

**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 14 December 2015**

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

1. Further to members' concerns expressed at the meeting on 6 November 2015 on the need to address the issue of the long time gap between the commencement of the winding-up process of a company and the making of payments from PWIF, the Administration is requested to follow up with the Labour and Welfare Bureau and the Labour Department in exploring possible measures under the context of the corporate winding-up regime to help expedite the application process of PWIF, and report the results of discussion to the Bills Committee.

Appointment of liquidators/provisional liquidators by the Official Receiver's Office ("ORO")

2. The Administration is requested to respond to a member's views that there should be qualification requirements for liquidators/provisional liquidators and ORO should enhance the transparency in appointing liquidators/provisional liquidators, and provide the following information:
 - (a) the composition of the Panels established by ORO for outsourcing winding-up cases (i.e. Panel A and Panel T), and their respective selection criteria; and
 - (b) the mechanism for ORO to appoint a member of the Panels as the liquidator/provisional liquidator of a winding-up case.

The "relevant time" for the new provisions on "transaction at an undervalue"

3. Members are concerned that a well-conceived "transaction at an undervalue" may consist of a number of transactions starting more than five years before the commencement of the winding-up of a company and the proposed five-year claw-back period for the new provisions on "transaction at an undervalue" may not cover such related transactions. The Administration is requested to respond to members' views that the Bill should include provisions to allow the court with discretion to set aside transactions entered into by a company beyond the 5-year period which are related to an undervalue transaction.

Changes to the existing insolvency regime

4. A member notes that notwithstanding that there are no explicit provisions in the existing Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) on new measures introduced by the Bill, e.g. the proposal relating to "transaction at an undervalue" (i.e. new measures set out in part (a) of the Annex to LC Paper No. CB(1)283/15-16(02)), the court may handle similar matters under case law. The Administration is requested to provide information on the relevant practices and case law (if any) applied by the court in handling such matters.

Issues raised by the Legal Adviser to the Bills Committee

5. The Administration is requested to provide written responses to the issues raised by the Legal Adviser to the Bills Committee in her the letter dated 10 December 2015 (CB(1)283/15-16(03)).

Council Business Division 1
Legislative Council Secretariat
8 January 2016