

Head 116 — OFFICIAL RECEIVER'S OFFICE

Controlling officer: the Official Receiver will account for expenditure under this Head.

Estimate 2024–25	\$236.2m
Establishment ceiling 2024–25 (notional annual mid-point salary value) representing an estimated 273 non-directorate posts as at 31 March 2024 reducing by two posts to 271 posts as at 31 March 2025	\$162.3m
In addition, there will be an estimated eight directorate posts as at 31 March 2024 and as at 31 March 2025.	
Commitment balance	\$1.1m

Controlling Officer's Report

Programme

Official Receiver's Office

This programme contributes to Policy Area 1: Financial Services (Secretary for Financial Services and the Treasury).

Detail

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	219.1	230.2	228.1 (–0.9%)	236.2 (+3.6%)
				(or +2.6% on 2023–24 Original)

Aim

2 The aim is to administer the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) relating to the compulsory winding-up of companies and the Bankruptcy Ordinance (Cap. 6) relating to the estates of bankrupts.

Brief Description

3 The Official Receiver's Office (ORO) is responsible for the effective administration of insolvency matters pertaining to compulsory liquidation of companies and individual bankruptcies. This work involves:

- the delivery of an effective in-house management insolvency service when appointed by the court or creditors as liquidator or trustee, and the management of the schemes for contracting out insolvency cases to the private sector;
- the effective realisation of assets of insolvent companies and bankrupts at the earliest opportunity, adjudication of creditors' claims, and declaration of dividends to preferential and ordinary creditors as soon as possible; and
- investigation into the conduct of bankrupts, directors and officers of insolvent companies and the causes of business failures, prosecution of insolvency offenders and implementation of the statutory provisions relating to the disqualification of company directors of insolvent companies.

4 The key performance measures in respect of the administration of insolvency cases are:

Targets

	Target processing time	2022 (Actual)	2023 (Actual)	2024 (Plan)
general enquiries in person at public reception counter (%)	10 minutes	100	100	100
applications for Certificate of Non-bankruptcy (%)	2 working days	100	100	100
lodging Proofs of Debt in person (%)	10 minutes	100	100	100
obtaining assistance of officers to complete a Proof of Debt (%)	30 minutes	100	100	100
request for copies of Statement of Affairs (%)	3 working days	100	100	100

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	Target processing time	2022 (Actual)	2023 (Actual)	2024 (Plan)
distribution of dividends				
completing procedures when the distribution is possible (%)#.....	9 months	100	100	100
sending dividend cheques by mail (%).....	5 working days	100	100	100
holding meetings of creditors in non-summary cases				
winding-up cases				
making decision to hold meetings (%).....	8 weeks	94	97	90
holding meetings (%).....	12 weeks	91	92	90
bankruptcy cases				
making decision to hold meetings (%).....	12 weeks	98	99	98
holding meetings (%).....	16 weeks	99	99	100
processing written fund withdrawal requests from outside liquidators by the due dates, provided the specified notification periods are followed				
Pool Investment Scheme				
amount below \$10m (%).....	3 working days	100	100	100
amount between \$10m - \$15m (%).....	5 working days	100	100	100
amount between \$15m - \$20m (%).....	10 working days	100	100	100
funds invested separately (%)	2 working days before maturity of fixed deposit	100	100	100
processing invoices including liquidators' bills and arranging payments (%).....	30 calendar days	99	99	99
putting summary cases with insufficient assets for distribution on release programme (%).....	12 months	99	99	97

From the month when the cash balance meets the threshold of \$25,000 for debtor-petition bankruptcy cases; \$70,000 for creditor-petition bankruptcy cases; and \$200,000 for winding-up cases, or from the date of receipt of internal referral for dividend distribution of cases with cash balance below thresholds.

Indicators

	2022 (Actual)	2023 (Actual)	2024 (Estimate)
new cases.....	5 615	7 702	7 702
insolvency cases completed (i.e. release orders made by the Court), stayed or rescinded.....	8 466	7 599	8 976
cases put on release programme.....	4 684	4 879	4 879
cases on release programme at year end	2 522	2 610	1 824
cases put on small case programme	3 588	2 644	2 644
cases on small case programme at year end.....	13 922	13 421	12 391
average active in-house case load per Insolvency Officer at year end.....	120	125	162
average active non in-house case load per Insolvency Officer at year end.....	767	786	758
cases put on adjudication programme	1 357	1 176	1 176
proofs of debt adjudicated.....	3 103	3 953	3 953
cases with dividends declared	1 024	1 142	1 142
amount of dividends declared (\$m).....	127.4	134.3	134.3
summons issued	691	675	680
meetings of creditors held	2 356	3 321	3 321
writs issued and other proceedings	16	21	16
non-remunerative cases (i.e. cases with assets of not more than \$50,000).....	5 488	7 571	7 571
proportion of non-remunerative cases to new cases (%)	98	98	98

Matters Requiring Special Attention in 2024–25

- 5 During 2024–25, the ORO will continue to:
- implement the scheme to contract out summary liquidation cases (each with estimated realisable assets of not more than \$200,000) to practitioners in the private sector;
 - monitor the Administrative Panel Scheme for contracting out non-summary liquidation cases (each with estimated realisable assets of more than \$200,000) to practitioners in the private sector;
 - implement the scheme for outsourcing preliminary examination of bankrupts to practitioners in the private sector;
 - implement the scheme to outsource a certain number of debtor-petition summary bankruptcy cases (each with estimated realisable assets of not more than \$200,000) to practitioners in the private sector;
 - encourage greater use of individual voluntary arrangements by debtors as an alternative to bankruptcy;
 - closely review existing targets of performance pledges and determine any new areas for improvement in consultation with the ORO's Service Advisory Committee;
 - review the operational procedures in the ORO with a view to improving efficiency and productivity;
 - provide support for the Financial Services and the Treasury Bureau in reviewing and refining legislative proposals for modernising insolvency procedures and other insolvency-related legislative initiatives; and
 - strengthen liaison and co-operation with relevant Mainland authorities on insolvency-related matters.

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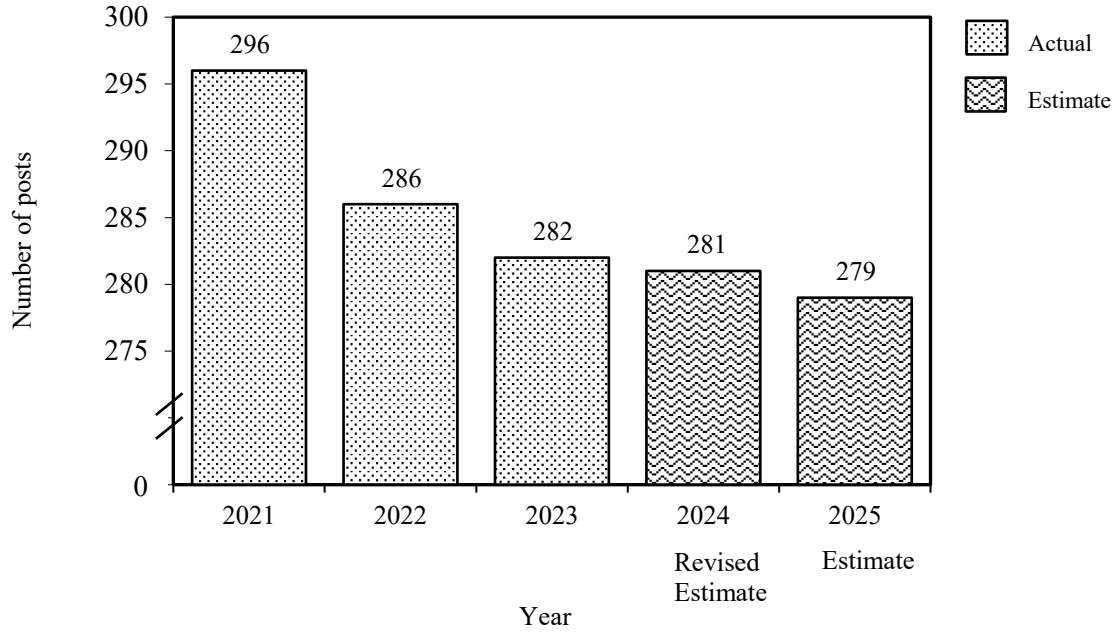
ANALYSIS OF FINANCIAL PROVISION

	2022-23 (Actual) (\$m)	2023-24 (Original) (\$m)	2023-24 (Revised) (\$m)	2024-25 (Estimate) (\$m)
Programme				
Official Receiver's Office.....	219.1	230.2	228.1 (-0.9%)	236.2 (+3.6%)
				(or +2.6% on 2023-24 Original)

Analysis of Financial and Staffing Provision

Provision for 2024-25 is \$8.1 million (3.6%) higher than the revised estimate for 2023-24. This is mainly due to increased salary provisions arising from filling of vacancies and staff changes, partly offset by the decreased provision for departmental expenses and decrease of two posts.

*Changes in the size of the establishment
(as at 31 March)*



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Sub-head (Code)	Actual expenditure 2022–23	Approved estimate 2023–24	Revised estimate 2023–24	Estimate 2024–25	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	219,113	230,098	228,114	236,123
	Total, Recurrent.....	219,113	230,098	228,114	236,123
Non-Recurrent					
700	General non-recurrent	—	60	—	60
	Total, Non-Recurrent.....	—	60	—	60
	Total, Operating Account	219,113	230,158	228,114	236,183
	Total Expenditure	219,113	230,158	228,114	236,183

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Details of Expenditure by Subhead

The estimate of the amount required in 2024–25 for the salaries and expenses of the Official Receiver’s Office is \$236,183,000. This represents an increase of \$8,069,000 over the revised estimate for 2023–24 and \$17,070,000 over the actual expenditure in 2022–23.

Operating Account

Recurrent

2 Provision of \$236,123,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Official Receiver’s Office.

3 The establishment as at 31 March 2024 will be 281 permanent posts. It is expected that there will be a decrease of two posts in 2024–25. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2024–25, but the notional annual mid-point salary value of all such posts must not exceed \$162,323,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2022–23 (Actual) (\$’000)	2023–24 (Original) (\$’000)	2023–24 (Revised) (\$’000)	2024–25 (Estimate) (\$’000)
Personal Emoluments				
- Salaries	162,313	169,630	171,500	177,830
- Allowances	2,235	3,682	2,865	6,997
- Job-related allowances.....	55	2	2	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution	509	561	621	693
- Civil Service Provident Fund contribution	12,107	14,090	13,734	14,939
Departmental Expenses				
- Hire of services and professional fees	5,724	6,988	4,987	3,831
- General departmental expenses	36,170	35,145	34,405	31,831
	219,113	230,098	228,114	236,123

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Commitments

Sub- head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2023	Revised estimated expenditure for 2023–24	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	003	Pilot scheme to contract out cases of winding-up of companies	10,000	8,921	—	1,079
		Total	10,000	8,921	—	1,079