
Schedule 8

[s. 896]

Amendments relating to Paperless Holding and Transfer of Shares and Debentures**1. This Ordinance amended**

This Ordinance is amended as set out in sections 2 to 14 of this Schedule.

2. Section 2 amended (Interpretation)

Section 2(1)—

Add in alphabetical order

“*prescribed securities* (訂明證券) has the meaning given by section 397(5) of the Securities and Futures Ordinance (Cap. 571);

Scripless Rules (《無紙化規則》) means rules made under section 397(1A) of the Securities and Futures Ordinance (Cap. 571);”.

3. Section 129 amended (Nature and transferability of shares)

Section 129(2), after “articles”—

Add

“subject, for shares or other interests that are prescribed securities, to the Scripless Rules”.

4. Section 132 amended (Share certificate to be proof of title in the absence of contrary evidence)

(1) Section 132—

Renumber the section as section 132(1).

(2) After section 132(1)—

Add

“(2) Subsection (1) does not affect section 626.”.

5. Section 139 amended (Issue of share certificate on allotment)

Section 139—

Repeal subsection (2)

Substitute

“(2) Subsection (1) does not apply if—

- (a) the shares are prescribed securities that are allotted in accordance with the Scripless Rules; or
- (b) the shares are not prescribed securities and the conditions of issue of the shares provide otherwise.”.

6. Section 145 amended (Requirement for instrument of transfer)

After section 145(2)—

Add

“(3) Subsection (1) does not apply to a transfer, made in accordance with the Scripless Rules, of shares that are prescribed securities.”.

7. Section 148 amended (Transfer by personal representative)

Section 148—

Repeal

“execution of the instrument of transfer”

Substitute

“the transfer”.

8. Section 150 amended (Issue of share certificate on transfer)

Section 150(3)—

Repeal paragraph (a)**Substitute**

“(a) either—

- (i) the shares are prescribed securities that are transferred in accordance with the Scripless Rules; or
- (ii) the shares are not prescribed securities and the conditions of issue of the shares provide otherwise.”.

9. Section 315 amended (Issue of debenture or certificate for debenture stock on allotment)

Section 315—

Repeal subsection (2)**Substitute**

“(2) Subsection (1) does not apply if—

- (a) the debentures or debenture stock are prescribed securities that are allotted in accordance with the Scripless Rules; or
- (b) the debentures or debenture stock are not prescribed securities and the conditions of issue of the debentures or debenture stock provide otherwise.”.

10. Section 317 amended (Requirement for instrument of transfer)

After section 317(2)—

Add

“(3) Subsection (1) does not apply to a transfer, made in accordance with the Scripless Rules, of debentures or debenture stock that are prescribed securities.”.

11. Section 320 amended (Issue of debenture or certificate for debenture stock on transfer)

Section 320(3)—

Repeal paragraph (a)

Substitute

“(a) either—

- (i) the debentures or debenture stock are prescribed securities that are transferred in accordance with the Scripless Rules; or
- (ii) the debentures or debenture stock are not prescribed securities and the conditions of issue of the debentures or debenture stock provide otherwise;”.

12. Section 617A added

After section 617—

Add

“617A. Additional register entries for prescribed securities

- (1) If a company’s share capital is divided into different classes of shares and any of those shares are prescribed securities, the company must enter in the register of its members—
 - (a) a statement that its share capital is divided into different classes of shares;
 - (b) the voting rights attached to the shares of each class;

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- (c) in relation to a class of shares the holders of which are not entitled to vote at general meetings of the company, the words “non voting” or the Chinese characters “無表決權”; and
 - (d) any other matters that are required by the Scripless Rules to be entered in the register.
- (2) Subsection (1)(c) does not apply to shares that are described as preference shares or preferred shares.
 - (3) If a company contravenes subsection (1), the company, and every responsible person of the company, commit an offence, and each is liable to a fine at level 4 and, in the case of a continuing offence, to a further fine of \$700 for each day during which the offence continues.”.

13. Section 626 amended (Register to be proof in the absence of contrary evidence)

After section 626(1)—

Add

“(1A) Without limiting subsection (1), in the absence of evidence to the contrary, an entry in the register of members recording a person as holding any share is proof of the person’s title to the share.”.

14. Section 685 amended (Obligations of offeror with right to buy out minority shareholders)

Section 685—

Repeal subsection (4)

Substitute

“(4) Subsection (3)(a)(ii) does not require the offeror to send to the company an instrument of transfer of—

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- (a) any shares for which a share warrant is for the time being outstanding; or
 - (b) any shares that are prescribed securities, if the transfer of the shares is made in accordance with the **Scripless Rules**.”.
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