
Reply Form for the Draft Companies Bill – Second Phase Consultation

1. The purpose of this reply form is to facilitate providing views and comments on the Consultation Paper entitled Draft Companies Bill – Second Phase Consultation (“Consultation Paper”) published by the Financial Services and the Treasury Bureau (“FSTB”) on 7 May 2010.
2. The Consultation Paper can be downloaded from the FSTB’s website at <http://www.fstb.gov.hk/fsb>.
3. If you have any views or comments on the Consultation Paper, you are welcome to complete this reply form and return it to us on or before **6 August 2010** by one of the following means:

By mail or
hand delivery to: Companies Bill Team
 Financial Services and the Treasury Bureau
 15/F, Queensway Government Offices
 66 Queensway
 Hong Kong

Re: **Consultation Paper on
Draft Companies Bill –
Second Phase Consultation**

By fax to: (852) 2869 4195

By e-mail to: co_rewrite@fstb.gov.hk

4. Any questions about this reply form may be addressed to Miss Sandy CHAN, Executive Assistant (Companies Bill Team), who can be reached at (852) 2867 5844 (phone), (852) 2869 4195 (fax) or co_rewrite@fstb.gov.hk (email).
5. Submissions will be received on the basis that we may freely reproduce and publish them, in whole or in part, in any form, and use, adapt or develop any proposal put forward without seeking permission or providing acknowledgment of the party making the proposal.

6. Please note that names of respondents, their affiliation(s) and comments may be posted on the FSTB's website or referred to in other documents we publish. If you do not wish your name and/or affiliation to be disclosed, please state so when making your submission. Any personal data submitted will only be used for purposes which are directly related to consultation purposes under this consultation paper. Such data may be transferred to other Government departments/agencies for the same purposes. For access to or correction of personal data contained in your submission, please contact Miss Sandy CHAN, Executive Assistant (Companies Bill Team), who can be reached at (852) 2867 5844 (phone), (852) 2869 4195 (fax), or co_rewrite@fstb.gov.hk (email).

PART A: GENERAL INFORMATION OF THE RESPONDENT

Name/Name of Organisation	:	_____
If organisation, name and title of Contact Person	:	_____
		<i>(Please fill in if the respondent is a company or organization)</i>
Phone Number	:	_____
E-mail Address	:	_____

If you do not wish to disclose your affiliation or name to the public, please check the box here:

Our organisation does not wish to disclose our name.

I do not wish to disclose my name.

PART B: DETAILED QUESTIONS FOR RESPONSE

You may provide your views or comments on all or any of the questions. If the provided space is insufficient, please attach additional pages.

Question 1

- (a) Do you agree that the restrictions on financial assistance should be abolished for private companies?
- (b) If your answer to (a) is positive, which of the following options concerning regulation of listed and unlisted public companies would you prefer:
- (i) existing rules for listed and unlisted public companies in the CO be retained (i.e. listed companies cannot give financial assistance except for certain exceptions as set out in sections 47C and 47D of the CO while unlisted public companies may give financial assistance subject to solvency test and a special resolution of the shareholders (section 47E of the CO));
 - (ii) the rules for both listed and unlisted public companies to be streamlined using a solvency test as set out in the draft clauses in Division 5 of Part 5;
or
 - (iii) any other option (please elaborate),
- having regard to the need to protect small investors of public companies?

- (c) If your answer to (a) is negative (i.e. you believe that private companies should still be subject to certain restrictions on financial assistance), do you have any specific comments on the draft clauses in Division 5 of Part 5? Please elaborate.

Question 2

Do you agree that there is no need to impose a statutory requirement in the CB for all listed companies incorporated in Hong Kong and unlisted companies incorporated in Hong Kong where members holding not less than 5% of voting rights have so requested to prepare separate directors' remuneration reports?

Question 3

Do you have any comments on the proposed changes to the provisions concerning the investigation of a company's affairs and enquiry into company's affairs that may be exercised by the FS described in paragraphs 4.6 to 4.13, the Explanatory Notes on Part 19 and Divisions 1 to 3 and 5 in Part 19 of the CB?

Question 4

Do you have any comments on the proposed new powers for the Registrar to obtain documents, records and information as described in paragraphs 4.14 to 4.17, the Explanatory Notes on Part 19 and Divisions 1, 4 and 5 in Part 19 of the CB?

Question 5

(a) Do you think the CB should make it obligatory for a company to give reasons explaining its refusal to register a transfer of shares?

- (b) If your answer to (a) is in the affirmative, should the company be required to provide reasons with the refusal:
- (i) in the manner of the UKCA 2006 (i.e. mandatory whenever there is a refusal); or
 - (ii) upon request, as in the case of transmissions by operation of law under section 69(1A) of the CO?

Comment on Draft Clauses

Question 6

Do you have any comments on the draft provisions in the CB Consultation Draft – Parts 1, 3 to 9, 13 and 19 to 20? If so, please elaborate.

Clause No.	Comment

- End -