

Hong Kong

- Territorial tax system
- Major international trade, commercial, and banking centre
- Gateway to mainland China, with attractive tax treaty

Introduction

Hong Kong is a former British Overseas Territory, which became a Special Administrative Region of the People's Republic of China with effect from 1 July 1997. Hong Kong continues to have high autonomy in the running of its affairs under a 'one country, two systems' policy. Hong Kong remains a relative powerhouse in world trade. Despite its comparatively small population of over seven million, it is one of the top 20 trading economies, the world's third largest financial centre and vies with Singapore as the largest container port by volume. Hong Kong remains the most significant gateway into southern China.

Law and Taxation

Hong Kong's corporate law is strongly based on British common law. Local businesses are regulated and Hong Kong regards itself as a low tax centre rather than a tax haven. Taxes are levied on profits, salaries and property with varying rates. Estate duty was completely abolished on 11 February 2006. Only profits derived in Hong Kong are assessable for taxation and genuine offshore transactions are not subject to Hong Kong tax, although the Inland Revenue Department (IRD) is diligent in determining onshore and offshore profits.

Due to Hong Kong's role as a major trading and entry point to mainland China and Asia, the bulk of companies formed in Hong Kong are for trading purposes.

Corporate Requirements

Chinese names are permitted and can be included on a company's Certificate of Incorporation. Each Hong Kong company must have a local secretary and a local registered office, which must be a physical address (a post office box is not acceptable).

Each company must have at least one director, and corporate directors are permitted for companies that are not subsidiaries of public listed corporations. Every private company is required to have at least one director who is a natural person.

The company should have at least one shareholder. Details of the company's directors, shareholders, and secretary must be filed at the Companies Registry and are on public record.

Each year, the company must submit an annual return. The Companies Registry is increasingly vigilant in relation to annual return submissions, and penalties apply for late filings.

All companies must renew their business registration with the IRD annually and are required to file a set of audited accounts with the IRD annually.

Local Infrastructure

There are more than one million companies incorporated in Hong Kong. With implementation of the Integrated Companies Registry Information System (ICRIS) on 28 February 2005, the new Companies Registry Electronic Search Services became available for checking company information. Numerous banks, stockbrokers, and finance houses, as well as all the major international legal and accounting firms, are present in Hong Kong. Hong Kong is also well served by local secretarial, corporate management, and trust companies, and has an efficient modern and dynamic banking system designed to assist the international business community.

Starting from 21 February 2011, the Companies Registry and the IRD jointly launched a one-stop company and business registration service. Any person who submits an incorporation form for a local company or an application form for registration of a non-Hong Kong company at the Companies Registry will be deemed to make a business registration at the same time.

Our Services

We can incorporate a company with your choice of name and can check the availability of names in advance.

All companies are provided with a complete company kit, including share certificates, 4 copies of the Articles of Association, statutory registers, a company chop, and a common seal. In addition, we can assist you in obtaining Certificates of Continuing Registration, as well as other relevant post-incorporation services.