

REWRITING THE COMPANIES ORDINANCE

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INTRODUCTION

Companies Ordinance (Cap. 32), No. 39 of 1932
commenced 1 July 1933

Up until then HK had quickly followed UK consolidations

1932	1929
1911	1908
1865	1862

Copycat/xeroxing legislation

CO premisses on public company for major manufacturing and infrastructure projects. So CO still has prospectus provisions (ss37et seq) and minimum subscription requirement (s42).

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In 1865, when first CO in Hong Kong, limited partnership was the preferred Chinese business vehicle and the Chinese Partnership Ordinance 1911, for Chinese partnerships only, recognised that preference. (The 1911 Ordinance was repealed in 1971, but the limitation in the Limited Partnerships Ordinance 1912 to non-Chinese partnerships was overlooked until it was amended in 1999).

In UK "one man" company not recognised until *Salomon v Salomon & Co* 1897, HL.

In 1961 there were 68,045 registered businesses in HK, but only 4,342 of these were registered companies. Not until 1989 that the number of registered companies became the majority of businesses registered under the BRO, 223,055/ 431,513.

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As at end of 2010 there were 863,762 HK incorporated companies. Today, HK is a great user of the limited company.

COMPARISON OF POPULATION WITH NUMBER OF INCORPORATED COMPANIES

Country	Approximate Population	Total Companies	Listed Companies	Number of Population per Company
Britain	56,400,000	979,000	2,000	57.6
Singapore	2,800,000	100,000	240	28.0
Hong Kong	5,600,000	440,000	500	12.7
Malaysia	18,000,000	275,000	427	65.5
New Zealand	3,350,000	163,000	1,030	20.6
Australia	17,712,700	825,000	1,145	21.5
Southern Africa	31,000,000	178,439	670	173.7
Simple Averages	22,477,117	493,407	1,002	63.3

Figures all approximate and obtained from affiliate bodies of Hong Kong Institute of Company Secretaries.

Source : Hong Kong Institute of Company Secretaries.

The figures are those available to the compiler in the autumn of 1994.

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The HK figure, above, is based on HK incorporated companies, but, as everyone knows, each day more offshore companies (BVI etc) are incorporated by HK people than HK companies.

There are about 1,200 listed companies on the Stock Exchange of Hong Kong Main Board, nearly 90% of which are incorporated overseas. (The Exchange reports a foreign incorporated company as "domestic" if the majority of its business is done from within Hong Kong. PRC companies with H shares count as domestic. There are only about a dozen listed foreign companies). So many foreign companies causes regulatory governance problems and explains the push for statutory backing for the Listing Rules.

No consolidation of HK company Law since 1932. Of course, many amendments, as add-ons or replacements. One feature of changes since 1932 is that Companies Registry has become more of a filing cabinet than an enforcer/regulator. There is also a cap or quota on prosecutions by the Companies Registry for breaches of filing requirements. RoC's power to compound under CB Part 12 (see slide 48) may resolve this problem.

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In 1962 Companies Law Revision Committee established. First Report on Protection of Investors 1971 led to Protection of Investors Ordinance and Securities Ordinance 1974.

Second Report on Company Law 1973, which led to Companies (Amendment) White Bill 1980 and the Companies (Amendment) Ordinance 1984 (which brought HK up to UKCA 1948) and the establishment of the Standing Committee on Company Law Reform. 1984 was an opportune time to set up Hong Kong's own Company Law Reform body. By 1984 UK Company Law was beginning to be infected by European law, eg the ultra vires doctrine was abolished in the UK in 1972. The SCCLR, an influential, part-time body, has always done useful work, but tended to be re-active and dealt with specific issues. Its recommendations generally enacted in due course.

See [www.cr.gov.hk/en/standing/committee .htm](http://www.cr.gov.hk/en/standing/committee.htm)

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The Law Reform Commission of Hong Kong does not usually deal with Company Law, but did deal with the liquidation provisions of the Companies Ordinance in the Insolvency Law and Practice reference in the 1990s. See the LRC Report on the Winding-up Provisions of the Companies Ordinance, July 1999 (www.hkreform.gov.hk/en/docs/wind-e.pdf) 250 recommendations – a few implemented by Companies (Amendment) Ordinance 2003 ss82 to 92.

In 1994 the then FS appointed Ermanno Pascutto to review the CO.

The Consultancy Report on the Review of the CO (“the Pascutto Report”) 1997 (North American Business Corporations Acts model). Public consultation not favourable. SCCLR began own review of Report.

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Report of SCCLR on the Pascutto Report February 2000 (the Overall Review of the CO / ORCO) recommended restructuring and rewriting of the CO and urged a full review of the CO.

In 2000 SCCLR began Corporate Governance Review (CGR) Consultation Paper on Phase I of the CGR July 2001.

In March 2001 FSB proposed implementation of SCCLR recommendations by series of C(A)Os and Rewrite of CO.

Consultation Paper on Phase II of the CGR June 2003 C(Amendment) Ord 2003

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Final Recommendations of Phase II CGR Jan 2004 C(Amendment) Ords 2004 and 2005.

Joint Working Group of Government and HKICPA (established 2002).

13 January 2006 LegCo Finance Committee gave go ahead to CO Rewrite and the task began mid 2006 with Phase I (ie the CO excluding winding-up and associated provisions).

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When the CO Rewrite was initiated it was anticipated that a White Bill (compare 1980 White Bill which became the 1984 (Amendment) Ordinance) could be introduced into LegCo in Q3 2010. As the exercise progressed, this was obviously too optimistic and, as certain technical matters (e-incorporation and filing) could not wait for any delayed Bill, it was decided in 2009 to introduce an interim Companies (Amendment) Bill. Certain other topics (eg, extension of statutory derivative action to include multiple derivative actions) were added to the Bill. The Companies (Amendment) Bill 2010 was gazetted on 22 January 2010 and passed by LegCo on 7 July 2010 (and by 21 February all but one of its 8 parts will be in operation with the one part awaiting the introduction of scripless trading).

Some recent court decisions had raised issues about certain provisions in the CO. Some of these have been dealt with in the Companies (Amendment) Ordinance 2010. An interesting illustration of Judges and Company Law Reform is new Corporate Rescue Procedure (next slide).

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NEW CORPORATE RESCUE PROCEDURE

Deficiencies in CO s 166, especially no moratorium (stay of proceedings against company), costs and time

“Provisional supervision” recommended by Law Reform Commission in its 1996 Report on Corporate Rescue and Insolvent Trading

Hong Kong Association of Banks’ “Hong Kong Approach to Corporate Difficulties” (see www.info.gov.hk/hkma)

Modified version of provisional supervision and insolvent trading included in Companies Bill 2000, but eventually excluded from Bill. Further modified version in Companies (Corporate Rescue) Bill 2001, but still controversial and, despite the Administration’s efforts to resolve, lapsed in 2004 with end of LegCo term.

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Advantages of provisional supervision

Objections to PS

Protection of Wages on Insolvency Ordinance (Cap 380)

Judicial alternative introduced in *Re Keview Technology (BVI) Ltd* [2002] 2 HKLRD 290, Yuen J giving provisional liquidator appointed under CO s 193 power to attempt rescue.

Some back tracking by CA in *Re Legend International Resorts Ltd* [2006] 2 HKLRC 192 (where rescue proceedings in Philippines), distinguished in *Re Plus Holdings Ltd* [2007] 2 HKLRD 725, Kwan J

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The topic scheduled to be considered in Phase II (Liquidation) of CO Rewrite, but brought forward because of economic downturn in 2008 and public consultation on the topic promised before the end of 2009 (see www.fstb.gov.hk/fst Publications and Press Releases, Press Releases 13 May 2009)

Review of Corporate Rescue Procedure Legislative Proposals
Consultation Paper published October 2009

Based on 2001 Corporate Rescue Bill
Consultation Conclusions (July 2010)

Major changes from 2001 proposals include 45 days for initial moratorium, phased payment schedule for employees, personal liability of provisional supervisor, protection of secured creditors, exclusion of senior management from insolvent trading and removing liability for “reasonable grounds for suspecting”

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COMPANIES ORDINANCE REWRITE

(See www.fstb.gov.hk/fsb/co_rewrite/eng/home)

Came out of SCCLR's Corporate Governance Review

Rewrite launched mid-2006

Terms of Reference

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Terms of Reference

1. Having regard to the need to :
 - a) ensure that company law in Hong Kong is as up-to-date as possible in order to enhance Hong Kong's competitiveness and attractiveness as a major international financial and business centre;
 - b) take account of company law reform and proposals for reform in comparable overseas jurisdictions, as well as local and international commercial, regulatory and legal conditions, standards and developments; and
 - c) Identify and resolve problematic areas in company law which do not fall under (b)

It is proposed to rewrite and restructure the Hong Kong Companies Ordinance ("the Ordinance") and its subsidiary legislation (excluding the winding-up related provisions under Parts IVA, Part V, Part VI and Part X of the Ordinance).

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2. In rewriting and restructuring the Ordinance, specific attention should be paid to the following issues :
 - a) the recommendations in the Report of the Standing Committee on Company Law Reform ("SCCLR") on the Recommendations of a Consultancy Report of the Review of the Hong Kong Companies Ordinance, other than those mentioned in (d), (f), (h), (i) and (j), which have not already been enacted into law;
 - b) the recommendations in the Consultation Papers on Proposals made in Phases I and II of the Corporate Governance Review by the SCCLR which have not already been enacted into law;
 - c) the provisions of the United Kingdom Companies Bill produced consequent to the Company Law Review undertaken by the Company Law Review Steering Group and the United Kingdom Government's White Paper 'Modernizing Company Law';

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- d) the re-categorization of companies in line with the SCCLR's recommendations as follows :
- private companies limited by shares (paragraph 5.79 and Recommendation 32)
 - Public companies limited by shares (both listed and unlisted) (paragraph 5.79 and Recommendation 34)
 - companies limited by guarantee (paragraph 5.79 and Recommendation 36)
 - unlimited companies (paragraph 5.79)
- e) the need to reframe and align the provisions of the Ordinance with the needs of private companies, which comprise the overwhelming majority of companies formed under the Ordinance and make appropriate differences between private and public companies;
- f) the provisions in the Ordinance which are applicable to public listed companies should be also made applicable to public unlisted companies (Recommendation 35);

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- g) the Government's "Consultation Conclusions on Proposals to Enhance the Regulation of Listing" published in March 2004, which recommend the giving of statutory backing to certain important Listing Rules, as well as the establishment of a new civil and criminal sanctioning regime for breaches of the new Rules;
- h) a separate part of the Ordinance should be dedicated to matters dealing with shareholders' rights and remedies (Recommendation 78);
- i) the overall organization of provisions regarding fundamental changes to a company, such as changing the scope of business or restructuring the share capital should be improved (Recommendation 101);
- j) the provisions of Parts VII and XIII regarding the administration of the Ordinance be consolidated and updated (Recommendation 142);
- k) the need to rationalize and simplify the statutory provisions wherever appropriate;

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- l) the use of information technology and other means where appropriate to facilitate communications between companies, their shareholders, members of the public and the regulators;
 - m) the use of schedules and subsidiary legislation to contain detailed requirements and the use of statutory instruments to facilitate regular updating of the law;
 - n) the need to put in place appropriate transitional arrangements to minimize if not eliminate any problems resulting from the repeal of the existing Companies Ordinance and the enactment of the proposed Companies Ordinance; and
 - o) any recommendations and issues which arise during the period of the rewrite.
3. Such other related matters as the Secretary for Financial Services and the Treasury may from time to time specify.

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Comments on the Terms

- The terms of reference (TOR) settled by FSTB/CR and SCCLR
- HK not attempting to compete with BVI etc eg AG3 recommended that corporate directors of private companies be abolished : CO s154A(3) cf UKCA s155 at least one director a natural person. On the other hand, HK did not want to discourage incorporation in HK : eg AG3 recommended against residency requirement for directors; cf Aus, Sing, Can.
- Significance of SCCLR 2000 Report and Consultation Papers in Corporate Governance Review
- Influence of UK Companies Act 2006 and its background
- Emphasis on SMEs

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Guiding Principles of the COR

Objective

- To ensure that company law in Hong Kong is as up-to-date as possible in order to enhance Hong Kong's competitiveness and attractiveness as a major international financial and business centre.

Principles

Catering for SMEs – “think small first”

- To reframe and align the provisions of the Companies Ordinance (CO) to focus on the needs of **private companies**, particularly **small and medium-sized enterprises (SMEs)**. Private companies comprise the vast majority of companies formed under the CO, with a significant number being SMEs.
- To reduce compliance costs and make it easier for companies, particular private companies and SMEs, to comply with legislative requirements.

Enhancing corporate governance

- To strengthen corporate governance, taking into account the interests of stakeholders such as members and creditors, and other relevant factors, such as corporate social responsibility (“CSR”) initiatives in the company law of comparable jurisdictions.
- Public companies should be subject to tighter regulation, where appropriate. Public unlisted companies should generally be treated on a par with public listed companies in the CO.
- The new CO should complement the regulatory regime for listed companies contained in the Securities and Futures Ordinance (“SFO”) (Cap 571) and Listing Rules. Any additional requirements for listed companies should generally be provided in the SFO and the Listing Rules in view of the fact that over 80% of the listed companies are registered outside Hong Kong.

Complementing Hong Kong's role as international business centre

- To benchmark against other comparable jurisdictions such as the United Kingdom, Australia and Singapore in general while taking into account of Hong Kong's unique business environment and our close economic relationship with the Mainland.
- To ensure that there are clear justifications before introducing any new requirements.

Encourage the use of information technology

- To promote the use of information technology, particularly to facilitate communications between a company and their shareholders, members of the public and the regulator and to encourage environmentally friendly practices.

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Plain drafting and improved layout

- To simplify and modernise the language in the CO. To make the new CO more readable without loss of certainty and precision.

Providing flexibility for future updating

- To use schedules, subsidiary legislation or codes, where appropriate, to contain detailed requirements so as to facilitate regular updating of the law in the future.

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Proposed Parts (see slides 31 and 32)

Those involved in the Rewrite

The Companies Bill Team (CBT), representing FSB and CR (see CO Rewrite website www.fstb.gov.hk/fsb/co_rewrite/eng About Us Organization Chart)

Advisory Groups (AGs)

- Joint Government/HKICPA Working Group established 2002
Consultation Paper on Accounting and Auditing 2007 and Conclusions March 2008 (see CO Rewrite website under Publications Consultation Documents) covering, inter alia, accounting records and accounts, directors' report and directors' remuneration report, summary financial report, auditing provisions, exemptions, Tenth & Twelfth Schedules and standard-setting process
Financial Reporting Council Ordinance (Cap 588) 2007

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- Advisory Group 1 : capital, capital maintenance, charges etc
- Advisory Group 2 : company formation, registration, administration etc
- Advisory Group 3 : directors, conflicts of interest etc
- Advisory Group 4 : investigations, offences, administrative warnings, compounding offences etc

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Papers for AGs prepared by CBT
Recommendations by AGs
Then to SCCLR for review

External consultation

DoJ CO Rewrite Team (CORT)
Law Drafting Division (LDD)

Consultation Documents

1. On Accounting and Auditing
2. On Company Names, Directors' Duties, Corporate Directorship and Registration of Charges, April 2008 (for Paper and Conclusions (December 2008) see Rewrite website)
3. On Share Capital, the Capital Maintenance Regime and Statutory Amalgamation Procedure, June 2008 (for Paper and Conclusions (February 2009) see CO Rewrite website)

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After consideration of responses from public and SCCLR's views, CBT prepares Draft Drafting Instructions (DDIs) to draftsman

The DDIs usually go through several or many drafts and meetings on the drafts and have to be cleared by DoJ before clearance by Permanent Secretary for Financial Services and the Treasury and the LDD starts drafting

Time table for the Companies Bill amended by need for interim Companies (Amendment) Ordinance for e-incorporation and e-filings, etc

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Task greater than anticipated and White Bill (as 1980 White Bill which led to 1984 amendments) replaced by public consultation on the main Companies Bill taking place in two instalments with draft provisions with an Explanatory Statement explaining those Parts of the Bill covered. First instalment late December 2009 and second instalment in mid May 2010. See Rewrite website for Consultation papers and Consultation Conclusions. The blue Bill was prepared in the light of the responses to the Consultations and Standing Committee's advice.

Companies Bill 2011 gazetted 14 January 2011 and introduced into LegCo (first reading of the Bill) on 26 January 2011.

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The Process in LegCo

With such a large bill as the Companies Bill the second reading debate will be adjourned and the Bill will be referred to a Bills Committee. The Committee will review the Bill, first, from the point of view of the major policy issues involved and, subsequently, clause by clause. It is expected that there will need to be 50 plus meetings of the Bills Committee on the Companies Bill, which has 909 sections and 10 Schedules (which took up 5 large volumes to the Gazette Legal Supplement No. 3 for 14 January 2011). Let's hope the Bill gets through LegCo in time (remember what happened to the Companies (Corporate Rescue) Bill in 2004).

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Companies Bill 2011

- Part 1 - Preliminary
- Part 2 - Registrar of Companies and Companies Register
- Part 3 - Company Formation and Related Matters
and Re-registration of Company
- Part 4 - Share Capital
- Part 5 - Transactions in relation to Share Capital
- Part 6 - Distribution of Profits and Assets
- Part 7 - Debentures
- Part 8 - Registration of Charges
- Part 9 - Accounts and Audit
- Part 10 - Directors and Company Secretaries
- Part 11 - Fair Dealing by Directors

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- Part 12 - Company Administration and Procedure
- Part 13 - Arrangements, Amalgamation and Compulsory Share
Acquisition in Takeover and Share Buy-back
- Part 14 - Remedies for Protection of Companies' or Members'
Interests
- Part 15 - Dissolution by striking off or Deregistration
- Part 16 - Non-Hong Kong Companies
- Part 17 - Companies not Formed, but Registrable, under this
Ordinance
- Part 18 - Communications to and by Companies
- Part 19 - Investigations and Enquiries
- Part 20 - Miscellaneous
- Part 21 - Consequential Amendments, and Transitional and Saving
Provisions

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Outline and major changes under Companies Bill

Pt 1: Preliminary.

- “Officer in default” (CO s351(2)) ⇒ “responsible person” (cl 3).

Pt 2: Registrar of Companies and Companies Register.

- Requirements for lodgment of documents with Registrar: cll 29, 30, 33.
- Privacy of residential addresses of directors and identification numbers of any person: cl 49.

Pt 3: Company Formation and Related Matters, and Re-Registration of Company.

- Covers: incorporation, constitution, names, corporate capacity, corporate contracting etc.

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- Main changes under Pt 3:
- Private and public companies; companies limited by guarantee: see cl 61 and definitions in cll 6-11.
- Abolition of memorandum of association: see cl 93.
- Constitution comprised of articles of association.
 - Where is Table A? cl 73.
- Statutory indoor management rule: cl 112
 - Companies Act 2006 (UK) s 40
- Common seal optional: cl 119.
- Execution of documents: cl 122
 - Companies Act 2006 (UK) s 44.

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Pt 4 : Share Capital.

- Covers: shares, allotment and transfer of shares, class rights.
- Changes under Pt 4 include:
- Abolition of par value: cl 130.
 - Authorised share capital abolished: see cl 93.
- Directors' refusal to register share transfer:
 - Reasons to be given: cl 146.
- Class rights: extension to companies without share capital (cII 180-187).

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Pt 5 : Transactions in Relation to Share Capital.

- Covers: reduction of capital, buy-backs, financial assistance for acquisition of shares.
- Main changes under Pt 5 :
- Reduction of capital (Div 3) :
 - current s 58 court approval procedure; or
 - member approval + satisfy solvency test.
- Redemption of redeemable shares + share buy-backs (Div 4)
 - finance out of profits or proceeds of fresh issue (current law: cf CO ss 49-49R); or
 - finance out of capital with member approval + satisfy solvency test.

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- Financial assistance for acquisition of company's shares (Div 5):
- Cf CO ss 47A-48.
- General exception: satisfy solvency test and via any one of the following procedures:
 - Assistance not more than 5% of company's share capital: cl 279.
 - Approval by all members: cl 280.
 - Approval by ordinary resolution, subject to further requirements: cl 281

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Pt 6: Distribution of Profits and Assets.

- Cf CO Pt IIA. No major changes.

Pt 7: Debentures

- Cf CO ss 74A-78. No major changes.

Pt 8: Registration of Charges.

- Cf CO Pt III.

- Main changes under Pt 8:
- Changes to heads of registrable charge – egs:
 - Removal of s 80(2)(a) (issue of debentures).
 - Charge over cash deposits excluded: cl 333(3).

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- Charge instrument to be registered: cl 334.
 - Constructive notice. Cf cl 115
 - May alter principles in *ABN Amro Bank NV v Chiyu Banking Corp Ltd* [2001] 2 HKLRD 175. Negative pledge clause and automatic crystallisation clause.
- Time period for registration: 1 month (cl 334(5)).
- Certificate of registration retained: cl 343.

Pt 9: Accounts and Audit

- To update provisions to bring in line with Hong Kong Reporting Standards (HKFRSs), SME Financial Reporting Framework (SME-FRF) and Standard (SME-FRS) and Hong Kong Reporting Standard for Private Entities issued by HKICPA.
- Changes under Pt 9 include:
 - Determining financial year (Div 3):
 - new concepts – accounting reference date, accounting reference period.

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- Extension of CO s 141D re simplified accounts for private companies.
 - New category of “small private company”: Div 2.
- Changes in terminology:
 - accounts ⇔ financial statements
 - balance sheet ⇔ statement of financial position
 - profit and loss account ⇔ statement of comprehensive income
- Removal of CO Tenth Schedule and Eleventh Schedule.
 - Compliance with accounting standards: cl 376.
- Business review: cl 380 and Sch 5.
- Draft provisions on directors’ remuneration reports (see Ch 3 of Second Phase Consultation Paper) omitted.

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- **Pt 10: Directors and Company Secretaries.**
- Covers: appointment and removal of directors, appointment of company secretaries, board meetings.
- Main changes under Pt 10:
- Statutory statement of directors' duty of care: cl 456.
 - Dual objective/subjective standard.
 - Replaces general law duty.
 - Companies Act 2006 (UK) s 174.
- Corporate directorships restricted: cll 447-448.
- Ratification of directors' breaches of duties – disinterested shareholder approval: cl 464.

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- **Pt 11- Fair Dealing by Directors.**
- Coverage: loans to directors (cf CO ss 157H-157J), disclosure of material interests in contracts (CO s 162), payments for loss of office (CO ss 163-163D).
- Main changes under Pt 11:
- Prohibition on loans to directors (Div 2):
 - General shareholder approval exception.
 - New exceptions + existing exceptions relaxed.
 - No criminal liability.
- Restrictions on payments for loss of office – covers connected persons (Div 3).
- New requirements for shareholder approval for long-term service contracts (more than 3 yrs): Div 4. UKCA 2006 ss 227-230.
- Draft provisions on substantial property transactions (see First Phase Consultation Paper pp 102-3) omitted.

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Pt 12: Company Administration and Procedure.

- Coverage:
 - shareholder meetings
 - company registers: register of members, directors, secretaries
 - notifications to Registrar re directors, secretaries
 - registered office, publication of name
 - annual returns.
- Changes include:
- General meeting by audio-visual means: cl 574.
- Special resolutions: 14 days notice (unless AGM): see cl 561.

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- No restriction on number of proxies per shareholder: cl 586 (cf CO s 114C(2)).
- Dispense with AGM:
 - use written resolution procedure (cl 602); or
 - ordinary resolution to dispense with AGM (cl 603).

Pt 13: Arrangements, Amalgamation and Compulsory Share Acquisition in Takeover and Share Buy-Back.

- CO s 166 schemes of arrangements.
 - “headcount” test for approval of scheme retained, but court discretion to dispense with test (cl 664).

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- Alternative to court sanction procedure – corporate groups (Div 3):
 - Statutory amalgamation: special resolution + solvency statement.
 - Vertical: holding company amalgamates with wholly owned subsidiary.
 - Horizontal: wholly-owned subsidiaries amalgamate.
- Divs 4 and 5: compulsory acquisitions of shares (cf CO s 168 and Ninth Schedule, and s 168B and Thirteenth Schedule).

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- **Pt 14: Remedies for Protection of Companies' or Members' Interests.**
- Minority shareholder remedies: no major changes.
- Unfair prejudice (CO s 168A): cll 712-716
- Statutory injunction (CO s 350B): cll 717-719
- Statutory derivative action (CO Pt IVAA): cll 720-727
 - “mifeasance” ⇒ “misconduct”
 - Common law derivative action retained: cl 721(6).
Note C(A)O 2010 extended SDA to member of “associated company” (multiple derivative action) cl 721
- **Pt 15: Dissolution by Striking Off or Deregistration.**
 - Cf CO ss 290-292A.
- Administrative restoration by Registrar: cl 749.

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Pt 16: Non-Hong Kong Companies.

- Cf CO Pt XI. No major changes.

Pt 17: Companies not formed but Registrable under Ordinance.

- Cf CO Pt IX. No major changes.

Pt 18: Communications to and by Companies.

- See Companies (Amendment) Ordinance 2010.
- Also electronic delivery of documents to companies.
- Service of documents: cl 815 (same as CO s 356).

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Pt 19: Investigations and Enquiries.

- Cf CO ss 142-152FE (inspections and investigations).
- Registrar's powers to seek production of documents where specified false statement offences suspected: Div 4.

Pt 20: Miscellaneous.

- Extension of CO s 349 (offence for false statement).
 - “knowingly or recklessly” for “wilfully”: cl 883.
- Empowering Registrar to compound offences in Sch 7: cl 887.
- Extension of CO s 357 to cover foreign companies: cl 893.
 - *Alters Akai Holdings Ltd (in liq) v Ernst and Young* (2009) 12 HKCFAR 376.

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Pt 21: Consequential Amendments, and Transitional and Saving Provisions.

Schedules 1 to 10.