

## **Press release**

### **Standing Committee on Company Law Reform publishes annual report**

Friday, November 27, 2009

The Standing Committee on Company Law Reform (SCCLR) today (November 27) published its 2008-09 annual report.

During the reporting period, the SCCLR continued to focus its work on the rewrite of the Companies Ordinance. It considered the recommendations of the four dedicated advisory groups established to advise on specific topics of the rewrite and the views gathered from topical public consultations conducted in 2008. The major topics considered by the SCCLR included the following:

- Companies Registry's general investigatory powers;
- company names, directors' duties, corporate directorship and registration of charges;
- statutory derivative action;
- share capital and miscellaneous provisions on shares; and
- capital maintenance rules and statutory amalgamation procedure.

A spokesman for the Government said: "We appreciate and thank the SCCLR for all its work. SCCLR remains the principal advisory body in steering the rewrite of the Companies Ordinance. Their comments and recommendations have been included into the draft Companies Bill, which will be published for further consultation soon."

"Owing to the numerous issues involved, the draft Companies Bill consultation will be held in two phases. The first phase, which mainly covers provisions on enhancing corporate governance, will be launched in mid-December 2009. The second phase covers the more technical parts relating to share capital and accounting provisions and will be conducted in early 2010. Our aim is to introduce the Companies Bill into the Legislative Council by the end of 2010."

"We will continue to seek the advice of SCCLR in finalising the Companies Bill," the spokesman added.

The SCCLR was formed in 1984 to advise the Financial Secretary on necessary amendments to the Companies Ordinance and other relevant legislation, in order to ensure that the law continues to meet the needs of the business community.

The membership of the SCCLR is drawn from a wide spectrum of sectors, including lawyers, accountants, company secretaries, businessmen, academics and representatives of Government departments and regulatory bodies.

The SCCLR's annual report for 2008-09 is available to the public at the websites of the Financial Services and the Treasury Bureau (<http://www.fstb.gov.hk/fstb>) and the Companies Registry (<http://www.cr.gov.hk/>).