

Press release

Companies Bill gazetted today

Friday, January 14, 2011

The Companies Bill was gazetted today (January 14), and will be introduced into the Legislative Council (LegCo) for its first reading on January 26.

The Secretary for Financial Services and the Treasury, Professor K C Chan, said, "The Companies Bill is an important piece of legislation for fostering Hong Kong's status as a major international business and financial centre. The gazettal of the Bill today marks a major milestone in our work to modernise company law."

"The Companies Bill aims to achieve four main objectives, namely, enhancing corporate governance, ensuring better regulation, facilitating business and modernising the law," he said. A summary of some notable measures in the Bill to achieve these objectives is at Annex.

"Rewriting the Companies Ordinance (CO) allows us to leverage the developments regarding company law in other comparable jurisdictions and enhance our competitiveness," said Professor Chan.

"We have devoted much effort to consult the relevant stakeholders in preparing the Bill to ensure that the Bill can meet the needs of the business community. We look forward to enactment of the Bill in the 2011-12 legislative session," he said. "To achieve this, we will work closely with LegCo."

The Companies Bill seeks to rewrite the provisions relating to the operation of live companies in the CO. It comprises 21 parts, with some 900 clauses and 10 schedules. The Bill is written in modern-day drafting language to make it more user-friendly. There are also footnotes and examples designed to assist readers' understanding.

The rewrite of the CO started in mid-2006. In the course of the rewrite exercise, the Financial Services and the Treasury Bureau (FSTB) benefited from the advice of the Standing Committee on Company Law Reform (SCCLR) as well as four advisory groups and a joint Government/Hong Kong Institute of Certified Public Accountants working group which was set up to advise on specific areas of the rewrite.

Three topical public consultations have been conducted in 2007 and 2008 to gauge views on a number of complex subjects. The FSTB incorporated the proposals together with the SCCLR's other recommendations into a draft Bill for further public consultation in two phases in 2009 and 2010. The Government has also consulted the LegCo Panel on Financial Affairs throughout the process.

The Companies Bill has been uploaded onto FSTB's website (www.fstb.gov.hk/fsb/co_rewrite/eng/companiesbill/companiesbill.htm) and the Companies Registry's website (www.cr.gov.hk/en/news/highlights.htm) for public viewing.

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