

June 8, 2018

Clerk to Bills Committee on Companies (Amendment) Bill 2018  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

**By Fax: 3529 2837**

Dear Sirs

**RE: Companies (Amendment) Bill 2018 (the "Bill")**

We refer to the above Bill and welcome the amendments in:

- Expanding the scope for the reporting exemption for simplified report
- Updating of the accounting-related provisions in Part 9 of, and Schedule 2 to the new Companies Ordinance (Cap. 622) ("new CO")

In addition, we welcome the amendments to clarify the policy intent or remove ambiguities and inconsistencies namely:

- Display of company name for non-Hong Kong companies
- Alignment of penalty provision relating to financial statements and reports
- Streamlining and clarifying provisions to facilitate compliance

The Bill has duly incorporated the accounting profession's proposed amendments to the new CO relating to financial reporting. These amendments will no doubt alleviate the financial reporting burden and compliance costs for the Small and Medium Enterprises in Hong Kong.

Should you require any further information or clarification, please let us know.

Yours faithfully

