

立法會
Legislative Council

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(These minutes have been seen
by the Administration)

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

**Minutes of the seventh meeting on
Monday, 3 June 2013, at 2:30 pm
in Conference Room 2B of the Legislative Council Complex**

Members present : Hon WONG Ting-kwong, SBS, JP (Chairman)
Hon Abraham SHEK Lai-him, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Starry LEE Wai-king, JP
Hon Paul TSE Wai-chun, JP
Hon Steven HO Chun-yin
Hon Charles Peter MOK
Dr Hon Kenneth CHAN Ka-lok
Hon Dennis KWOK
Hon Martin LIAO Cheung-kong, JP

Members absent : Hon Kenneth LEUNG (Deputy Chairman)
Hon Albert HO Chun-yan
Hon James TO Kun-sun
Hon SIN Chung-kai, SBS, JP
Dr Hon CHIANG Lai-wan, JP
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

Mr Sunny CHAN
Senior Assistant Law Draftsman

Ms Amy CHAN
Senior Government Counsel

Ms Mandy NG
Acting Senior Government Counsel

Mr Henry CHAN
Government Counsel

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

Staff in attendance : Mr Timothy TSO
Assistant Legal Adviser 2

Miss Winnie LO
Assistant Legal Adviser 7

Ms Angel SHEK
Senior Council Secretary (1)4

I Meeting with the Administration

(Proposed resolution under the Companies (Unfair Prejudice Companies Ordinance (section 727 of Ordinance 28 of 2012) and the speech to be delivered by the Secretary for Financial Services and the Treasury when moving the proposed resolution — Companies (Unfair Prejudice Petitions) Proceedings Rules

L.N.75 of 2013 — Companies (Revision of Financial Statements and Reports) (Amendment) Regulation 2013

L.N.76 of 2013 — Companies (Disclosure of Information about Benefits of Directors) (Amendment) Regulation 2013

L.N.77 of 2013 — Companies (Model Articles) Notice

L.N.78 of 2013 — Company Records (Inspection and Provision of Copies) Regulation

L.N.79 of 2013 — Companies (Non-Hong Kong Companies) Regulation

L.N.80 of 2013 — Companies (Fees) Regulation

File Ref: CBT/7/6C — Legislative Council Brief on Companies (Unfair Prejudice Petitions) Proceedings Rules

File Ref: CBT/7/6C — Legislative Council Brief on L.N.75 and L.N.76 of 2013

File Ref: CBT/7/6C — Legislative Council Brief on L.N.77 to L.N.80 of 2013

- LC Paper No. LS55/12-13 — Legal Service Division Report on Proposed Resolution under section 727 of the Companies Ordinance (28 of 2012)
- LC Paper No. LS56/12-13 — Legal Service Division Report on L.N.75 to L.N.80 of 2013
- LC Paper No. CB(1)1182/12-13(01) — Updated background brief on the Subsidiary Legislation Made under the New Companies Ordinance prepared by the Legislative Council Secretariat
- LC Paper No. CB(1)1182/12-13(02) — Marked-up copy of L.N.75 of 2013 prepared by the Legal Service Division (Restricted to Members)
- LC Paper No. CB(1)1182/12-13(03) — Marked-up copy of L.N.76 of 2013 prepared by the Legal Service Division (Restricted to Members))

Discussion

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

Follow-up actions 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 stated below:

Companies (Unfair Prejudice Petitions) Proceedings Rules

- (a) to provide written response to the enquiries made by the Legal Adviser of the Subcommittee in respect of Rules 3(2)(c), 3(4) and (5), 4(2), 5(1) and (2), 7(1) and 8(1) vide his letter dated 31 May 2013 to the Administration;

- (b) to explain the application of the Rules and the Companies (Winding-up) Rules (i.e. Cap. 32 sub. leg. H of the Companies (Winding Up and Miscellaneous Provisions) Ordinance after commencement of the new Companies Ordinance) in respect of an unfair prejudice petition, a winding-up petition, and an unfair prejudice petition including an application for a winding-up order; and
- (c) to explain how the Rules and the Companies (Winding-up) Rules would operate where a petitioner of an unfair prejudice petition initially did not seek an order to wind up a company but subsequently applied for a winding-up order during the proceedings of the unfair prejudice petition, and to review the need to make explicit provisions in the Rules and the Companies (Winding-up) Rules for such situation.

(Post-meeting note: The Administration's written responses were issued to members vide LC Paper Nos. CB(1)1268/12-13(02) and CB(1)1277/12-13(02) on 10 June 2013 and 13 June 2013 respectively.)

II Any other business

Invitation of views

3. Members agreed that it was unnecessary for the Subcommittee to invite views from the public or relevant parties on the third batch of subsidiary legislation made under the new Companies Ordinance.

Legislative timetable

4. The Chairman suggested and members agreed that a motion be moved to extend the scrutiny period for the six pieces of subsidiary legislation in the third batch which were subject to the negative vetting procedure of the Legislative Council ("LegCo") to the Council meeting of 17 July 2013. In this connection, members noted that the deadline for giving notice of amendment to these subsidiary legislation was 10 July 2013, and the date of reporting the Subcommittee's deliberations to the House Committee was 5 July 2013. As regards the Companies (Unfair Prejudice Petitions) Proceedings Rules which was subject to the positive vetting procedure of LegCo, members agreed that the Administration should move the proposed resolution at the Council meeting of 17 July 2013.

Date of next meeting and schedule of other meetings in June 2013

5. Members agreed that the next meeting should be held on Tuesday, 11 June 2013, at 10:45 am. If necessary, further meetings would be held in June 2013 as follows –

Date of meeting	Time
20 June 2013 (Thursday)	2:30 pm – 6:30 pm
24 June 2013 (Monday)	10:45 am – 12:45 pm
25 June 2013 (Tuesday)	2:30 pm – 6:30 pm

6. There being no other business, the meeting ended at 4:27 pm.

Council Business Division 1
Legislative Council Secretariat
26 August 2013

**Proceedings of the Subcommittee on Subsidiary Legislation Made under
the New Companies Ordinance
Seventh meeting on Monday, 3 June 2013, at 2:30 pm
in Conference Room 2B of the Legislative Council Complex**

Time Marker	Speaker	Subject(s)	Action Required
000537 – 000813	Chairman	Opening remarks	
000814 – 002357	Administration Chairman	<p>Briefing by the Administration on the third batch containing the following pieces of subsidiary legislation made under the new Companies Ordinance ("new CO"):</p> <ul style="list-style-type: none"> (a) Companies (Unfair Prejudice Petitions) Proceedings Rules ("C(UPP)PR"); (b) Companies (Revision of Financial Statements and Reports) (Amendment) Regulation 2013 (L.N. 75 of 2013); (c) Companies (Disclosure of Information about Benefits of Directors) (Amendment) Regulation 2013 (L.N.76 of 2013); (d) Companies (Model Articles) Notice (L.N.77 of 2013); (e) Company Records (Inspection and Provision of Copies) Regulation (L.N.78 of 2013); (f) Companies (Non-Hong Kong Companies) Regulation (L.N.79 of 2013); and (g) Companies (Fees) Regulation (L.N.80 of 2013) <p>(LC Paper No. CB(3)600/12-13, Legislative Council Brief (File Ref: CBT/7/6C) on C(UPP)PR, Legislative Council Brief (File Ref: CBT/7/6C) on L.N. 75 and 76 of 2013, and Legislative Council Brief (File Ref: CBT/7/6C) on L.N. 77 to L.N. 80.)</p>	
002358 – 002542	Chairman Mr Jeffrey LAM Administration	<p><u>Company Records (Inspection and Provision of Copies) Regulation (L.N. 78 of 2013)</u></p> <p>Mr LAM noted that the Regulation specified the obligation of companies to allow inspection of company records during business days and provision of the records within five business days upon receipt of the request or payment of the</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>prescribed fees (whichever was the later). He enquired about the arrangements for inspection and provision of company records outside business days in response to requests made under urgent circumstances.</p> <p>The Administration advised that –</p> <ul style="list-style-type: none"> (a) a company must make available the records for inspection during business hours, subject to any reasonable restrictions imposed by the company by resolution and as long as at least two hours per business day were allowed for the inspection; (b) a company might, as it saw fit, exercise flexibility to cater for urgent requests for inspection of and provision of company records outside the business days/hours having regard to its individual circumstances; and (c) if a company did not allow inspection of the company records or provision of copies of the records to a person who was entitled to do so in accordance with the Regulation, the person might seek an order from the Court to compel the company to permit the inspection and provision of the records concerned under sections 9 and 13 of the Regulation respectively. 	
002543 – 003211	Chairman Mr Abraham SHEK Administration	<p><u>Invitation of public views</u></p> <p>In response to Mr SHEK's enquiry, the Administration said that a public consultation on the draft provisions of the subsidiary legislation to be made under the new CO was conducted between September and December 2012. The comments from respondents mainly related to the drafting aspects and were technical in nature. The Administration confirmed that, where appropriate, the comments from respondents had been taken into account when finalizing the provisions in the subsidiary legislation. Considering that many of the requirements under the subsidiary legislation were based on current ones under the existing CO, the Administration envisaged that these requirements would not cause particular compliance burden on companies concerned.</p>	

Time Marker	Speaker	Subject(s)	Action Required
003212 – 004339	Chairman Mr Andrew LEUNG Administration	<p><u>Companies (Revision of Financial Statements and Reports) (Amendment) Regulation 2013 (L.N. 75 of 2013)</u> (Marked-up copy of L.N. 75 - LC Paper No. CB(1)1182/12-13(02))</p> <p><u>Companies (Disclosure of Information about Benefits of Directors) (Amendment) Regulation 2013 (L.N.76 of 2013)</u> (Marked-up copy of L.N. 76 - LC Paper No. CB(1)1182/12-13(03))</p> <p>In reply to the Chairman, the Administration confirmed that the proposed amendments to the two Regulations were largely the same as those proposed by the Administration when the L.N. 34 and 35 of 2013 were scrutinized by the Subcommittee in April 2013 under the second batch. The only change was a minor textual amendment to the Chinese text of section 7(2)(a) of L.N. 35 on "Information about consideration provided to or receivable by third parties for making available directors' services" instead of section 6(2)(a). The new amendment, which clarified that the aggregate amount of the consideration in question <u>included both cash and non-cash consideration</u>, was as follows –</p> <p>"就獲提供有關人士的合資格服務而給予有關第三者的代價(或該第三者可就提供該人的合資格服務而收取的代價)的總數(不論是否屬現金形式);及(不論是否屬現金形式) 或該第三者可就提供該人的合資格服務而收取的代價(不論是否屬現金形式)的總數;及"</p> <p>Mr LEUNG said that it appeared to him that non-cash benefits (e.g. discount for director/staff to purchase the company's services/products) given by a company to its directors and staff (and the director/staff's family members) in general, and not just to a particular director, would not need to be disclosed. As such, he enquired about the reasons for disclosure of non-cash consideration under section 7(2) of L.N. 35.</p> <p>The Chairman observed that non-cash benefits given by a company to directors could be of significant value. For instance, a developer might offer concessionary prices for its directors in purchasing flats developed by the company.</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>The Administration explained that –</p> <ul style="list-style-type: none"> (a) section 7(2) of L.N. 35 dealt with disclosure of information about consideration provided to or receivable <u>by third parties</u>, for making available director's services. The consideration concerned was not made to the director. A typical example was the payment to an agent or personnel consultant appointed by a company to solicit a director's service; (b) the proposed amendment to section 7(2) was only a textual amendment to improve clarity of the Chinese text of the provision and did not involve any change to the requirement as reflected in the English text; and (c) as regards disclosure of benefits to directors for their services in the notes of a company's financial statements, they were dealt with by other provisions of the Companies (Disclosure of information about Benefits of Directors) Regulation which restated, with necessary modification, the disclosure requirements under the existing CO in relation to the directors' emoluments, retirement benefits and loans in favour of directors, etc. <p>ALA2 stated that section 7(2) of L.N. 35 did not appear to be directly related to Mr LEUNG's concerns, and pointed out that section 7(3) provided that a reference to any "third party" in section 7 was a reference to any person other than the director, a connected entity of the director, the company, or a subsidiary undertaking of the company.</p>	
004340 – 005233	Chairman Mr Ronny TONG Administration	<p><u>Section 7(2) of L.N. 35</u></p> <p>Mr TONG expressed the following views –</p> <ul style="list-style-type: none"> (a) it might not be useful to disclose information about consideration provided to or receivable by third parties for making available directors' services in terms of only an "aggregate amount" of both cash and non-cash consideration as there would be no information on the nature and amount of the non-cash consideration; and 	

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		<p>(b) given that the criteria adopted by a company in determining the money value of non-cash consideration was not disclosed in the notes to the financial statements, members of the company could not judge whether the consideration made by the company was reasonable.</p> <p>The Chairman opined that if the amounts of cash and non-cash consideration were disclosed under one aggregate amount, members of the company would not know about the respective amount of the cash and non-cash consideration.</p> <p>The Administration explained that –</p> <p>(a) on a company level, the aggregate amount referred to the sum of cash and non-cash consideration provided to or receivable by a third party for making available the qualifying services of <u>all the directors concerned</u> of the company;</p> <p>(b) if the consideration was non-cash (e.g. a car), the company was required to estimate the money value of that consideration for disclosure purpose;</p> <p>(c) the requirement for disclosure of both cash and non-cash consideration under one aggregate amount was an existing requirement. The Regulation had already taken a step further by requiring the company to, in addition to the amount, give an indication of the nature of any such non-cash benefits so as to improve corporate transparency; and</p> <p>(d) as the company's financial statements would be subject to audit, the disclosure of the aggregate amount of cash and non-cash consideration in the notes would help ensure an appropriate and reasonable calculation for making the disclosure. The auditor was required to state his opinion in the auditor's report if he identified a problem in the basis of calculation adopted by the company.</p> <p>Mr TONG said that, as it was not the usual practice for a company's auditor to check every detail of the</p>	

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		<p>financial statements, in particular if the amount of consideration was small in relation to the operation of the company, making disclosure in one aggregate amount for cash and non-cash consideration might not provide minority shareholders and investors of the company with sufficient information.</p>	
<p>005234 – 005913</p>	<p>Chairman Mr Ronny TONG Administration</p>	<p><u>Companies (Unfair Prejudice Petitions) Proceedings Rules</u> (LC Paper No. CB(3)600/12-13)</p> <p>Mr TONG enquired about the change in the procedures in C(UPP)PR for an unfair prejudice petition and an unfair prejudice petition including an application for a winding-up order.</p> <p>The Administration advised that –</p> <p>(a) the proceedings on unfair prejudice petitions were currently regulated by the relevant provisions in the Companies (Winding-up) Rules (Cap. 32 sub. leg. H) which primarily concerned about the proceedings on winding-up petitions. As not all provisions in Cap. 32 sub. leg. H were applicable to unfair prejudice petitions, and to facilitate petitioners for unfair prejudice remedies, the requirements on an unfair prejudice petition were set out separately in the new C(UPP)PR. The provisions in C(UPP)PR mainly re-enacted the existing requirements under Cap.32 sub. leg. H relating to unfair prejudice petitions with necessary modifications and elaborations;</p> <p>(b) it was clarified in C(UPP)PR that the petitioner must specify the terms of the order sought (vis-à-vis the nature of the relief sought) in the petition. If the Court of First Instance required an order to be advertised, the court shall also give direction on the manner of advertising of that order; and</p> <p>(c) it was clarified in C(UPP)PR that the application of C(UPP)PR, Cap.32 sub. leg. H and/or the rules and practice of the High Court for regulating ordinary civil procedure would depend on the terms of the order being sought in the petition.</p>	

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005914 – 010147	Chairman Mr Dennis KWOK Administration	<p>Referring to Rule 3 of C(UPP)PR, Mr KWOK enquired about the application of C(UPP)PR and the winding-up provisions under Cap. 32 sub. leg. H to an unfair prejudice petition that included an alternative application to wind up the company.</p> <p>The Administration explained that –</p> <ul style="list-style-type: none"> (a) Rule 3(1) provided that if an unfair prejudice petition did not include an alternative application, C(UPP)PR applied to the petition and Cap. 32 sub. leg. H would not apply; and (b) if an unfair prejudice petition included an alternative application, Rule 3(2) provided that the petition was subject to both the winding-up provisions under Cap. 32 sub. leg. H and C(UPP)PR in so far as the provisions in C(UPP)PR were not inconsistent with the winding-up provisions. 	
010148 – 011409	Chairman Mr Ronny TONG Administration	<p>Mr TONG observed that, unlike a winding-up order which targeted a company as a whole, an unfair prejudice petition would usually target the major shareholders of a company. He enquired if the petitioner of an unfair prejudice petition would need to serve a sealed copy of the petition on the shareholders or other members of the company concerned apart from the company.</p> <p>The Administration advised that Rule 5(1) of C(UPP)PR required the petitioner to serve a sealed copy of the petition on the company, and Rule 5(4) further stipulated that a sealed copy must also be served on every respondent named in the petition.</p> <p>Mr TONG considered that the application of C(UPP)PR should be confined to unfair prejudice petitions, while all winding-up matters should be dealt with by Cap. 32 sub. leg. H. There should be clear provisions on the application of the two sets of rules, because –</p> <ul style="list-style-type: none"> (a) an unfair prejudice petition would not usually include seeking to wind up a company in the initial stage as a winding-up petition would likely affect the interests of the company. In particular, it would give rise to sensitive issues about the conditions of the company when the winding-up petition was advertised; 	

Time Marker	Speaker	Subject(s)	Action Required
		<p>(b) it was more likely that members of the company involved in an unfair prejudice petition would try to resolve their conflicts by means other than winding-up, e.g. buying out shares of the petitioner or other members of the company, seeking relief/indemnity order from the court; and</p> <p>(c) even if an unfair prejudice petition did include seeking a winding-up order initially, the winding-up procedures would not commence until the Court of First Instance had made the order having regard to the development of the proceedings of the unfair prejudice petition.</p> <p>The Administration responded that –</p> <p>(a) while the majority of unfair prejudice petitions would include an alternative application in which case the winding-up provisions in Cap. 32 sub. leg. H would apply, not all the provisions in Cap. 32 sub. leg. H applied to pure unfair prejudice petitions. As such, the Administration considered it appropriate to prescribe matters concerning unfair prejudice petitions in a separate piece of subsidiary legislation to facilitate understanding by users and their compliance;</p> <p>(b) where the Court of First Instance made a winding-up order upon an alternative application included in an unfair prejudice petition, the winding-up would be deemed to commence at the time of presentation of the petition to the court, and any disposition of the property of the company after the commencement date would be void, unless the court ordered otherwise. Hence, the petitioner should give due regard to the serious implication of winding up a company when considering whether to include an alternative application in an unfair prejudice petition; and</p> <p>(c) in view of the consequences of winding up a company, Cap. 32 sub. leg. H required that a winding-up order for a company must be advertised for the knowledge of the public.</p>	

Time Marker	Speaker	Subject(s)	Action Required
011410 – 012426	Chairman Mr Dennis KWOK Mr Ronny TONG Administration	<p>Mr KWOK opined that it was complicated that an unfair prejudice petition with an alternative application would be subject to two sets of rules in future, i.e. the new C(UPP)PR and Cap.32 sub. leg. H. He enquired if the Administration would consider applying only one single set of rules to an unfair prejudice petition.</p> <p>Mr TONG opined that it was unclear under the C(UPP)PR at which juncture the winding-up provisions would start to apply if a petitioner of an unfair prejudice petition initially did not seek an order to wind up a company but subsequently applied for a winding-up order during the proceedings of the unfair prejudice petition. To provide certainty to users and avoid causing complications to the two sets of rules, he suggested that if the petitioner of unfair prejudice petition would like to seek an alternative remedy to wind up a company, he should submit a separate winding-up petition in the course of proceedings of the unfair prejudice petition.</p> <p>The Administration emphasized that the new CO provided that the Chief Justice might make the relevant subsidiary legislation to regulate the proceedings in the Court of First Instance for unfair prejudice petitions. The Administration considered that the new C(UPP)PR would improve the current arrangement by setting out in a self-contained manner the requirements for unfair prejudice petitions that did not include seeking an order to wind up the company. In such cases, there was no need for the petitioner of unfair prejudice petition and other relevant parties to refer to the provisions in Cap. 32 sub. leg. H.</p> <p>To address members' concerns, the Chairman requested the Administration to provide a paper to explain –</p> <p>(a) the application of C(UPP)PR and Cap. 32 sub. leg. H in respect of an unfair prejudice petition, a winding up petition, and an unfair prejudice petition including an application for a winding-up order; and</p> <p>(b) how C(UPP)PR and Cap. 32 sub. leg. H would operate where a petitioner of an unfair prejudice petition initially did not seek an order to wind up a company but subsequently</p>	<p>The Administration to take action as required in paragraphs 2(b) and (c) of the minutes.</p>

Time Marker	Speaker	Subject(s)	Action Required
		<p>applied for a winding-up order during the proceedings of the unfair prejudice petition; and to review the need to make explicit provisions in C(UPP)PR and Cap. 32 sub. leg. H for such situation.</p> <p>The Administration agreed to provide the requested information.</p>	
Clause-by-clause examination of the subsidiary legislation			
012427 – 012710	Chairman Administration	<p><u>Companies (Unfair Prejudice Petitions) Proceedings Rules (LC Paper No. CB(3)600/12-13)</u></p> <p><u>Rule 1 – Commencement</u></p> <p><u>Rule 2 – Interpretation</u></p> <p>Members raised no question.</p>	
012711 – 013200	Chairman ALA2 Administration	<p><u>Rule 3 – Application</u></p> <p>ALA2 noted that:</p> <p>(a) <u>Rule 3(1)(b) provided that for an unfair prejudice petition which did not include seeking an order to wind up the company, the petition must be in the form set out in the Schedule to the Rules (with any necessary modifications that the circumstances might require); and</u></p> <p>(b) <u>Rule 3(2)(c) provided that if an unfair prejudice petition included an alternative application, the petition must be in the form set out in Form 2 in the Appendix to Cap. 32 sub. leg. H.</u></p> <p>ALA2 requested the Administration to clarify whether by virtue of Rule 3(2)(b), <u>an unfair prejudice petition with an alternative application</u> must also contain the other particulars (e.g. grounds on which the petition was presented and the terms of the order sought) contained in the form set out in the Schedule to the Rules. If that was the case, the Administration was requested to consider adding the reference "with any necessary modifications that the circumstances may require" in Rule 3(2)(c) to give flexibility for making</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>modifications to and including additional particulars in the form.</p> <p>The Administration advised that Rule 3(2)(c) provided that the form set out in Form 2 in the Appendix to Cap. 32 sub. leg. H must be used in the case where a petition included an alternative application. By virtue of Rule 3(2)(a), Rule 22 of Cap. 32 sub. leg. H also applied to such a petition, i.e. that the petition shall be in Form 2 with such variations as circumstances might require. The petitioner might therefore state the grounds on which the petition was presented and the terms of the order sought in an adapted format of Form 2 as necessary.</p>	
013201 – 013812	Chairman ALA2 Administration	<p><u>Rule 4 – Presentation of petition</u></p> <p>ALA2 noted that under paragraph 5.6.3 of Practice Direction 3.1 relating to bankruptcy and winding-up proceedings, a hearing for directions would be held in chambers. He asked whether a hearing for directions under Rule 4(2) of C(UPP)PR (i.e. a hearing on the return day) would be held in chambers or in open court. If it was intended that such hearings were to be held in chambers, the Administration should consider stating this explicitly in Rule 4(2). He also enquired if any Practice Directions would be issued by the Judiciary for the purpose of proceedings relating to unfair prejudice petitions.</p> <p>The Chairman opined that it might be more appropriate for the court to make reference to the relevant existing practice in deciding whether the hearing for directions in relation to unfair prejudice petition proceedings should be held in chambers or in open court, and whether it should issue Practice Directions on the matter.</p> <p>The Administration advised that whether the hearing on the return day was to be held in chambers or in open court would be a matter to be decided by the Judiciary, and might be specified in Practice Directions if it was considered appropriate by the Judiciary as in the current practice.</p>	
013813 – 014113	Chairman Administration	<p><u>Rule 5 – Service of petition</u></p> <p><u>Rule 6 – Return of petition</u></p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p><u>Rule 7 – Drawing up of order</u></p> <p>Members raised no questions.</p>	
<p>014114 – 014935</p>	<p>Chairman ALA2 Mr Martin LIAO Administration</p>	<p><u>Rule 8 – Service of order, etc.</u></p> <p>Referring to Rule 8(1), ALA2 invited the Administration to clarify/explain –</p> <p>(a) whether there was a specified time limit for the petitioner to serve an office copy of the order on the company and on the Registrar of Companies ("the Registrar"), and the consequence(s), if any, for not complying with Rule 8(1);</p> <p>(b) whether the order would still be effective against the company if it was not served on the company; and</p> <p>(c) the reasons for requiring the order to be served on the Registrar.</p> <p>The Administration advised that –</p> <p>(a) pursuant to section 70 of the Interpretation and General Clauses Ordinance (Cap. 1), where no time was prescribed or allowed within which anything should be done, it should be done without unreasonable delay;</p> <p>(b) an order could not be enforced unless a copy of the order had been duly served on the person or body corporate required to do or abstain from doing the act in question, unless service was dispensed with; and</p> <p>(c) upon service of the order on the Registrar, the order would be duly filed for public inspection.</p> <p>In reply to Mr LIAO, the Administration advised that the petitioner of an unfair prejudice petition must serve on the company an office copy of the order before the order could be enforced against the company. As such, it would be in the interest of the petitioner or he would have the incentive to ensure that the office copy of the order was served on the company within a reasonable time.</p>	

Time Marker	Speaker	Subject(s)	Action Required
014936 – 015000	Chairman Administration	<u>Rule 9 – Advertisement of order</u> Members raised no question.	
015001 – 015205	Chairman Administration	<u>Schedule</u> In response to the Chairman, the Administration re-confirmed that, apart from the particulars requested in the form of the petition as set out in the Schedule, the petitioner could make necessary modifications to provide other requisite information in the form as the circumstances might require.	
015206 – 015815	Chairman Mr Martin LIAO	Legislative timetable Date of next meeting and schedule of other meetings in June 2013	

Council Business Division 1
Legislative Council Secretariat
26 August 2013