

HONG KONG

1. Company law

Originally modelled on English Company Law. Principal Ordinances include but are not limited to: Companies Ordinance, Cap. 622; Business Registration Ordinance, Cap. 310; Partnership Ordinance, Cap. 38; Limited Partnerships Ordinance, Cap. 37; Societies Ordinance, Cap. 151; Inland Revenue Ordinance, Cap.112. Limited Companies and Branches of foreign Companies must register with the Companies Registry. All businesses/companies must register for a Business Registration Certificate at the Inland Revenue Department.

2. Types of company:

Public Limited Company (PLC); Private Limited Company; Company Limited by Guarantee without a share capital; Limited Partnership; Partnership; Sole Proprietorship; Club/Society.

(a) type of company preferred for international transactions:

Companies limited by shares (i) Private Limited Companies with less than 50 members; (ii) Public Limited Companies. Tax rate for limited companies: 16.5%

(b) shareless companies:

Companies limited by guarantee; limited partnership; partnership; sole proprietorship; club/societies.

3. Capital requirements:

No minimum capital requirement but must have share capital if a limited company having shared.

4. Annual fees paid to authorities:

Inland Revenue Department: Business Registration fee and levy: HKD2.250 one year / HKD5.950 three years. Companies Registry: Annual Return HKD105 within 42 days of anniversary of incorporation.

5. Who can incorporate:

Anyone. No local representative or agent is required to incorporate a limited company. Club/Society officers must be HK residents.

6. Minimum members:

One for a private limited company. All other limited companies must have at least two members. In all cases, the secretary must be a Hong Kong resident. Private limited companies are limited to 50 shareholders maximum.

7. Registered office:

No requirement for a local registered agent but the Registered Office must be a physical address in Hong Kong, not a PO box.

8. Resident directors and secretary:	<i>The directors need not be Hong Kong residents but the secretary must be a resident in Hong Kong.</i>
(a) Are Corporate Directors allowed?	<i>Yes</i>
9. Appointee directors/ secretary possible?	<i>Yes.</i>
10. Meetings:	<i>One annual general meeting every year with a minimum of 21 days written notice.</i>
11. Annual return:	<i>Submitted annually to the Registrar of Companies.</i>
(a) Must financial statements of a company be audited?	<i>By certified public accounting firm in Hong Kong (first audited accounts are required 18 months after incorporation).</i>
12. Is migration of companies permitted?	<i>Hong Kong companies may establish overseas subsidiaries, Branch Offices and Representative Offices and under the Closer Economic Partnership Agreement (CEPA) with China this can have significant benefits. Companies cannot migrate to or from KH. But foreign companies may establish Branch Offices which operate as a Hong Kong company or they can have a Representative Office under the Inland Revenue Ordinance which may not trade, or they may be established under Part XI of the Companies Ordinance.</i>