



立法會秘書處 法律事務部  
LEGAL SERVICE DIVISION  
LEGISLATIVE COUNCIL SECRETARIAT

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By Fax (2869 4195)

11 April 2013

Mr Arsene YIU  
PAS for Financial Services & the Treasury  
(Financial Services)  
Financial Services and the Treasury Bureau  
15th Floor, Queensway Government Offices  
66 Queensway  
Hong Kong

Dear Mr YIU,

**Companies (Revision of Financial Statements and Reports)  
Regulation (L.N. 34 of 2013)  
Companies (Disclosure of Information about Benefits of Directors)  
Regulation (L.N. 35 of 2013)**

We are scrutinizing the legal and drafting aspects of the subject Regulations. We would be most grateful if you could clarify the following matters:-

L.N. 34 of 2013

Section 20(4)

Under section 20(4) of L.N. 34, a person who commits an offence under subsection (3) is liable (a) on conviction on indictment to a fine of \$150,000 and to imprisonment for 2 years, or (b) on summary conviction to a fine at level 5 and to imprisonment for 6 months. Nevertheless, it is noted that under section 450(4) of the new Companies Ordinance (28 of 2012) (new CO), the maximum fine that may be prescribed for an offence committed wilfully is \$300,000 and the maximum imprisonment is 12 months, and the maximum fine that may be prescribed for an offence not committed wilfully is \$300,000 only. Please clarify whether section 20(4) is within the scope of the empowering section under the new CO.

L.N. 35 of 2013

Section 2(a)

Please let Members know the policy intent of and the rationale for section 2(a).

Section 3(1)

In the definition of *retirement benefits*, please clarify whether the word "before" in paragraph (a)(i)(C) qualifies the time of payment or the time when the person's service was rendered.

Section 13(1)

*Holding company* is defined in section 13(1) to include a parent undertaking that is a company. Please clarify the need and rationale for this definition.

Section 16(2)

I understand from you that the policy intent of section 16(2) is for the statement to show a lump sum for each person named under section 15(3)(a). Please consider whether the word "every" in section 16(2)(b) (where it appears twice) should be amended to "all" to avoid any possible misunderstanding.

Section 18

Please clarify whether a loan or quasi-loan made by a company to an employee of the company's subsidiary undertaking would be exempted under section 18.

We should be most grateful if you would let us have the Administration's response as soon as possible.

Yours sincerely,



(Timothy TSO)  
Assistant Legal Adviser

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