

**Bills Committee on Companies (Winding Up and Miscellaneous Provisions)
(Amendment) Bill 2015**

**List of follow-up actions arising from the discussion
at the meeting on 6 November 2015**

Interface between the winding-up process and application for the Protection of Wages on Insolvency Fund ("PWIF")

1. Some members have expressed concern that the Bill does not address issues of the long time gap between the commencement of the winding-up process of a company and the making of payments from PWIF, and the eligibility of a voluntary winding-up for application to PWIF. The Administration is requested to:
 - (a) explain the interface between the winding-up process of a company and the mechanism of PWIF for assisting employees in the process, including the need to obtain the relevant determination of the Labour Tribunal before invoking PWIF;
 - (b) provide information in recent years on the number of cases in respect of each type of winding-up of companies (i.e. court winding-up, members' voluntary winding-up and creditors' voluntary winding-up), the eligibility of such cases for applying to PWIF, and the outcomes of application for PWIF; and
 - (c) explore possible means under the context of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) ("CWUMPO") to help expedite the application process of PWIF.

Caps on preferential payments to employees

2. The Administration is requested to respond to some members' views that the caps stipulated in section 265 of CWUMPO on preferential payments to employees should be reviewed to bring them in line with the levels payable to employees under PWIF.

Order of payment of unsecured creditors

3. The Administration is requested to respond to some members' views that ordinary customers and small suppliers of a company should be accorded with higher priority in the list of unsecured creditors for the distribution of the company's assets in the winding-up.