

PART 1

PRELIMINARY

Introduction

1. Part 1 is an introductory part that sets out the title of the new Ordinance, its commencement date, and the interpretation and definitions of various terms and expressions that are used throughout the Ordinance. It has been included in the first phase consultation on the draft CB.
2. With this second phase consultation launched, some definitions have to be added to Part 1 while some others are revised to take into account the requirements of the draft provisions in this second phase consultation.
3. The major changes to Part 1 are:
 - I. Deleting the definitions of “constitution” and “memorandum”**
 4. Upon review, we consider that the definitions of “constitution” and “memorandum” are not necessary, and hence they are deleted. It should be noted that a condition of an existing company’s memorandum of association is to be regarded as a provision of the company’s articles (see **Clause 3.36**) (please refer to the Explanatory Notes on Part 3 for details).
 5. Some of the provisions in the first phase consultation (i.e. those in Parts 2, 10 to 12 and 14 to 18) contain the term “constitution” and they will be changed to “articles” accordingly, except for those provisions where the term “constitution” is used in the general sense, like **Clauses 13.3, 14.5 and 14.8(4)(c)**.
- II. The use of “example” and “note” in the draft Bill**
6. We are committed to plain language drafting and to making the law more accessible. The use, where appropriate, of read aids such as notes and examples is an aspect of this.

7. **Clause 1.2(4)** is added to explain that where the draft Bill includes an example of the operation of a provision (e.g. **Clauses 4.28(1), 5.7(1) and 5.9(3)**), the example is not exhaustive and if the example is inconsistent with the provision, the provision prevails.
8. **Clause 1.2(5)** is added to explain that a note located in the text of the draft Bill (e.g. **Clauses 4.35(3), 5.19(1) and 8.15(4)**) is provided for information only and has no legislative effect.

Other Changes

9. The following definitions are added to Part 1: “articles” with a note added to it; “financial year”; “listing rules”; “share warrant”; and “special notice”.
10. The definition of “incorporation form” is deleted because it is considered unnecessary to have this definition in Part 1. The requirement to deliver an incorporation form is set out in **Clause 3.2(1)(b)(i)**.
11. **Clause 1.2(3)(a)(i)** now reads as “in paper form; or” instead of “in paper copy form; or” as the word “copy” is considered unnecessary, but there is no need to revise the Chinese text.