Clarify in the Model Articles that only an ordinary resolution of a company is required for certain types of alteration of the share capital of the company.

Clarify that “non-statutory accounts” do not include a summary financial report.

Provide that the financial year of a company may be shortened or lengthened by a period not exceeding 7 days.

Clarify the primary accounting reference date for a dormant company that has ceased to be dormant.

Clarify provisions in respect of company record-keeping and company administration and procedure, including the requirements to keep resolutions passed by directors without a meeting and to notify the Registrar of the location of keeping minutes of directors’ meetings, resolutions of directors and written records of decisions of sole director.

[Note: Revised Form NR2 - Notice of Location of Registers and Company Records is available for downloading from the Registry’s website]

Clarify in the Model Articles that only one extraordinary resolution of a company is required for certain types of alteration of the share capital of the company.

Clarify that “non-statutory accounts” do not include a summary financial report.

Provide that the financial year of a company may be shortened or lengthened by a period not exceeding 7 days.

Clarify the primary accounting reference date for a dormant company that has ceased to be dormant.

Clarify provisions in respect of company record-keeping and company administration and procedure, including the requirements to keep resolutions passed by directors without a meeting and to notify the Registrar of the location of keeping minutes of directors’ meetings, resolutions of directors and written records of decisions of sole director.

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Aligning penalty provisions

Align the penalty level for an offence for making a misleading, false or deceptive statement to an auditor relating to revised financial statements with a corresponding offence relating to original financial statements.

<table>
<thead>
<tr>
<th>Key Amendments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Updating relevant accounting-related provisions</strong></td>
</tr>
<tr>
<td>– Update the definitions of “holding company” and “parent undertaking” to reflect the current accounting standards.</td>
</tr>
<tr>
<td>– Adopt control as the basis for determining whether an entity is a “subsidiary” of the “parent undertaking”.</td>
</tr>
<tr>
<td><strong>Streamlining and clarifying provisions to facilitate compliance</strong></td>
</tr>
<tr>
<td>– Clarify that a company with both an English name and a Chinese name may display either its English name or Chinese name.</td>
</tr>
<tr>
<td>– Clarify that the statement of capital should report the share capital position immediately after the relevant change; and the obligation to give particulars of class rights in the statement of capital only arises when there are different classes of shares.</td>
</tr>
<tr>
<td>– Provide that when all members in a class agree to a variation of the class rights, the variation will have effect as agreed.</td>
</tr>
<tr>
<td>– Provide alternative means for a holding company to disclose the names of the directors of all its subsidiary undertakings on its website, or by keeping such a list at its registered office and making it available for inspection.</td>
</tr>
<tr>
<td>– Provide an option for a holding company which is also a wholly owned subsidiary to prepare consolidated financial statement instead of its own financial statement.</td>
</tr>
<tr>
<td>– Allow a partially owned subsidiary to prepare its own financial statement instead of consolidated financial statement if all members agree.</td>
</tr>
</tbody>
</table>
**Existing Reporting Exemption**

- Small private company / holding company of a group of small private companies
- Eligible private company / holding company of a group of eligible private companies with requisite members’ approval*
- Small guarantee company / holding company of a group of small guarantee companies
- Other private companies (not having any subsidiary and not being a subsidiary of another company) with unanimous members’ approval*

* A copy of the resolution is required to be delivered to the Registrar for registration within 15 days.

**Allow 2 other types of corporate groups to benefit from the reporting exemption:**
(provided that both the holding company and all of its subsidiaries meet the specified size criteria)

1) Holding companies of corporate groups comprising small private companies / eligible private companies and small guarantee companies (mixed groups); and
2) Holding companies of groups of small private companies, eligible private companies and small guarantee companies or mixed groups described above, with non-Hong Kong subsidiaries.

### Mixed Group - Size Criteria

<table>
<thead>
<tr>
<th>Holding Company Type</th>
<th>Any 2 conditions below should be met:</th>
</tr>
</thead>
</table>
| If the holding company is a small private company                                   | 1. Aggregate total revenue not exceeding HK$100M  
2. Aggregate total assets not exceeding HK$100M  
3. Aggregate employees not exceeding 100                                               |
| If the holding company is an eligible private company (with members’ approval)      | 1. Aggregate total revenue not exceeding HK$200M  
2. Aggregate total assets not exceeding HK$200M  
3. Aggregate employees not exceeding 100  
   - For a group of eligible private companies, the adoption of simplified reporting will require a resolution by members of the holding company |
| If the holding company is a small guarantee company                                 | The following condition should be met:  
Aggregate total revenue not exceeding HK$25M                                              |