The Hong Kong Institute of Chartered Secretaries
International Qualifying Scheme (IQS) Syllabus

HONG KONG CORPORATE LAW
(effective from June 2015 Exam Diet)

AIM

The Company Secretary is, within the organisation, the first point of authority and reference on the requirements of corporate law. A pivotal role is also played in corporate compliance, and the body of law is the basis and framework for corporate secretarial practice.

The aim of the module is therefore to provide a thorough grounding in, and knowledge and understanding of the sources and principal provisions of corporate law in the structure, management and performance of the business entity.

LEARNING OUTCOMES

At the conclusion of this module, the candidate will be able to:

- understand and advise on the provisions and application of corporate law appropriate to the constitution, formation and performance of the business entity.
- perform the role of principal compliance officer.
- understand and advise on the impact of law on the role of Directors, the Company Secretary, and the audit function.

PRE-REQUISITE LEARNING

This module is a component of the ICSA Professional Programme Part One. It is designed to enable aspiring Chartered Secretaries to (a) demonstrate required standards of competence for professional practice in a key discipline, and (b) acquire essential knowledge and skills to underpin the relevant components of the Professional Programme.

Evidence of assessed knowledge and understanding must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards.

The module specification is based on the assumption of some relevant prior certificated knowledge, and candidates will find it helpful to have familiarised themselves particularly with:

- An introduction to the principles of law.
- Business law

PAPER REQUIREMENTS AND FORMAT

Section A: A case study with a maximum of five compulsory questions. (Total - 40 marks for Section A)
Section B: 3 questions to be attempted from a choice of 5; 20 marks each (Total - 60 marks for Section B)
LEARNING CONTENT

Formation and Constitution

The concept, process and effect of incorporation: corporate personality, limited liability. The not-for-profit organisation: legal entity and regulatory environment.


The Legal Status of Company Officers

Directors: powers and duties (statutory and common law); appointment, reappointment, remuneration, removal, retirement and disqualification. Directors' liabilities, indemnity and insurance. Borrowing powers. Disclosure of interest. Insider dealing.

The Company Secretary: appointment, qualification and functions.

Auditors: rights, powers and duties; appointment and removal.

Corporate Transactions and Governance


Shares and Loan Capital


Loan capital: debentures. Secured creditors. Registration and priority of charges.

Reconstructions, Disputes and Liquidation

Reconstruction; Schemes of arrangement (members and/or creditors); Takeovers and mergers; Compulsory acquisition of shares on takeover. Receivership: Appointment and function of Receiver and Receiver-Managers.

Compulsory and voluntary liquidation: grounds for winding up; order of application of assets of insolvent companies; preference and the avoidance of transactions: fraudulent trading; consequences of winding up. Striking off and restoration of companies to the Register; Voluntary arrangements. Regulatory investigations.

Meetings

General legal principles relating to convening, constitution and conduct of meetings at common law. Law relating to meetings of companies governed by Hong Kong Companies Ordinance. Provisions of Model Articles relating to meetings. Kinds of company meetings: general meetings, class meetings, Board meetings and meetings in winding up.
Recommended Readings
1. The Hong Kong Institute of Chartered Secretaries, Hong Kong Corporate Law Study Pack
5. Stefan Lo and Dr. Charles Qu, Law of Companies in Hong Kong (Student edition), Sweet & Maxwell, 2013

Further Readings
1. Paul Kwan, Hong Kong Corporate Law, Hong Kong: LexisNexis, 2006
8. Alice Leung; Victor Joffe QC; Roxanne Ismail SC; Kingsley Ong; Selina Kung, HK Companies Ordinance – Commentary & Annotations (2 volumes), Sweet & Maxwell, 2014
9. ELG Tyler, Stefan Lo, New Companies Ordinance (Cap 622), A Butterworths Hong Kong Handbook (Volume I to VI), LexisNexis, 2014

Useful website: www.legislation.gov.hk
- Companies Ordinance (Cap. 622)
- Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)
- Securities and Futures Ordinance (Cap. 571)