

# Foreword

## Celebrating the 20<sup>th</sup> Anniversary of the Companies Registry

### Charting a New Course

The year 2013 marks the 20th Anniversary of the establishment of the Companies Registry. To celebrate two decades of growth and achievements, it is high time that we review the history of company incorporation in Hong Kong since the enactment of the first Companies Ordinance in 1865 and the development of the Companies Registry over the years.

The administration of the registration of companies in Hong Kong dates back to 1865 when the first Companies Ordinance was enacted. A Companies Registry was established pursuant to the provisions of the Companies Ordinance 1865 and it was then administered by the Registrar of the Supreme Court. With the establishment of the office of the Registrar General under the Registrar General (Establishment) Ordinance in 1949, the functions of the Companies Registry were transferred from the Supreme Court to the Registrar General's Department. The Companies Registry was eventually established as an independent government department on 1 May 1993 with the Companies Registry trading fund established on 1 August in the same year. The Companies Registry then became one of the pioneer trading fund government departments.

Over the past two decades, the Companies Registry has undergone substantial changes in its operation and the delivery of its services. The more remarkable ones include the implementation of the Integrated Companies Registry Information System (ICRIS), provision of round-the-clock e-Search Services at the Cyber Search Centre and the e-incorporation,

e-Monitor, e-Reminder and e-Filing services at the e-Registry portal, the roll-out of Company Search Mobile Service and, most recently, the enactment of the new Companies Ordinance. These achievements transformed the company incorporation and registration processes and, more importantly, the corporate regulatory regime in Hong Kong.

Prior to the enactment of the Companies Ordinance 1865, the operation of companies that were incorporated elsewhere and established their offices in Hong Kong were governed by British law. The development of company law in Hong Kong during the period from 1865 to 1948 was marked by a series of amendments to the rules relating to the registration of companies, alteration of a company's objects and the requirement for a minimum number of persons to form a private company. In the 1950s and 1960s, the number of companies in Hong Kong rapidly increased and therefore it was of vital importance to review the company legislation. To this end, a Companies Law Revision Committee was set up in 1962 that carried out a painstaking legislative review process leading to the introduction of a series of Companies (Amendment) Bills and finally the Companies (Amendment) Ordinance 1984.

Hong Kong had established itself as a major industrial and commercial centre by the 1980s and the number of companies incorporated in Hong Kong was constantly on the rise. In 1984 the Standing Committee on Company Law Reform (SCCLR) was set up to review the Companies Ordinance on a regular basis in order to update its content, with the aim



of enhancing Hong Kong's corporate governance regime and ensuring that the Ordinance satisfies the changing needs of the local business environment. A thorough review of the Companies Ordinance was called for in 1994, which resulted in a number of amendments to the Companies Ordinance in the subsequent years.

A comprehensive exercise to rewrite the Companies Ordinance was launched in mid-2006. The main objectives of the new Companies Ordinance, which was passed by the Legislative Council on 12 July 2012, are to enhance corporate governance, ensure better regulation, facilitate business and modernise the law with a view to strengthening Hong Kong's competitiveness as a corporate domicile and enhancing its status as a major international business and financial centre. The implementation of the new Companies Ordinance in 2014 will open a new chapter in the development of company law in Hong Kong.

This year marks not only the 20th Anniversary of the Companies Registry, but also witnesses the over 100th Anniversary of 32 centenary companies that were incorporated in Hong Kong before 1 January 1913 and are still in operation. The number of companies incorporated in Hong Kong has been growing throughout the years in line with its economic development. By the end of March 2013, the total number of live local companies registered under the Companies Ordinance surpassed one million, to stand at 1,067,434. The number of local companies newly registered with the Companies Registry in 2012-13 also hit a record high of 162,777.

The Companies Registry strives to provide efficient, high quality and effective services to the public. The e-incorporation service, launched at the e-Registry in March 2011, enables users to complete the one-stop company incorporation and business registration procedures online within an hour.

In World Bank's Doing Business 2013 Report, Hong Kong was ranked sixth on "Starting a Business" and this has contributed to Hong Kong's overall ranking as the second best in the world on ease of doing business. I am glad that our efforts have been recognised both locally and internationally. We will enter a new era when an updated and modernised Companies Ordinance comes into operation next year. We will continue to work tirelessly to ensure that the services provided by the Companies Registry in Hong Kong remain on a par with the world's first-class registries, and reinforce Hong Kong's position as a world-class place to do business.

I would like to express my heartfelt thanks to Professor Say Goo and his team for their time and professional assistance in preparing this report. I hope that you will find the report informative and interesting.

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