



**Speech by Ms Ada Chung, Registrar of Companies,
as the Speaker and Guest of Honour at the 2015 Annual Dinner
of the Association of International Accountants
on 20 March 2015**

Good evening, Kenny, Les, distinguished guests, ladies & gentlemen,

I am really honoured to join you all tonight at the AIA HK Branch's Annual Dinner.

As I understand, the AIA has a long history of over 85 years and the Hong Kong Branch celebrated its 40th Anniversary just two years ago, back in 2013. I would say there are at least two nexus between the HK Branch and the Companies Registry.

Firstly, to complete the history, I checked the Companies Register when I was invited to this Dinner. I am pleased to report that the Association is on the Companies Register and has actually started its filing history with the CR back in December 1973, over 40 years ago.

Secondly, while you are celebrating your 42nd Anniversary this year, we are celebrating a much younger anniversary than yours - that is the first anniversary of the implementation of the new Companies Ordinance.

As you may recall, the new Companies Ordinance has commenced operation since 3 March last year. While we are celebrating its first anniversary, I think it is also high time that I give you an account of the implementation of the new Ordinance so far.

I must say we at the Companies Registry had an extremely busy year last year. To facilitate the implementation of the new Ordinance, we issued 16 external circulars and 4 guidelines to elaborate on specific aspects of the new Ordinance. We specified a total of 92 new forms for the filing of company information. We revised all information pamphlets and guidance notes on application procedures to reflect the new statutory requirements.

Externally, we launched a comprehensive publicity campaign to enhance public awareness of the implementation of the new Ordinance. We issued circular letters and information pamphlets to over one million companies on the Companies Register. Actually some of my friends in the accounting profession told me that quite a number of companies have turned to them for advice after receiving our letters. I believe that our actions have, to a certain extent, boosted the revenue of accounting and secretarial firms last year! Besides, with the set up of a dedicated hotline, we handled over 60,000 public enquiries on the new Ordinance and I believe that this must be a record by any standard. We also organised or participated in over 70 briefings and seminars on the new Ordinance, and I believe that some of you must have attended at least one of the seminars given by me or my colleagues. As the Registrar, I have participated in most



of the seminars and, perhaps, I should have won a prize for being one of the most popular speakers last year.

With the support from our stakeholders, I am very pleased to report that migration to the new regime has been very very smooth. This may be best reflected by the high usage rates of the new forms for filing company information. In the first week of implementation, over 99% of companies used new forms for submitting incorporation applications. For other forms, there was a transitional period of 3 months during which companies might continue to use the old forms. However, by May 2014, over 80% of the forms received by the Registry were already in the new format. Upon the expiry of the three-month period, the usage rate of new forms was close to 100%.

More than that, in the global context, in World Bank's Doing Business Report 2015, Hong Kong's global ranking in protecting minority investors has improved from third to second this year. The World Bank commends Hong Kong for strengthening minority investor protections by introducing requirements for directors to provide more detailed disclosure of conflicts of interest under the new Companies Ordinance.

Other than enhancing corporate governance, the new Ordinance also facilitates business, ensures better regulation and provides a modernized legal framework for the incorporation and operation of companies in Hong Kong. In particular, the abolition of the memorandum of association and the common seal simplifies the procedures for starting a business. At the moment, HK ranks number 8 worldwide in terms of the ease of starting a business.

We are pleased to see the business community adopting other new measures under the Ordinance which aim to facilitate business and save costs. As you know, more SMEs may adopt simplified reporting nowadays. In 2014, over 90 companies adopted the new alternative court-free procedure to reduce their capital and the total no of companies which reduced their capital is six-fold that of 2013. Further, over 40% of the companies which applied for restoration used the new administrative restoration procedure.

As the new Ordinance enters the second year of its implementation, we have also launched a full scale electronic filing service at our e-Registry portal. Now, you are able to file all forms specified under the new Ordinance, and there are 84 of them, at the e-Registry electronically.

Ladies and gentlemen, as Winston Churchill said, "Continuous efforts – not strength nor intelligence – is the key to unlocking our potential". In an ever changing business and regulatory environment, we look forward to working continuously with you and the accounting profession in taking forward any other initiatives which will benefit the business community.



Companies Registry

The Government of the Hong Kong Special Administrative Region

With that, I wish you all an enjoyable evening. Thank you.