

January 13, 2012

Companies Bill Team
Financial Services and the Treasury Bureau
15/F, Queensway Government Offices
66 Queensway
Hong Kong

Dear Sir/Madam

Re: Companies Bill - Consultation on the Qualifying Criteria for Private Companies to Prepare Simplified Financial and Directors Report

On behalf of the Hong Kong Investment Funds Association ("HKIFA"), I provide below our members' views on the captioned consultation paper.

Some of our members opine that option 1 as proposed in the consultation paper is the preferred approach. This is because if either option 2 or 3 were to be implemented, corporate governance and transparency may be weakened or compromised. Smaller companies, on the other hand, can probably adopt the practice as stated in option 2 or 3 given their size and simple structure.

If you wish to discuss this further, please don't hesitate to contact me on 2537-9912.

Yours sincerely,



Eric So
Senior Manager