

# Companies (Amendment) Bill 2024 gazetted

The Government published in the Gazette today (November 22) the Companies (Amendment) Bill 2024 (the Bill) to enable listed companies incorporated in Hong Kong to hold shares bought back in the treasury and dispose of them, and promote paperless corporate communication for both listed and unlisted Hong Kong companies.

The Bill proposes to enable listed companies incorporated in Hong Kong, upon buying back of their own shares, to hold the shares as treasury shares, and to cancel, transfer or sell such treasury shares on or off the exchange to any person at any time under certain restrictions. In addition, the Bill proposes to allow companies to adopt the implied consent mechanism for disseminating corporate communication by means of a website and put in place sufficient safeguards to protect the interest of shareholders.

The Government spokesperson said, "Establishing a treasury share regime would allow listed companies to hold bought-back shares, and sell or transfer treasury shares. Following the earlier amendments to the Listing Rules, the legislative amendments would provide more flexibility to listed companies, including Hong Kong incorporated companies, to manage their capital.

"The proposed implied consent mechanism serves to promote paperless corporate communication. If a company's articles of association contain a provision that it may disseminate corporate communication by means of a website, it may do so without having to seek prior consent from each shareholder. This would help enhance the cost-effectiveness and operational efficiency of companies, thereby achieving the objectives of streamlining procedures and promoting a green business environment," the Government spokesperson supplemented.

The Bill will be introduced into the Legislative Council for first reading on December 4.