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Our Ref.: C/EPI, M12437

14 June 2002

Mr. Eamonn O'Connell
Official Receiver's Office,
10/F, Queensway Government Offices,
66 Queensway,
Hong Kong,

Dear Mr. O'Connell,

Release of liquidators

We understand that some practitioners have informed you that they are encountering difficulties in obtaining release as liquidators in cases of compulsory liquidation. A number of members of the Society's Expert Panel on Insolvency have also expressed a similar concern.

We believe that the problem has arisen as a result of doubts expressed by Master Ho as to the responsibility for preparing a report on the liquidators' accounts under Form 99 of the Companies (Winding-up) Rules when a liquidator applies for release pursuant to Rule 189. We have been informed that the Master sought advice from the Companies Judge late last year and subsequently, in March 2001, he indicated that the Court would in due course give further directions to the Official Receiver on this matter. However, we are not aware of any further progress since that time.

We would ask you to take this matter up with the Court with a view to resolving as soon as possible any residual uncertainties surrounding the role and responsibilities of the various parties in a liquidator's application for an Order of Release. Apart from the obvious consequence that the liquidators will incur additional costs in complying with statutory and other requirements if there are delays, the efficient operation of the contracting out arrangements is also being affected, as cases are prevented from being closed in a timely manner.

As part of any long term solution, we consider that there may also be merit in reviewing the format and contents of the documents that are required to be filed, in particular Form 99.

We hope that you will be able to give this matter some priority and look forward to hearing from you shortly.

Yours sincerely,

PETER TISMAN
DEPUTY DIRECTOR
(BUSINESS & PRACTICE)

PMT/JT/ay