

Companies Registry News Update: Implementation of Treasury Share Regime and Promoting Paperless Corporate Communication

On 8 January 2025, the Hong Kong Legislative Council passed the Companies (Amendment) Bill 2024. The relevant amendment ordinance (namely the Companies (Amendment) Ordinance 2025) will take effect from 17 April 2025.

Key changes under the amendment ordinance include:

(a) Treasury share regime

- Hong Kong-incorporated listed companies will be able to hold shares bought back as treasury shares under this new regime. This new regime is to align with the amendments to the Listing Rules in June 2024, which removed the requirement for listed companies (incorporated in Hong Kong or elsewhere) to cancel shares bought back to allow those shares to be held in treasury if permitted under the laws of their places of incorporation and their constitutional documents;
- Treasury shares may be cancelled, transferred (whether or not for a consideration) or sold;
- Any transfer or sale of treasury shares shall be subject to the same approval requirements as applied to the allotment of new shares in the company; and
- A return in the specified form must be delivered to the Registrar of Companies within 15 days after the date of cancellation, sale or transfer of treasury shares.

To view the full details of the following issued by the Companies Registry:

- Thematic section (including FAQ): please click [HERE](#);
- External circular no. 2/2025: please click [HERE](#); and
- Revised and new forms: please click [HERE](#).

(b) Paperless corporate communication

- Hong Kong-incorporated listed and unlisted companies will be able to adopt an implied consent mechanism for disseminating corporate communication through a website provided that:
 - their articles of association (or debenture instruments) containing a provision (not mere silence) that documents or information generally may be sent or supplied by the companies to their members / debenture holders by means of website (not only in electronic form); and
 - they have sent a one-off notification to the members or debenture holders to inform them of such arrangement;
- the model articles have been amended so that new companies formed under the Companies Ordinance (Cap. 622) may adopt the implied consent mechanism;
- A listed company adopting the implied consent mechanism is no longer required to send a separate notification for each corporate communication uploaded on the website to its members or debenture holders since they can receive instant notifications of information of the listed company through the News Alert service provided by The Hong Kong Exchanges and Clearing Limited;

- The issuance of separate notification whenever a new corporate communication is uploaded to the company's website would continue to apply to an unlisted company adopting the implied consent mechanism, unless the company has obtained an express consent from its members or debenture holders for obviating this requirement; and
- Companies shall enhance the accessibility of their webpages and take cyber security and anti-deception measures when disseminating corporate communication by means of website.

To view the full details of the following issued by the Companies Registry:

- Thematic section (including FAQ): please click [HERE](#);
- External circular no. 3/2025: please click [HERE](#);
- Guidance Note – Good Practice on Communication by Company by Means of Website Under Implied Consent Mechanism: please click [HERE](#); and
- Updated Guide on Communications to and by Companies: please click [HERE](#).