	Subject(s)	Action Required
		loan or quasi-loan made by a company to an employee of the company's subsidiary undertaking or by a company's subsidiary undertaking to an employee of the company would not be exempted under the section.	
014952 – 015322	Chairman Administration	<p><u>Section 19 – How to determine value of transaction</u></p> <p>Part 4 – Disclosure of Directors' Material Interests in Transactions, Arrangements or Contracts</p> <p><i>Division 1—Interpretation</i></p> <p><u>Section 20 – Interpretation of Part 4</u></p> <p><u>Section 21 – Application of Part 4</u></p> <p><i>Division 2—Information to be Contained in Notes to Financial Statements</i></p> <p><u>Section 22 – Information about material interests of directors in transactions, arrangements or contracts</u></p> <p><i>Division 3—Supplementary Provisions</i></p> <p><u>Section 23 – Exemption under Part 4</u></p> <p>Members raised no questions.</p>	
015323 – 015446	Chairman Administration	<p>Arrangement for the follow-up actions in relation to issues raised in ALA2's letter dated 15 April 2013 to the Administration.</p> <p>Extension of meeting for 15 minutes.</p>	The Administration to take action as required in paragraph 2(a) of the minutes.
015447 – 015622	Chairman Mr James TO	Mr TO requested the Administration to explain in writing the operation of the proposed section 20(4A) in relation to section 20(3)(a), (b) and (c), including how the use of the reference to "... knows that, or is reckless as to whether or not..." in section 20(3)(c), and "wilfully" in the proposed section 20(4A) would impact the court in considering the conviction of the offence and determining the sentence involved.	The Administration to take action as required in paragraph 2(b) of the minutes.

Time Marker	Speaker	Subject(s)	Action Required
		The Administration agreed to provide the information requested by Mr TO.	
015623 – 015943	Chairman Ms Starry LEE Administration	At the request of Ms LEE that the Companies Registry should issue, before commencement of the operation of the new CO, guidelines/practice notes to facilitate the understanding of the accounting profession on the operation of section 408 of the new CO and section 16 of the Regulation regarding the liability of auditor in relation to contents of auditor's report on a company's financial statements and the revised financial statements, the Administration agreed to provide a written response.	The Administration to take action as required in paragraph 2(d) of the minutes.
015944 – 020234	Chairman Mr James TO Administration	<u>Companies (Disclosure of Information about Benefits of Directors) Regulation (L.N. 35 of 2013)</u> In response to Mr TO's enquiry, the Administration advised that there was a provision in section 10 of the Regulation to specify that a reference to a payment to or receivable by a director included a payment to or receivable by a connected entity of the director.	
020235 – 020345	Chairman	Legislative timetable of the second batch of two pieces of subsidiary legislation.	
020346 – 020453	Chairman Administration	Arrangement for the follow-up actions arising from the meeting. Cancellation of meeting scheduled for 22 April 2013.	
020454 – 020624	Chairman Administration	Legislative timetable of the third batch of subsidiary legislation.	