



GENERAL INFORMATION

Location

Hong Kong is on the south east coast of China and consists of a large number of islands and a part of the mainland totalling approximately 1,025 sq. km. The principal areas are Hong Kong Island, Kowloon and the New Territories. These areas were ceded to Britain in perpetuity in 1842 under the treaty of Nanking, and in 1898, the New Territories were leased by Britain from China for a period of 99 years. On 1 July 1997 all of Hong Kong reverted back to China and became a Special Administration Region within the People's Republic of China.

Population

The population of Hong Kong is currently 6.8 million made up mainly of people of Chinese origin and is one of the most densely populated areas in the world.

Political Structure

Until 1 July 1997, Hong Kong was a British Crown Colony. A governor appointed by the Queen presided over the Hong Kong government, which consisted of the executive and legislative councils.

On 1 July 1997 Hong Kong elected its own legislature and maintained its court structure. The head of the government of the Hong Kong Special Administrative Region is the Chief Executive Officer. The Legislative Council is the legislature of the Hong Kong.

Infrastructure and Economy

Separating Hong Kong Island and the Kowloon peninsular is Victoria Harbour, which is recognised internationally as one of the world's perfect natural harbours. It varies in width from two to ten kilometers. An additional 13,517 sq. km of land has been reclaimed in the New Territories to provide additional dockyard and warehousing facilities. It is estimated that well over 100,000 containers per month pass through the port.

Hong Kong is the leading South East Asian centre for both finance and commerce and ranks as the world's third largest financial centre after New York and London. There are more than 160 licensed banks with more than 130 foreign banks having representative offices in Hong Kong and a further 225 licensed deposit taking finance companies all of which play an active role in the financing of international trade and commerce.

Language

The official languages are English and Chinese, with English being used in the commercial and political context and Cantonese and Mandarin Chinese used widely in industry and domestic trade.

Exchange Control

None.

Type of Law

Common Law based on English Common Law.

Principal Corporate Legislation

Companies Ordinance (Cap 32).

COMPANY INFORMATION

Type of Company for International Trade and Investment

Private company limited by shares.

Procedure to Incorporate

Submission of Memorandum and Articles of Association with Companies Registry. A Notice of Situation of Registered Office is also required to be filed. This can either be done at the time of filing the Memorandum and Articles of Association and Declaration of Compliance, or within fourteen days of the date of incorporation (please refer to Schedule 1 for a detailed description of the registration procedures). After the issuance of Certificate of Incorporation, the company then files notice of appointment of directors, notice of appointment of secretary etc.

Restrictions on Trading

Cannot undertake banking or insurance or financial activities unless relevant licences are obtained.

Powers of Company

A Hong Kong limited liability company has all the powers of a natural person.

Language of Legislation and Corporate Documents

Both Chinese and English, and either one of the two languages can be used in the corporate documents.

Registered Office Required

Yes, a company must maintain a registered in Hong Kong where the correspondence from Hong Kong Government can be served.

Name Approval Required

Name needs not be approved and it is not possible to reserve a name too. It is essential to check that there is no similar or identical name on the Register maintained by Companies Registry, which would prevent the company being incorporated.

Shelf Companies Available

Yes, shelf companies are commonly used and are available for immediate delivery.

Time to Incorporate

Approximately two weeks from the submission of documentation and payment of statutory filing fees.

Name Restrictions

A name that is too similar to or identical to an existing company. A name that constitutes a criminal offence or is otherwise contrary to the public interest. A name that implies government patronage.

Names Requiring Consent or Licence

Building society, Chamber of Commerce, chartered, co-operative, mass transit, municipal, savings, tourist association, trust, trustee, underground railway, bank, insurance, assurance, reinsurance, fund management, asset management and investment fund.

Suffixes to Denote Limited Liability

Limited.

Disclosure of Beneficiary Ownership to Authorities

No. Nominee structure is commonly used.

COMPLIANCE

Authorised and Issued Share Capital

The standard authorised share capital is HKD10,000. The minimum issued capital is one share of HKD1 each.

Classes of Shares Permitted

Ordinary shares, preference shares, redeemable shares and shares with or without voting rights.

Bearer Shares

Company incorporated in Hong Kong is not allowed to issue bearer shares. However, privacy can be achieved by utilizing nominee services.

Taxation

The principle of Hong Kong income tax is that it is a tax on income that has its source in Hong Kong rather than a tax based on residence. Hong Kong does not therefore impose tax on non-Hong Kong source income even when remitted to Hong Kong. Consequently, if a Hong Kong company's trading or business activities are based outside Hong Kong no taxation will be levied. Hong Kong companies with Hong Kong source income currently pay a rate of taxation on profits of 17.5%.

There is no tax on capital gains. Interest income and dividend income is also tax free. There are no withholding taxes. The local currency is the Hong Kong Dollar which is freely interchangeable but has a pegged exchange rate against the US Dollar. There are no exchange controls.

One of the major advantages of utilising a Hong Kong company is that there is no immediate suggestion that the company is a tax avoidance vehicle as Hong Kong is major trading entity in its own right. Hong Kong is one of the world's largest importer and also one of the world's largest exporter. The vast majority of the 50,000 Hong Kong companies incorporated annually are local trading companies doing real business in the region.

Double Taxation Agreements

Hong Kong has no double tax agreement with any country, with the exception of a limited treaty with the United States of America relating to shipping matters only.

Licence Fee

The Business Registration Fee, currently USD335 (HKD2,600), is due and payable within one month of the date of incorporation and then annually on the anniversary of the first payment.

Financial Statement Requirements

Hong Kong companies are required to prepare full audited accounts under the company laws. Also, a copy of the audited financial statements is to be furnished with Inland Revenue Department together with Profits Tax Return. The audited financial statements are not available to the public or to the foreign authorities except those of a listed company.

Directors

A minimum number of one (1) director is required and full details of these must be filed with the Public Registry. The directors can be of any nationality and be resident anywhere. There is no requirement for board meetings to be held within Hong Kong and directors may be resident anywhere in the world. Corporate nominee directors are permitted.

Company Secretary

A Hong Kong company must appoint a company secretary, who may be a natural person or a body corporate, but the company secretary must be resident in Hong Kong.

Shareholders

A minimum number of one shareholder is required whose details are filed on the public register. Corporate shareholders are permitted and anonymity can be achieved by the use of nominee shareholders. The shareholders can be of any nationality and be resident anywhere in the world and meetings can take place anywhere.

REGISTRATION FEE AND MAINTENANCE FEE

Registration Fee

With a standard share capital of less than or of HK\$10,000 and with standard Memorandum and Articles of Association, our charge is USD1,175. In particular, our charge includes the following services:

1. Payment of incorporation official filing fee: USD225
2. Payment of first year business registration fee: USD335
3. One complete company kit: USD100
4. Provision of first year Company Secretary: USD200
5. Provision of first year registered Office: USD125
6. Incorporation service charge: USD190

Note: our charge here does not cover delivery fee.

Registration Fee – Cont'd

Documents and Information Required

1. Proposed company name, either in English only or Chinese only or both;
2. One photocopy of Hong Kong Identity Card of all the shareholders, if they are Hong Kong residents; One photocopy of passport of all the shareholders, if they are not Hong Kong Residents; In case of corporate director, a copy of Certificate of Incorporation/Articles of Organisation is required.
3. One copy of Hong Kong Identity Card of all the directors, if they are Hong Kong residents; One copy of passport of all the directors, if they are not Hong Kong Residents; In the case of corporate shareholder, a copy of Certificate of Incorporation/Articles of Organisation is required.
4. Residential addresses/registered offices of all the shareholders and directors; and
5. Amount of share capital, both authorised and issued and allotments, if standard capital not applied;

Documents Given to Clients after Registration

1. Original copy of Certificate of Incorporation
2. Original copy of Business Registration Certificate
3. Ten (10) copies of Memorandum and Articles of Association
4. Ten (10) copies of share certificate
5. Register of Members and Register of Directors
6. Common Seal and company chop
7. Minutes for the appointment of first director(s)
8. Documents pertaining to the appointment of directors.

Optional

Corporate Nominee Director (4):	USD300 (each/ per annum)
Individual Nominee Director (4):	USD400 (each/ per annum)
Corporate Nominee Shareholder:	USD250 (each/ per annum)
Legalisation of incorporation documents (1):	USD700 per set
Notarisation of incorporation documents (2):	USD400 per set
Certification of incorporation documents (3):	USD100 per set
Mailing address (5):	USD200 per annum

Note:

- (1) Legalisation of incorporation documents is required for use in China for the establishment of Representative Office;
- (2) Notarisation of incorporation documents may be required for the purpose of opening bank accounts in other countries;
- (3) Certification of incorporation documents is required for opening of bank account in Hong Kong.
- (4) We require a deposit of USD600 for provision of nominee director services.
- (5) Postage incurred for mail forwarding will be billed separately.

Annual Maintenance Fee

Annual maintenance fee is estimated to be USD1,410 which covers annual filing fee, annual company secretary fee and annual registered office fee, audit fee and tax filing fee.

1. Annual retainer for acting as company secretary: USD300
2. Registered Office fee: USD200
3. Payment of business registration fee: USD335 (subject to change by the Government)
4. Annual Return statutory filing fee: USD14 (subject to change by the Government)
5. Book-keeping fee: NIL if not operating; fees to be determined according to the nature of business and number of transactions.
6. Statutory audit fee: USD450 if operation is minimal; exact fee will be determined according to a number of factors, such as the nature of business and amount of turnover etc.
7. Filing of Profits Tax Return: USD75 ([More on Reporting Requirements](#))
8. Filing of Employer's Return: USD35 ([More on Employer's Return](#))

For incorporation, information or assistance, please contact:

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Incorporation Procedures

- Step 1** Client fax or scan and email to us the documents and information required
- Step 2** Client make payment to Kaizen
- Step 3** Kaizen prepare registration documents and send them to client for signing
- Step 4** Client signs the registration and then send (by post or courier) them back to us
- Step 5** *Kaizen* files the following documents with Companies Registry together with the appropriate fees:-
(a) Memorandum and Articles of Association of the intended company.
(b) A Statutory Declaration of Compliance.
- Step 6** *Kaizen* receives the Certificate of Incorporation from Companies Registry.
- Step 7** *Kaizen* files the following documents with Companies Registry
(a) Notification of Appointment of First Directors and Secretary
(b) Letter of Appointment of First Directors
(c) Consent to Act as Director
(d) Notification of Situation of Registered Address
(e) Any other documents if appropriate
- Step 8** *Kaizen* applies for Business Registration Certificate with the appropriate fees. Incorporation process completed.
- Step 9** *Kaizen* send duly registered documents to client.