



Investing in Asia Pacific 2015: Hong Kong

Australia | China | Hong Kong | India | Indonesia | Japan | Korea | Malaysia | Maldives | Singapore | Taiwan | Thailand | Vietnam

TABLE OF CONTENTS

- 5 Introduction
- 7 About Crowe Horwath International
- 8 Establishing the business entity
- 9 Tax information
- 11 IPO quick facts
- 13 Human resource requirements
- 14 Withdrawal procedures

INTRODUCTION

Welcome to the Crowe Horwath International “Investing in Asia Pacific 2015: Hong Kong” guidebook.

This guide forms a part of the “Investing in Asia Pacific 2015” series and provides a quick reference for those interested in investing in Hong Kong. While it is not exhaustive, this guide aims to answer some of the key questions that may arise. When specific issues arise in practice, it will often be necessary to consider the relevant laws and regulations and to obtain appropriate professional advice.

The guidebook will cover five main topics as follows:

- Establishing the business entity
- Tax information
- IPO quick facts
- Human resource requirements
- Withdrawal procedures

ABOUT CROWE HORWATH INTERNATIONAL

Crowe Horwath International is ranked among the top 10 global accounting networks with more than 150 independent accounting and advisory services firms in over 100 countries around the world. Crowe Horwath International's member firms are committed to impeccable quality service, highly integrated service delivery processes and a common set of core values that guide decisions daily.

Each firm is well-established as a leader in its national business community and is staffed by nationals, thereby providing a knowledge of local laws and customs which is important to clients undertaking new ventures or expanding into other countries. Crowe Horwath International member firms are known for their personal service to privately and publicly held businesses in all sectors and have built an international reputation in the areas of audit, tax and advisory services.



HONG KONG

Establishing the business entity

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1. Formation Company

A. Formation

1. Tailor-made company

- a. Company name of your choice, providing the name is not identical or very similar to any existing company.
- b. Incorporation process takes about six (6) working days to complete; or for e-incorporation, it takes about two (2) days to complete (i.e. Certificate of Incorporation and Business Registration Certificate are ready) after submission of formation documents.

2. Shelf company

- a. A ready-made company with Certificate of Incorporation and Business Registration Certificate.
- b. Subsequent change to the name of the shelf company, if you so wish.
- c. After submission of papers, change of name process takes about six (6) working days for issuing the Certificate of Change of Name and updating the Business Registration Certificate.

B. Annual Requirements

- a. Every company must hold an annual general meeting each year. Audited accounts should be presented at the meeting.
- b. An annual return made up to the anniversary day of the company must be filed at the Companies Registry within 42 days thereof. Higher filing fee will be imposed on late filing.
- c. Notification to Companies Registry and/or Business Registration Office for any changes in the particulars within specific deadlines.
- d. Business Registration Certificate shall be renewed each year.

Branch

A. Registration

1. Branch of a Hong Kong private limited company

- a. Application for a Branch Business Registration Certificate, which takes about one (1) to two (2) working days.

2. Branch of overseas company (Non-Hong Kong company)

- a. Name search is required. If name of foreign company is identical with an existing company in Hong Kong, it is required to adopt a trade name to differentiate.
- b. Submission of relevant forms together with the certified copies of certain corporate documents of the foreign company to the Companies Registry and Notice to Business Registration Office for registration of a branch.
- c. Registration process takes about 16 working days to complete after submission of registration documents.

B. Annual Requirements

- a. An annual return made up to the date of registration of the company and its group accounts (unless exempted) must be filed at the Companies Registry within 42 days thereof. Higher filing fee will be imposed on late filing.
- b. Notification to Companies Registry and/or Business Registration Office for any changes in the particulars within specific deadlines.
- c. Business Registration Certificate shall be renewed each year.

Representative Office

A. Registration

Application for a Business Registration Certificate (for liaison purpose only and the regional office is not allowed to carry on any business) takes about one (1) to two (2) working days.

B. Annual Requirements

Business Registration Certificate shall be renewed every year.

2. Work permits and visas

Company

There is a genuine job vacancy and applicants who have a good education background, normally a first degree in the relevant field and possess special skills, knowledge or experience of value which are not readily available in Hong Kong may apply to come to work under the General Employment Policy.

The application process normally takes six (6) weeks.

Branch

Same as for company.

Representative Office

Same as for company.

3. Accounting standards and audit requirements

Company

IFRS-compliant.

Branch

Same as for company.

Representative Office

Same as for company.

4. Resident directors / promoters requirements

Company

A company must have a secretary.

- a. if an individual, ordinarily resides in Hong Kong;
- b. if body corporate, have its registered office or a place of business in Hong Kong.

Branch of overseas company

An Authorized Representative who is a Hong Kong resident; or solicitor corporation; or corporate practice within the meaning of section 2 of the Professional Accountants Ordinance; or firm of solicitors or professional accountants (practicing) must be appointed.

5. Foreign ownership over tangible assets

Company

No restriction imposed.

Branch

Same as for company.

Representative Office

Same as for company.

Tax information

1. Tax rates on corporate income

16.5% on assessable profits.

2. Other taxes

Good and Services Tax (GST)

No GST in Hong Kong.

Value Added Tax (VAT)

No VAT in Hong Kong.

Other taxes

Property tax, salaries tax, stamp duty, etc.

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