

Hong Kong Information Sheet



Statutory description of private limited company

Private Limited Company (limited by shares).

Governing corporate legislation

The principal company legislation is the Companies Ordinance Cap. 622 which is effective from 3rd March 2014.

All companies are required to pay a Business Registration Fee of HKD 250 annually to the Hong Kong Government. This fee must be paid in advance to the Registered Agent. A Business Registration Certificate must be obtained from the Inland Revenue whether or not the company intends to trade.

Time-scale for incorporation

A new incorporation will take approximately 1 working day from date of submission of the incorporation papers at the companies Registry.

In addition, a Business Registration Certificate must be obtained from the Inland Revenue whether or not the company intends to trade.

The regulations governing availability of names

The name must end with the word 'Limited'.

Companies may be registered with an English name written in Roman script, or a Chinese name, written in Chinese characters, or both. A company may not adopt a name which uses a combination of English and Chinese characters.

A name must not be the same or too like a name already appearing in the registrar's index of company names. Also, a name cannot be the same as that of a body corporate incorporated or established under another ordinance.

Some words require consent or approval such as "Assurance", "Bank", "Building Society" and "Trust".

Any trading name must be notified to the Inland Revenue.

Minimum and maximum number of shareholders

The minimum number is one and the maximum is 50.

Share capital requirements

Shares in Hong Kong companies are of nil value. Directors will be responsible for setting the issue price of shares and the proceeds arising from an issuance will form part of the share capital.

Standard authorised number of shares

Directors have the discretion to issue an unlimited number of shares. If required, the Articles of Association can be drafted to restrict the maximum number of shares able to be issued.

Classes of shares available

Share capital may be divided into nominative (registered) shares, preference shares, redeemable shares, shares with special (or no) voting rights. Share warrants to bearer may be issued in respect of any fully paid up shares.

"par value" shares are not permitted.

Denomination of share capital

Share capital may be denominated into any recognised hard currency.

Information published relating to shares and shareholders

The issued share capital must be shown in the annual return along with a list of shareholders. The name, address, occupation or description of, and the class and number of shares held by, each member must be shown.

Details of any allotment must be notified to the Registry within one month.

Residency requirements on shareholders or shareholders' meetings

Generally there are none.

Minimum and maximum number of directors

There must be a minimum of one director and one company secretary; there is no maximum. A director may also be the secretary of the company unless the company has only one director, in this case, the sole director cannot be the secretary.

Are corporate directors permitted?

There is a statutory requirement to have at least one individual director. Corporate directors are permitted to act alongside the individual director unless the company is publically listed or limited by guarantee.

Nationality and residency requirements of directors

None for directors but the company secretary must, if an individual, ordinarily reside in Hong Kong or, if a body corporate, have its registered office or a place of business in Hong Kong.

Nature of the powers of the directors

These are freely determinable by the company's Articles of Association.

Directors' meetings

There are no mandatory rules as to location and frequency.

Information published relating to directors

The directors' names and residential addresses must be notified within 14 days of the first appointment or of any changes. These details will also be shown in the annual return of the company.

Must accounts be prepared by the directors?

Proper books of account must be kept and be preserved for seven years from the end of the financial year to which the last entry made or matter recorded therein relates.

Must such accounts be audited, and if so by whom?

Accounts must be audited and auditors are required to be qualified for appointment under the Professional Accountants Ordinance (Cap 50). They must be independent of the company.

Must such accounts be filed with the financial authorities?

A Hong Kong Company has to file its Profits Tax Return with the Inland Revenue Department on an annual basis. Audited accounts must be filed along with the Profits Tax Return unless the Company meets the following criteria:

- A Company whose total gross income does not exceed HKD 500,000 in the financial period;
- Dormant companies with no relevant accounting transactions during a financial year;
- Companies incorporated in a jurisdiction whose laws do not require accounts to be audited (not applicable for HK Companies);
- A Hong Kong branch of a foreign company, subject to certain conditions.

If the Company meets the above criteria the accounts do not need to be filed however the Company will still have to submit a nil Profits Tax Return to the IRD.

Must the company have a registered presence in the territory of incorporation?

Yes. A registered office must be located within the jurisdiction.

What records must be maintained in the territory and are they available for public inspection?

A register of directors and secretaries, register of members, register of debentures and register of directors interests in shares and debentures must be maintained and are available for inspection by any member, and in respect of the register of debentures any debenture holder, without charge.

They are open for inspection by the public for a charge of no more than HK\$1.

Can the company make secured loans?

Yes

Can the company make unsecured loans?

Yes

What are the limits placed on the company's borrowing powers?

Generally there are none.

Is there a register of company charges?

Yes. A register of charges created by the company must be maintained and is open to public inspection. The charges are registrable at the Companies Registry and, if the charge is on real property, also at the Land Registry.

Company seal

A common seal (metallic seal) is optional. Other seals, e.g. official seal for use abroad or for sealing securities, are also permitted if required.

Re-domiciliation provisions

This is not permitted.