

LCQ7: Nationality information of shareholders and directors of companies

Following is a question by the Hon Leung Che-cheung and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (September 15):

Question:

As the item of nationality is not included in the details of shareholders and directors of a company limited by shares currently required to be provided on the incorporation forms (company limited by shares) and the annual returns completed and returned to the Companies Registry under the Companies Ordinance (Cap. 622), members of the public cannot get to know such information of a particular company when they inspect the Companies Register. In this connection, will the Government inform this Council whether it will amend Cap. 622 to include the nationalities of shareholders and directors in the details to be provided, as well as to allow public inspection of this item of information, so as to facilitate members of the public to understand more of the background and sources of funds of the company concerned; if so, of the details; if not, the reasons for that?

Reply:

President,

The Companies Ordinance (Cap. 622) (CO) stipulates that particulars required to be contained in the relevant forms (including the incorporation form and annual return) delivered by the company include name and address of each member; and for each natural person director, such particulars include name, usual residential address, correspondence address (the provisions requiring report of correspondence address will commence operation on October 24, 2022), number of the Hong Kong identity card (HKID card) or, if the person is not a holder of HKID card, number and issuing country of any passport held by that person. Although the CO does not require a company to report nationality of its directors or members to the Companies Registry (CR), searchers could identify whether the directors are holders of HKID card or issuing place of their passports based on the type of their personal identification documents.

The requirement on companies to report nationality of their directors to the CR under the predecessor CO was abolished in 1999 having regard to the recommendation of the Standing Committee on Company Law Reform, on the ground that disclosure of nationality of directors might not be an additional benefit to searchers against the trend of globalisation of business. The requirement to disclose nationality was also a potentially sensitive matter

as it could indicate a director's racial or ethnic origin, and would incur unnecessary administrative burden on companies.

Since the enactment of the current CO in 2012, information available on the Companies Register is sufficient for searchers to identify a director and peruse major information of registered companies, as well as for relevant parties including law enforcement officers to carry out their functions in relation to statutory procedures, law enforcement, and customer due diligence for financial and business transactions. Hence, we have no plan to require companies to report nationality of their members and directors at this stage.