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Our Ref.: KT/RT/ew/G380007

15th June, 2018

BY EMAIL <bc 07 17@legco.gov.hk>

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

Dear Sirs,

Re : Companies (Amendment) Bill 2018

We are a Certified Public Accountants firm in Hong Kong and an independent member firm of the International Network of Accountants and Auditors ("INAA Group"). With reference to the captioned Companies (Amendment) Bill 2018, we would like to provide our views.

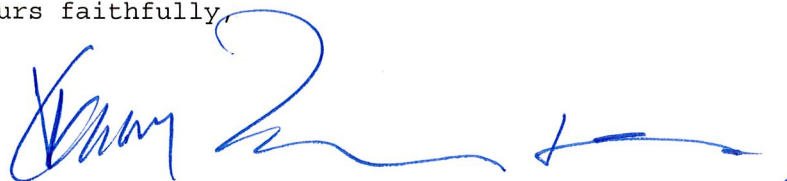
The new Companies Ordinance (Cap. 622) ("New CO") came into operation in March 2014. The New CO has been operating more than four years and providing a modern statutory framework for incorporation and operation of companies in Hong Kong. However, certain provisions in the New CO would need to be amended in order to further facilitate business activities in Hong Kong. We refer to the captioned Bill and definitely support various amendments in the Bill.

In particular, many of our overseas clients besides our local clients will use Hong Kong company to hold their subsidiaries in the mainland China. We support expanding the scope for simplified reporting which allows holding companies of groups of small private companies with non-Hong Kong subsidiaries. The amendment provides more flexibility to Hong Kong Small and Medium Entities ("SMEs") to reduce their compliance costs and enhance Hong Kong as a leading finance centre.

In the meantime, we also support the current threshold of the size criteria in qualifying the reporting exemption in the New CO. The threshold would facilitate business and more SMEs can obtain benefit from the reporting exemption to reduce the costs of doing business in Hong Kong.

Thank you for your attention. If you want any clarification, please feel free to contact our Senior Manger, Mr. Raymond Tai.

Yours faithfully,



Certified Public Accountants