

**立法會**  
**Legislative Council**

LC Paper No. CB(1)463/17-18  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/7/16/2

**Bills Committee on Anti-Money Laundering and Counter-Terrorist  
Financing (Financial Institutions) (Amendment) Bill 2017 and  
Companies (Amendment) Bill 2017**

**Minutes of the third meeting on  
Tuesday, 14 November 2017, at 10:45 am  
in Conference Room 3 of the Legislative Council Complex**

**Members present** : Hon WONG Ting-kwong, GBS, JP (Chairman)  
Hon James TO Kun-sun  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon CHAN Kin-por, GBS, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon Charles Peter MOK, JP  
Hon Kenneth LEUNG  
Hon Dennis KWOK Wing-hang  
Hon CHUNG Kwok-pan  
Hon Holden CHOW Ho-ding  
Hon CHAN Chun-ying  
Hon Tanya CHAN

**Members absent** : Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Elizabeth QUAT, BBS, JP  
Hon CHU Hoi-dick  
Dr Hon Junius HO Kwan-yiu, JP

**Public officers attending** : Mr Chris SUN, JP  
Deputy Secretary for Financial Services and the  
Treasury (Financial Services)

Ms Eureka CHEUNG  
Principal Assistant Secretary for Financial Services and  
the Treasury (Financial Services)

Miss Helen KWAN  
Assistant Secretary for Financial Services and the  
Treasury (Financial Services)

Mr Nelson LAM  
Assistant Secretary for Financial Services and the  
Treasury (Financial Services)

Ms Ada CHUNG, JP  
Registrar of Companies

Mr Francis MOK  
Senior Solicitor (Company Law Reform)  
Companies Registry

Ms Nilmini DISSANAYAKE, BBS  
Consultant Counsel  
Department of Justice

Ms Rayne CHAI  
Senior Assistant Law Draftsman  
Department of Justice

Ms Frances HUI  
Senior Assistant Law Draftsman  
Department of Justice

Mr Vincent WAI  
Government Counsel  
Department of Justice

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

**Staff in attendance :** Miss Joyce CHAN  
Assistant Legal Adviser 1

Mr Bonny LOO  
Assistant Legal Adviser 4

Mr Hugo CHIU  
Senior Council Secretary (1)4

Miss Sharon LO  
Senior Council Secretary (1)9

Ms Sharon CHAN  
Legislative Assistant (1)4

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**I Meeting with the Administration**

Matters arising from the previous meeting

(LC Paper No. CB(1)205/17-18(01) — List of follow-up actions arising from the discussion at the meeting on 30 October 2017

LC Paper No. CB(1)205/17-18(02) — Administration's response to issues raised at the meeting on 30 October 2017)

Clause-by-clause examination of the Companies (Amendment) Bill 2017

(LC Paper No. CB(3)736/16-17 — The Bill

File Ref: B&M/4/1/43C — Legislative Council Brief

LC Paper No. LS89/16-17 — Legal Service Division Report

LC Paper No. CB(1)1456/16-17(05) — Marked-up copy of the Companies Ordinance prepared by the Legal Service Division (Restricted to members only)

Action

- LC Paper No. CB(1)1456/16-17(06) — Letter dated 21 July 2017 from the Legal Service Division to the Administration (CO)
- LC Paper No. CB(1)1456/16-17(07) — Administration's response dated 29 September 2017 to the Legal Service Division's letter dated 21 July 2017 regarding the Bill (CO))

Other relevant papers

(A) *Papers relating to the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Bill 2017*

- (LC Paper No. CB(3)735/16-17 — The Bill
- File Ref: B&M/4/1/41C — Legislative Council Brief
- LC Paper No. LS88/16-17 — Legal Service Division Report
- LC Paper No. CB(1)1456/16-17(01) — Marked-up copy of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance and other legislation to be amended by the Bill prepared by the Legal Service Division (Restricted to members only)
- LC Paper No. CB(1)1456/16-17(02) — Letter dated 6 July 2017 from the Legal Service Division to the Administration (AMLO)
- LC Paper No. CB(1)1456/16-17(03) — Letter dated 12 July 2017 from the Legal Service Division to the Administration (AMLO)

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LC Paper No. CB(1)1456/16-17(04) — Administration's response dated 29 September 2017 to the Legal Service Division's letters dated 6 and 12 July 2017 regarding the Bill (AMLO))

(B) *Paper relating to the two Bills*

(LC Paper No. CB(1)1456/16-17(08) — Background brief prepared by the Legislative Council Secretariat)

Discussion

The Bills Committee deliberated (Index of proceedings attached at **Appendix**). The Bills Committee conducted and completed clause-by-clause examination of the Companies (Amendment) Bill 2017.

Follow-up actions to be taken by the Administration

*Approach in applying statutory customer due diligence and record-keeping requirements to the legal professionals*

2. The Administration was requested to respond to some members' suggestions of: (a) making amendments to Practice Direction P ("PDP") issued by the Law Society of Hong Kong ("LSHK") so that the requirements therein would fully align with the requirements in Schedule 2 to the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615) or those requirements promulgated by the Financial Action Task Force; and (b) introducing amendments to the Legal Practitioners Ordinance (Cap. 159) empowering LSHK to enforce the compliance of the legal professionals with the amended PDP.

*Implementation of statutory customer due diligence and record-keeping requirements for designated non-financial businesses and professions*

3. The Administration was requested to address a member's concern that the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Bill 2017 ("AMLO Bill") had not adopted a risk-based approach in applying the statutory customer due diligence ("CDD") and record-keeping requirements to the designated non-financial businesses and

Action

professions ("DNFBPs") (i.e. legal professionals, accountants, real estate agents, and trust or company service providers) and had not recognized the different risks and operation of respective DNFBPs. There was also concern that the AMLO Bill would adversely affect the normal operation of DNFBPs.

4. The Administration was requested to consider the following suggestions raised by a member: (a) allowing local legal professionals to rely on qualified legal professionals of overseas jurisdictions to conduct CDD measures on their behalf for their overseas clients; and (b) removing the requirement to apply anti-money laundering and counter-terrorist financing duties to DNFBPs' branches and subsidiary undertakings outside Hong Kong.

5. The Administration was requested to provide information on how CDD measures relating to the enquiry into the beneficial owners of both individuals and legal entities were expected to be carried out by DNFBPs.

*Scope of the list of law enforcement officer in the Companies (Amendment) Bill 2017*

6. The proposed new section 653B(1) of the Companies Ordinance (Cap. 622) set out the list of law enforcement officers who would have the power to inspect the register of significant controllers kept by a company. The Administration was requested to consider a member's suggestion of adding officers of: (a) the Labour Department; and (b) the Mandatory Provident Fund Schemes Authority to the list.

*(Post meeting note: The Administration's written responses were issued to members vide LC Paper No. CB(1)282/17-18(02) on 27 November 2017.)*

## **II Any other business**

### Date of next meeting

7. The Chairman reminded members that the next meeting would be held on 28 November 2017 at 10:45 am.

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8. There being no other business, the meeting ended at 12:40 pm.

Council Business Division 1  
Legislative Council Secretariat  
10 January 2018

**Proceedings of the third meeting of the Bills Committee on  
Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions)  
(Amendment) Bill 2017 and Companies (Amendment) Bill 2017  
on Tuesday, 14 November 2017, at 10:45 am  
in Conference Room 3 of the Legislative Council Complex**

Time Marker	Speaker	Subject(s)	Action Required
<b>Agenda item I — Meeting with the Administration</b>			
000438 – 000713	Chairman Administration	Briefing by the Administration on its response to issues raised at the meeting of the Bills Committee on 30 October 2017, which included, inter alia, its response to views made by deputations on the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Bill 2017 ("AMLO Bill") and the Companies (Amendment) Bill 2017 ("CO Bill"). [LC Paper No. CB(1)205/17-18(02)]	
<b>Clause-by-clause examination of the Companies (Amendment) Bill 2017</b>			
000714 – 001057	Chairman Administration Mr Kenneth LEUNG	<p><b>Companies (Amendment) Bill 2017</b></p> <p><u>Clause 1 – Short title and commencement</u></p> <p><u>Clause 2 – Companies Ordinance amended</u></p> <p><u>Clause 3 – Part 12, Division 2 heading amended (registers)</u></p> <p><u>Clause 4 – Part 12, Division 2A added</u></p> <p><b><i>Division 2A — Register of Significant Controllers</i></b></p> <p><b><i>Subdivision 1 — Preliminary</i></b></p> <p>653A. <i>Interpretation</i></p> <p>653B. <i>Law enforcement officer</i></p>	



Time Marker	Speaker	Subject(s)	Action Required
		<p>Mr LEUNG's enquiries about:</p> <p>(a) amendment on the list of law enforcement officers (who were permitted to inspect the significant controllers register ("SCR") kept by a company) set out in the proposed new section 653B(1) of the Companies Ordinance (Cap. 622) ("CO"); and</p> <p>(b) whether consideration would be given to include officers of agencies, such as the Joint Financial Intelligence Unit ("JFIU"), the Labour Department ("LD") and the Mandatory Provident Fund Schemes Authority ("MPFA") in the list under the proposed new section 653B(1) of CO. The expansion of the scope to cover officers of LD and MPFA could facilitate their discharge of functions relating to companies even though such functions might not directly relate to AML/CTF functions.</p> <p>The Government responded as follows:</p> <p>(a) the proposed new section 653ZG(1)(b) of CO empowered the Financial Secretary to make regulation to specify any other departments or agencies for the purpose of section 653B(1)(j). Such regulation would be made by subsidiary legislation subject to the negative vetting procedure of the Legislative Council ("LegCo");</p> <p>(b) officers of JFIU were covered in the list under the proposed new section 653B(1) of CO as JFIU was comprised of officers from the Customs and Excise Department and the Hong Kong Police Force; and</p> <p>(c) the main objective of the CO Bill was to implement the recommendations of the Financial Action Task Force ("FATF") to combat money-laundering ("ML") and terrorist financing ("TF"). The list of law enforcement officers under the proposed</p>	<p>The Administration to take action as per paragraph 6 of the minutes</p>

Time Marker	Speaker	Subject(s)	Action Required
		<p>new section 653B(1) of CO was therefore restricted to officers from departments or enforcement agencies whose functions were related to the prevention, detection or investigation of ML or TF matters.</p>	
001058 – 011335	<p>Chairman Mr James TO Administration Mr Dennis KWOK Mr Holden CHOW Assistant Legal Adviser 4 ("ALA4")</p>	<p><u>Implementation of statutory customer due diligence and record-keeping requirements for designated non-financial businesses and professions</u></p> <p>In response to Mr TO's enquiry, the Government highlighted requirements provided in Schedule 2 to the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615) ("AMLO") that were not covered by Practice Direction P ("PDP") issued by the Law Society of Hong Kong ("LSHK") (i.e. paragraphs 5 of LC Paper No. CB(1)205/17-18(02)).</p> <p>Mr TO's views and enquiries as follows:</p> <p>(a) the AMLO Bill had not adopted a risk-based approach in applying the statutory customer due diligence ("CDD") and record-keeping requirements to the designated non-financial businesses and professions ("DNFBPs") (i.e. legal professionals, accountants, real estate agents, and trust or company service providers) and had not recognized the different risks and operation of the respective DNFBPs. There was also concern that the AMLO Bill would adversely affect the normal operation of DNFBPs;</p> <p>(b) PDP had adopted a risk-based approach in implementing the CDD and record keeping requirements relating to ML and TF promulgated by FATF. For instance, depending on the types of transactions involved, the legal professionals could vary the period for keeping relevant transaction records within a range of three to 15 years;</p>	<p>The Administration to take action as per paragraphs 3 to 5 of the minutes</p>

Time Marker	Speaker	Subject(s)	Action Required
		<p>(c) the Administration should examine the feasibility of (i) allowing local legal professionals to rely on qualified legal professionals of overseas jurisdictions to conduct CDD measures on their behalf for their overseas clients; and (ii) removing the requirement to apply anti-money laundering and counter-terrorist financing ("AML/CTF") duties to DNFBPs' branches and subsidiary undertakings outside Hong Kong;</p> <p>(d) the Administration should provide information on how CDD measures relating to the enquiry into the beneficial owners of both individuals and legal entities were expected to be carried out by DNFBPs. In particular, there was concern about the impacts of CDD measures on real estate agents including whether agents might need to give up certain transactions if they had difficulty in identifying the beneficial owners of the properties involved in the transactions, or whether they would be regarded as complying with the relevant CDD and record keeping requirements if they had collected and recorded traceable information from their clients; and</p> <p>(e) there was concern that the existing approach of extending the coverage of Schedule 2 to AMLO to DNFBPs might result in over-reporting by DNFBPs.</p> <p>The Chairman pointed out that real estate agents should not encounter difficulty in conducting CDD measures. Real estate agents in general would receive cheques or bank drafts (instead of cash) from clients, and hence the sources of payment could be traceable.</p> <p>The Government advised as follows:</p> <p>(a) the AMLO Bill had already adopted a risk-based approach in implementing</p>	

<b>Time Marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
		<p>AML/CTF requirements as advocated by FATF. For instance, in view of the lesser risks concerning DNFBPs, the AMLO Bill did not propose imposing criminal sanctions on DNFBPs for non-compliance with AML/CTF requirements whereas both civil and criminal sanctions were currently applicable to financial institutions ("FIs") when they failed to comply with AML/CTF requirements in AMLO;</p> <p>(b) the six-year record-keeping requirement stipulated in both AMLO and the AMLO Bill was in line with FATF recommendation of "at least five years";</p> <p>(c) FATF required member jurisdictions to codify CDD and record-keeping requirements on DNFBPs into the statute. For instance, Singapore received unfavourable ratings in the mutual evaluation for its DNFBPs regime notwithstanding the presence of guidelines issued by relevant regulatory bodies on CDD and record-keeping requirements, which were not set out in law. FATF noted the issuance of PDP by LSHK in the last round of mutual evaluation on Hong Kong but still considered the absence of statutory CDD and record-keeping requirements for DNFBPs a key deficiency in Hong Kong's AML/CTF regulatory regime;</p> <p>(d) with due respect to the principle of professional self-regulation, the Government proposed from the outset leveraging on the existing regulatory regimes applicable to legal and accounting professionals and estate agents to enforce Schedule 2 CDD and record-keeping requirements under the AMLO Bill. LSHK, Hong Kong Institute of Certified Public Accountants and Estate Agents Authority would be entrusted as regulatory bodies under the AMLO Bill to issue sector-specific guidelines and oversee</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>compliance of the relevant professions with AMLO requirements;</p> <p>(e) CDD measures on beneficial owners applicable to a DNFBP were about identifying and taking reasonable steps to verify the beneficial owner's identity so that the DNFBP was satisfied that it knew who the beneficial owner was and kept a record of the information of the beneficial owner. In the case of suspected money laundering/terrorist financing ("ML/TF") activities, law enforcement agencies would trace the genuine underlying beneficial owners during the investigation process; and</p> <p>(f) the AMLO Bill had set out the CDD requirements applicable in different risk situations. For example, enhanced CDD measures would be required for transactions involving anonymous persons or shelf companies. Individuals should report suspicious transactions that might involve ML/TF under the Organized and Serious Crimes Ordinance (Cap. 455), the Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405) and the United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575).</p> <p><u>Approach in applying statutory customer due diligence and record-keeping requirements to the legal professionals</u></p> <p>Mr KWOK's views and enquiries as follows:</p> <p>(a) the Administration should not apply the same set of CDD and record-keeping requirements to the four sectors of DNFBPs in a broad-brush manner; and</p> <p>(b) the Administration should examine the feasibility of introducing: (i) amendments to PDP so that the requirements therein would fully align with the requirements in</p>	<p>The Administration to take action as per paragraph 2 of the minutes</p>

Time Marker	Speaker	Subject(s)	Action Required
		<p>Schedule 2 to AMLO or those requirements promulgated by FATF; and (ii) amendments to the Legal Practitioners Ordinance (Cap. 159) to empower LSHK to enforce the compliance of the legal professionals with the amended PDP.</p> <p>Mr CHOW remarked that some legal professionals considered that the CDD and record-keeping requirements of the AML/CTF regime should continue to be implemented through PDP as such guidelines had been operating smoothly; and it would be absurd for the Government to enact legislation which would have the effect of overriding guidelines issued by the legal professions.</p> <p>The Government advised that:</p> <ul style="list-style-type: none"> <li>(a) PDP did not have the force of law and the promulgation of and amendments to PDP were not subject to the scrutiny of LegCo;</li> <li>(b) experience of overseas jurisdictions in recent mutual evaluations revealed that FATF would not accept the approach of implementing the CDD and record-keeping requirements on DNFBPs through issuance of guidelines. The United Kingdom ("the UK") already had legislation in place to require its legal professionals to conduct statutory CDD and record-keeping measures; and</li> <li>(c) to ensure consistency and fairness across the board, it was appropriate for legal professionals to be subject to the AMLO requirements alongside with other DNFBP sectors in the AMLO Bill.</li> </ul> <p>ALA4 informed members that the UK had enacted the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, which had come into force on 26 June 2017. The statutory instrument applied to a number of</p>	

Time Marker	Speaker	Subject(s)	Action Required
		businesses and professions including independent legal professionals.	
<b>Clause-by-clause examination of the Companies (Amendment) Bill 2017 (con't)</b>			
011336 – 011734	Chairman Administration Assistant Legal Adviser 1 ("ALA1")	<p>653C. <i>Registrable person</i></p> <p>653D. <i>Registrable legal entity</i></p> <p>653E. <i>How to determine whether person has significant control over applicable company</i></p> <p>653F. <i>Registrable change</i></p> <p>653G. <i>Related person</i></p> <p><b><i>Subdivision 2 — Keeping of Significant Controllers Register</i></b></p> <p>653H. <i>Keeping of register</i></p> <p>653I. <i>Contents of register</i></p> <p>In response to ALA1's enquiry about the legal effect of the proposed new section 653I(4) of CO which provided that "To avoid doubt, section 634 does not affect what may be contained or entered in the significant controllers register of an applicable company.", the Government explained when a legal entity was the registrable legal entity of a company (i.e. it had significant control over the company), the required particulars of the registrable legal entity should be contained in the company's SCR. The current section 634 of CO provided that no notice of any trust could be entered in the register of members of a company. The purpose of the proposed new section 653I(4) was that if a person controlled a company through a registrable legal entity, the company's SCR should contain the required particulars of that person even if a trust was involved.</p>	

<b>Time Marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
011735 – 011925	Chairman Administration	<p>653J. <i>Entering of particulars in register — registrable person</i></p> <p>653K. <i>Entering of particulars in register — registrable legal entity</i></p> <p>653L. <i>When may entries in register be destroyed</i></p> <p>The proposed new section 653L of CO stipulated that all the entries relating to a person or legal entity contained in a company's SCR might be destroyed after the end of a period of six years from the date on which the person or legal entity ceased to be a registrable person or registrable legal entity of the company. In this connection, the Chairman asked whether the company could keep the information concerned for over six years. The Government replied in the affirmative.</p>	
011926 – 014211	Chairman Administration ALA1	<p>653M. <i>Place at which register must be kept</i></p> <p>653N. <i>Change in place at which register is kept</i></p> <p><b><i>Subdivision 3 — Investigation and Obtaining Information by Applicable Company</i></b></p> <p>653O. <i>Interpretation</i></p> <p>653P. <i>Company's duty to investigate and obtain information</i></p> <p>653Q. <i>Notice under section 653P(2)</i></p> <p>653R. <i>Notice under section 653P(3)</i></p> <p>653S. <i>Circumstances where notice under section 653P not required</i></p> <p><b><i>Subdivision 4 — Applicable Company to Keep Information Up-to-date</i></b></p> <p>653T. <i>Company's duty to keep information up-to-date</i></p>	



Time Marker	Speaker	Subject(s)	Action Required
		<p>653U. <i>Notice under section 653T</i></p> <p>653V. <i>Circumstances where notice under section 653T not required</i></p> <p><b>Subdivision 5 — Inspection of Significant Controllers Register</b></p> <p>653W. <i>Right to inspect and request copy of register</i></p> <p>653X. <i>Register be available for inspection etc. by law enforcement officer</i></p> <p>653Y. <i>Court order relating to inspection of register</i></p> <p>653Z. <i>Court order relating to making copy of register</i></p> <p><b>Subdivision 6 — Miscellaneous or Related Matters</b></p> <p>653ZA. <i>Addressee of notice to comply with requirements made under section 653Q, 653R or 653U</i></p> <p>ALA1 referred to the issues relating to the proposed new sections 653P, 653Q, 653R, 653X, 653Y and 653Z of CO which she had raised in the letter dated 21 July 2017 to the Administration, and the Government explained its responses accordingly. (LC Paper Nos. CB(1)1456/16-17(06) and (07)).</p>	
014212 – 015007	Chairman Administration Mr Holden CHOW ALA1	<p>653ZB. <i>Legal professional privilege</i></p> <p>653ZC. <i>Designated representative</i></p> <p>653ZD. <i>Power of Court to order rectification of register</i></p> <p>653ZE. <i>Offence for false information</i></p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>653ZF. <i>Applicable company not to be affected with notice of certain rights or put on enquiry as to certain rights</i></p> <p>653ZG. <i>Financial Secretary may make regulations</i></p> <p>653ZH. <i>Transitional provision for section 653J</i></p> <p>653ZI. <i>Transitional provision for section 653K</i></p> <p>653ZJ. <i>Transitional provisions for section 653P</i></p> <p>653ZK. <i>Transitional provision for section 653S</i></p> <p><u>Clause 5 – Section 911 amended (Financial Secretary and Registrar may amend schedules)</u></p> <p><u>Clause 6 – Schedules 5A, 5B and 5C added</u></p> <p><i>Schedule 5A Significant Control over Applicable Company</i></p> <p>ALA1 pointed out that section 11(2)(b) of the proposed new Schedule 5A to CO provided that "a reference to 25% of the voting rights in the entity is a reference to the right under the entity's constitution to block changes to the overall policy of the entity or to the terms of its constitution". She noted that in relation to the right to block changes to overall policy of a company or to the terms of the company's constitution, sections 87 to 89 of CO provided that a company might alter its articles and objects by special resolution, which could only be passed by a majority of at least 75% (as provided in section 564 of CO). ALA1 requested the Administration to elaborate the relation between the provisions she had mentioned.</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>The Government advised that under FATF requirement, the significant controller of a company would hold more than 25% of the voting rights of the company. Taking into account the provisions of CO, this effectively meant that the significant controller could block changes to the company's articles or objects, which had to be altered by special resolution subject to a threshold of not less than 75%.</p>	
015008 – 015300	Chairman Mr Holden CHOW Administration	<p><i>Schedule 5B Required Particulars of Significant Controllers</i></p> <p>Mr CHOW sought details of the terms "the entity's legal form" and "the laws that governs the entity" in section 3(2)(c) of the Schedule.</p> <p>The Government advised that an entity would be the significant controller of a company if one or more of the conditions provided in section 1 of the proposed new Schedule 5A to CO were met. A specified entity might be an international organization such as the United Nations. The expression "the entity's legal form" in section 3(2)(c) referred to the form of the entity under the law that governed the entity, and the expression "the laws that governs the entity" referred to the law under which the entity was being controlled.</p>	
015301 – 015909	Chairman Administration Mr Holden CHOW	<p><i>Schedule 5C Additional Matters</i></p> <p>Mr CHOW enquired whether a company had to examine its Articles of Association in preparing the SCR in order to identify its significant controllers.</p> <p>The Government responded that:</p> <p>(a) a company had to take reasonable steps to identify its significant controllers, including examining relevant documents like its Articles of Association and register of members; and</p>	

<b>Time Marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
		<p>(b) the Companies Registry ("CR") would provide guidelines and specified forms to facilitate companies in meeting the relevant requirements. CR would also launch publicity campaigns and set up an enquiry hotline.</p> <p>Part 2 of the proposed new Schedule 5C to CO Bill set out certain information should be entered in the SCR under various scenarios. Mr CHOW suggested that CR should provide samples for each scenario to facilitate compilation of SCRs by companies.</p>	
<b>Agenda item II — Any other business</b>			
015910 – 020024	Chairman ALA1	<p>ALA1 said that the Legal Service Division of the LegCo Secretariat had not identified difficulties in the drafting aspects of the English version of the CO Bill.</p> <p>Date of next meeting</p>	