

## LIST OF QUESTIONS FOR CONSULTATION

- Question 1
- (a) Do you agree that we need to amend the law to empower the Registrar, upon receipt of a court order requiring a company to change its name, to direct the company to change its name within a specified period?
  - (b) If your answer to (a) is in the affirmative, do you agree that the Registrar should be further empowered to change a company's name to its registration number if the company does not comply with his direction to change its name within the specified period?
  - (c) If your answer to (a) or (b) is in the negative, what other option(s) do you suggest and why?
- Question 2
- (a) Do you agree with the proposal that the law should be amended to provide the Registrar with a discretionary power to approve a "hybrid name" where the applicant can show to the satisfaction of the Registrar that there is a genuine business need?
  - (b) If so, what should constitute a "genuine business need"?
- Question 3
- Do you have further views on how the current company name registration system could be improved, particularly for the purpose of tackling the problem of "shadow companies"?
- Question 4
- (a) Do you agree that the general duties of directors should be codified in the Companies Bill?
  - (b) If your answer to Question (a) is in the affirmative, do you agree that the UK approach, including the duty to promote the success of the company for the benefit of its members as a whole having regard to such factors like the long-term consequences of a decision, the interests of employees, the impact of the company's operations on the community and the environment, etc., should be adopted? OR
  - (c) If your answer to Question (a) is in the negative, do you have any views on how the directors' duties could be clarified or made more accessible?

- Question 5 (a) Do you agree that corporate directorship should be abolished altogether in Hong Kong, subject to a reasonable grace period?
- (b) If your answer to Question (a) is in the negative, do you agree that the UK approach (i.e. a company should be required to have at least one natural person as its director), subject to a reasonable grace period, should be adopted?
- (c) If your answers to both Questions (a) and (b) are in the negative, do you have any suggestion on how to improve the enforceability of directors' obligations and to solve the difficulty of pursuing corporate directors?
- Question 6 (a) Do you agree that the changes listed in Appendix V should not be adopted in Hong Kong?
- (b) If not, please specify which of the changes you think should be introduced in Hong Kong and the reasons.
- Question 7 Do you agree that charges on aircrafts and interests in them should be made registrable?
- Question 8 Should section 80(2)(a) of the CO requiring the registration of a charge for the purpose of securing any issue of debentures be deleted on the ground that it is redundant?
- Question 9 Would you prefer the reference to "bills of sale" in section 80(2)(c) of the CO to be:
- (a) retained as is;
- (b) retained but clarified along the lines of section 262(3) of the ACA; or
- (c) deleted?
- Question 10 (a) Would you prefer the term "book debts" to be statutorily defined or left to the courts to define?
- (b) If your preference is for a statutory definition, would you agree to a definition along the lines of section 262(4) of the ACA, or some other (please specify)?
- (c) Do you agree that a lien on subfreights and cash deposits should be expressly excluded from the registration requirement?

- Question 11 Do you agree that the automatic statutory acceleration of repayment in section 80(1) of the CO should be replaced with a right for the lender to demand immediate repayment of the amount secured by the charge, should a company fail to register a charge within the prescribed time?
- Question 12 (a) Do you agree that both the instrument of charge and prescribed particulars should be registrable and open to public inspection?
- (b) Do you agree that the Registrar should no longer issue a certificate of due registration, but a receipt showing the particulars submitted for registration, as well as the date on which the instrument of charge (if required) and the particulars are submitted for registration?
- Question 13 If the charge instrument is not registrable as an answer to Question 12(a), should the charge holder be precluded from relying on rights to the security in excess of those referred to in the particulars submitted for registration?
- Question 14 (a) Do you agree that the period to register a charge should be shortened?
- (b) If so, do you think that 21 days is an appropriate period?
- Question 15 (a) What are your views on the viability and desirability of introducing an administrative mechanism for late registration of charges?
- (b) If you think an administrative mechanism is desirable, what should be its essential features?