

**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 30 November 2015**

Safeguards for employees under the provisions on "transaction at an undervalue"

1. The Administration is requested to address some members' concern that if employees receive commissions from a transaction entered into by a company, but the transaction is subsequently found to be one at an undervalue, there would be adverse impact on the employees.

Measures to streamline the winding-up process

2. The Administration is requested to provide information on the views received during the public consultation on the proposals in respect of a court winding-up: (a) allowing the bills of costs or charges of the liquidators' agents to be approved by the committee of inspection ("COI"); and (b) enabling the liquidator to exercise the power to appoint a solicitor to assist in performing the liquidator's duties by giving seven days' advance notice to COI (or to the creditors in case there is no COI).

Measure relating to the redemption or buy-back of a company's own share out of capital

3. The Bill provides for the liabilities of directors and members concerned to contribute to the assets of a company in connection with a redemption or buy-back of the company's own shares out of capital in cases where the company is wound up within one year of the relevant payment out of capital. The Administration is requested to address a member's concern that the proposed measure may hinder the normal redemption and buy-back of shares by companies.

Changes to the existing insolvency regime

4. To facilitate members' understanding of changes introduced by the Bill, the Administration is requested to set out the major proposals/provisions of the Bill under the following four categories and compare them with the provisions under the existing insolvency regime:

- (a) introduction of new measures;
- (b) enhancement of the existing measures;
- (c) codification of the existing practices; and
- (d) deletion of the existing measures.