

**HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS AND MANAGEMENT
DEPARTMENT OF ACCOUNTING**

**ACCT 4610 COMPANY LAW
SPRING SEMESTER, 2024/2025**

INSTRUCTOR

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COURSE OBJECTIVE

This course is designed to acquaint students with the law relating to companies registered in Hong Kong. The following issues will be examined: company formation and records; share and loan capital; management and administration; reconstructions; mergers and take-overs; liquidation and receivership.

Prerequisite: ACCT 3610 Business Law

COURSE MATERIALS

Compulsory

Course notes prepared by the instructor (available on Canvas)

References

Lo, S. and Qu, C., Law of Companies in Hong Kong, latest edition (Sweet and Maxwell)

Stott, V., Hong Kong Company Law, latest edition (Pearson)

COURSE ASSESSMENT

(1) QUIZZES (5%)

There are 4 non-cumulative short MC quizzes which will be held during the following weekends on Canvas: 15-16 Feb, 1-2 Mar, 19-20 Apr, and 3-4 May. Each quiz will contain 10 questions to be completed within 10 minutes in a single attempt. These quizzes are non-invigilated, and students can do them anytime and anywhere during the 48-hour window.

(2) INCORPORATE A COMPANY QUIZ (5%) – 28-30 March 2025

On 28 to 30 March 2025, students will watch a pre-recorded video (about 60 mins in length) about how to incorporate and maintain a company and then complete a short quiz on Canvas at their own time. The purpose of this exercise is to enable students to understand and complete the necessary forms when they have their own companies.

(3) MIDTERM EXAM (45%) – 15 March 2025 (Saturday) 9:30am – 10:50am at LT-A; open book

Since this is an elective course, a makeup will only be arranged if the midterm exam clashes with that of a compulsory course (for example, Taxation). If the clash is with the midterm of another elective course, you will need to decide which elective to take.

(4) FINAL EXAM (45%) – 1 hour 20 mins; non-cumulative and open book

The midterm and final exams will contain short-answer and problem questions, the nature of which will be similar to the in-class practice questions. Students are advised to follow the IRAC approach in order to produce a logical solution (see “Exam Technique” on Canvas).

COURSE CONTENT AND SCHEDULE

Note: The following course content, together with ACCT 3610, is required by the Hong Kong Institute of Certified Public Accountants (HKICPA) in order to qualify for exemption from Module 10 (Business and Company Law) of HKICPA’s Qualification Programme (QP) exam.

(1) Corporate personality and the nature of the limited liability company (approx. 4 classes)

This section deals with the nature of the limited liability company and the concept of corporate personality and their significance in the business environment.

(2) Constitution of a company (approx. 4 classes)

The purpose of this section is to explore the documents that lay down the features of a company and its internal procedures

(3) Management and administration a company (I): Directors and company secretary (approx. 4 classes)

This section takes an overview of the legal obligations of the management and the key aspects of the agency relationship in relation to the administration of the company. The role of company secretary is identified.

(4) Management and administration a company (II): Shareholders and general meetings (approx. 4 classes)

This section explores the rights and obligations of shareholders. The role and significance of the company meeting in the management of a company are also examined.

(5) Capital and finance of companies (approx. 4 classes)

This section deals with the capital and financing of companies, and will enable an accountant to understand the legal considerations in raising share or loan capital.

(6) Takeovers (approx. 1 class)

The purpose of this section is to enable an accountant to understand the schemes of arrangement, reconstruction, and the takeover provisions of the Companies Ordinance.

(7) Company liquidation (approx. 2 classes)

This section deals with the commencement, conduct and consequences of winding up.

(8) External regulatory bodies (self-study based on notes provided)

This section identifies in outline some important external regulatory bodies and their role, structure, duties, powers and procedures, in relation to the work of an accountant. An accountant needs to have a broad general knowledge of the statutory and non-statutory regulations administered by regulatory bodies such as the Hong Kong Monetary Authority, the Securities and Futures Commission, the Stock Exchange, the Financial Reporting Council and the Insurance Authority.