



## Companies Registration and Insolvency Administration

### COMPANIES REGISTRY

**Main Services:** The Companies Registry (“the Registry”) is responsible for administering and enforcing the provisions of the Companies Ordinance and related legislation. Its primary functions include the registration of local and non-Hong Kong companies (i.e. companies incorporated outside Hong Kong which have established a place of business in Hong Kong); the registration of statutory returns and documents required by the various ordinances administered by the Registry; the provision of services and facilities for members of the public to inspect and obtain company information held on the various statutory registers; the deregistration of defunct, solvent private companies; and advising the Government on policy, regulatory and legislative issues regarding company law and related legislation, corporate governance and other matters affecting the commercial sector.

As at December 31, 2009, there were 772 253 local companies on the register comprising 9 991 public and 762 262 private companies. The time required for the registration of a new local company is four working days. As at December 31, 2009, 7 912 non-Hong Kong companies from 81 countries were registered. The time required for the registration of a non-Hong Kong company is 14 working days.

In 2009, 1 695 167 documents were received for filing, of which the most common were annual returns and forms notifying changes of the address of registered office, directors and secretary of a company. On average, it takes six working days to register a document.

Members of the public can conduct searches on the current data of registered companies and digitised images of all registered documents at the Registry’s Cyber Search Centre ([www.icris.cr.gov.hk](http://www.icris.cr.gov.hk)), or at the Registry’s Public Search Centre on the 13th floor of the Queensway Government Offices, 66 Queensway, Hong Kong. Searches on five computerised indices can be conducted in either English or Chinese: The *company names index* helps one with the incorporation of new companies or changing company names; the *document index* is a record of all documents filed by companies with the Registry; the *directors’ index* provides a list of all the directorships held by the directors and reserve directors of registered companies; the *register of disqualification orders* provides a record of all persons disqualified by the court to act as company directors or other office bearers, and the *register of charges* provides a list of the registered charges of a company and basic information on each charge.

Information available on the Registry’s comprehensive computerised database includes basic company information such as the incorporation date and whether it is live or subject to winding up procedures together with additional information such as registered office address (for local companies), address of principal place of business in Hong Kong and particulars of authorized

representatives (for non-Hong Kong companies), share capital, particulars of current director(s) and reserve director (if any), particulars of secretary, particulars of receiver and manager and liquidators (if any), and a charges indicator.

**Trading Fund Status:** The Registry is a government department which operates on a trading fund basis; meaning that it is required to fund all its expenditure out of the revenue received.

The Registrar of Companies is the General Manager of the Companies Registry Trading Fund. She is accountable to the Permanent Secretary for Financial Services and the Treasury (Financial Services) for managing and operating the Registry’s business and achieving its performance targets and financial objectives. The trading fund’s annual report and the Director of Audit’s report on the accounts are tabled in the Legislative Council each year.

### Enhancement of Services and Future Development:

Presently the Registry is implementing an Integrated Companies Registry Information System (ICRIS) in two phases to fully computerise its core business activities and enable electronic delivery of services. Electronic search services developed under Phase I were launched on February 28, 2005. Phase II, which includes the provision of electronic services for company incorporation and document registration and one-stop service for company incorporation and business registration, is expected to be implemented in 2010-11.

### Company Law and Corporate Governance Reforms:

The Registry provides the secretariat to the Standing Committee on Company Law Reform (SCCLR). The principal function of the SCCLR is to review the Companies Ordinance regularly to ensure that the legislative framework meets the changing needs of the business community. During 2009, the SCCLR met five times and considered six other papers relating to a wide range of proposals to amend the Companies Ordinance by way of circulation. Full details of the SCCLR’s work for the year 2008-09 can be found in the SCCLR’s 25th Annual Report issued in November 2009.

A Companies Bill Team comprising officers from the Financial Services and the Treasury Bureau and the Registry was established in mid-2006 to co-ordinate, support and take forward the overall rewrite of the Companies Ordinance. In addition to the Joint Government/Hong Kong Institute of Certified Public Accountants Working Group set up in March 2002 to undertake a comprehensive review of the accounting and auditing provisions of the Companies Ordinance, four other dedicated Advisory Groups comprising representatives from relevant professional bodies and stakeholders have

also been set up to advise on specific company law related issues throughout the rewrite process. The rewrite comprises two phases. Phase I concerns the core company law provisions and Phase II the winding-up and insolvency provisions. Under Phase I, it is proposed to issue a draft Bill, which comprises 21 parts, for public consultation in 2009/10 prior to its introduction into the Legislative Council in the fourth quarter of 2010. Three rounds of topical public consultations on the more complex issues have been conducted.

Companies (Amendment) Bill 2010 was introduced into the Legislative Council in February 2010. The legislative proposals include amendments to facilitate electronic incorporation and filing of documents to tie in with the implementation of Phase II of ICRIS, introducing one-stop service for company incorporation and business registration, empowering the Registrar of Companies to act on a court order to direct companies containing infringing names to change their names, technical amendments paving the way for scripless trading, and facilitating companies to communicate with their members through electronic means and websites.

### **INSOLVENCY ADMINISTRATION**

**Structure:** The Official Receiver's Office, headed by the Official Receiver (OR), was established on June 1, 1992 to take over the powers and perform the duties of the Insolvency Division of the then Registrar General's Department. The OR, when appointed by the court or creditors, will act as liquidator of companies ordered to be wound-up by the court under the winding-up provisions of the Companies Ordinance or as trustee-in-bankruptcy of individuals or partnerships declared bankrupt by the court under the Bankruptcy Ordinance.

The Official Receiver's Office consists of four divisions, namely, the Case Management Division, the Legal Services Division, the Financial Services Division and the Departmental Administration Division. The Case Management Division is staffed by insolvency grade officers who are responsible for the realisation and distribution of assets, monitoring the conduct of outside liquidators, and trustees and administration of the ordinances relating to liquidation and bankruptcy. The Legal Services Division is staffed by qualified legal officers who handle civil litigation, provide internal general legal advisory services, investigate and prosecute insolvency offenders, and apply for the disqualification of directors of insolvent companies. The Financial Services Division is staffed by treasury and accounting grade officers who perform financial and accounting investigations into insolvency cases, conduct statutory audits of accounts and manage and invest insolvency monies. The Departmental Administration Division is staffed by Executive Officers, Official Languages Officers and clerical grade staff who provide general administration services to facilitate smooth functioning of the department.

**Insolvency Services:** Once a bankruptcy order is made by the court against an individual or a winding-up order is made against a company, the OR becomes the provisional trustee of the bankrupt's property or the provisional

liquidator of the company respectively. For estates with estimated assets of not more than \$200,000 which represent the vast majority of insolvency cases, the OR may apply to the court for a summary procedure order and will become the trustee or the liquidator of the estates. For non-summary cases, a meeting of creditors and also of contributories (in case of compulsory liquidation) will be held to decide who will be appointed as trustee or liquidator. The OR charges his fees on the amount of assets realised and distributed to creditors, and also on the amount of funds invested. In 2008/2009, there were 12 502 bankruptcy orders and 479 winding-up orders made by the court.

The OR operates two contracting-out schemes for administration of bankruptcy or compulsory liquidation cases. The first scheme is for contracting out through a tender system debtor petition summary bankruptcy cases with estimated assets of not more than \$200,000. The other scheme is for contracting out also through a tender system summary court winding-up cases with estimated realisable assets of not more than \$200,000.

The OR also takes proceedings under Part IV A of the Companies Ordinance to apply to court for orders against directors of insolvent companies with unfit conduct to disqualify them from being director of a company. In 2008/2009, a total of 53 disqualification orders were issued by the court.

**Efficiency Improvement and Future Development:** The Official Receiver's Office has pledged to provide in Hong Kong a high quality insolvency service on par with international standards. The objectives are to keep Hong Kong to the forefront as a major international financial centre and to ensure that the best possible services are provided to the public in an open and accountable manner in accordance with the performance standards and targets set.

Booklets containing the performance pledges of the Official Receiver's Office and information on bankruptcy, compulsory winding-up of companies and Individual Voluntary Arrangement are available to the public free of charge. There is also a Services Advisory Committee, comprising representatives of major users of the department's services. Its main function is to provide customer input and suggest improvements to its services.

The Official Receiver's Office utilises two major computer systems to assist in its management and data handling. The first is the Insolvency Estates Funds and Accounting System, which provides facility for case management activities and the accounting of estate funds and funds management through the production of enhanced reports and the fast retrieval of financial information; and the other is the Official Receiver's Office Management Information System which provides accurate and timely insolvency statistics and a bilingual public search facility. Since October 2002, on-line search for bankruptcy and compulsory winding-up information can be conducted over the Internet 24 hours a day.