

Hong Kong

(fees quoted are exclusive of VAT)

Hong Kong is situated at the south-eastern tip of the mainland of China. It was established as a British colony in 1841 and reverted to Chinese sovereignty on 1 July 2007. At that time, Hong Kong became a Special Administrative Region of the People's Republic of China retaining the current political, social, commercial and legal system for a minimum period of 50 years after 1 July 1997. Since the handover Hong Kong has run its affairs with complete autonomy.

Requirements:

- Company names may be in English or English with Chinese characters and must include the word 'Limited'.
- All Hong Kong companies must have a registered office and agent in Hong Kong.
- Minimum number of shareholders and directors is one each. These can be non-resident and may be an individual or a corporate. A sole director may not be the secretary of that company. Details of shareholders and directors are publicly filed at the Companies Registry, use of nominees may provide more confidentiality as there is no public disclosure of the beneficial owner.
- Bearer shares are not allowed.
- A resident company secretary must be appointed who may be an individual or a corporate.
- There is no minimum or maximum share capital requirement, the standard share capital structure is HK\$10,000 of authorised capital divided into 10,000 ordinary shares of HK\$1 each. A minimum of one share must be issued.
- Capital duty is payable on increase in authorised share capital at rate of 0.1%. Stamp duty is payable at the rate of 0.225% on share transfers.
- Annual return of shareholders and directors and certain other information must be filed with the Companies Registrar and also hold at least one general meeting in any twelve month period. Penalties will be levied for late filing.
- Companies are required to produce annual audited accounts but these are not available to the public and are used by the Inland Revenue Department to assess any tax payable.
- Accounts - proper books of account must be kept by the company and accounts prepared including a standard report by directors.

The accounts must be audited by local certified public accountants. The audited accounts are not filed publicly. Accounts need to be produced within six months of the company's year end. Although there is no requirement to file audited accounts with the companies Registry, there is a requirement to file accounts with the Inland Revenue Department. Hong Kong companies (if trading) must conduct an annual audit.

- In the event the company does not trade there is no requirement for accounts to be produced or audited.
- Profits Tax return are normally issued in April to corporations. The first profits tax return for a new incorporation will be issued 18 months after the date of incorporation or commencement of business. A profits tax return must be filed upon receipt even if the Company is inactive.
- A business registration certificate is required, this proves that the company has paid its registration fee, the certificate is franked by the government.
- Ready-made companies are available.
- Time taken to incorporate is approximately three weeks.
- A Hong Kong company must be deregistered or officially wound up if not required.

Taxation

- Taxation is based on a territorial source principle rather than on residency or management and control.
- Only profits which have a source in Hong Kong are subject to 16.5% tax in Hong Kong.
- An offshore profits tax exemption can be applied for where profits are derived 100% outside of Hong Kong. An application has to be made to prove exemption and the onus of proof is on the company. The offshore profits tax exemption claim can only start after the first year's accounts are submitted.

There are no withholding taxes on dividends or interest and no taxes on Capital Gains.

Fees	
Incorporation (including first year government fees and supply of Pre-Operational documents)	£1,600
Resident company secretary	£500 per annum
Registered office/registered agent	£500 per annum
Corporate Secretarial Services (maintenance of company records, preparation of routine minutes, filing of annual return and dealing with routine matters)	£400 per annum
Total first year costs	£3,000
Annual costs thereafter:	
Government Annual Licence Fee	£275
Resident company secretary	£500
Registered office/registered agent	£500
Corporate Secretarial Services	£400

Nominee Services Available	
Non resident nominee director (please enquire regarding the retainer and the annual fees for the use of a resident nominee director, if required)	£300 per annum
Non resident nominee shareholder	£175 per annum

We can also arrange for the following:

Opening UK or Hong Kong Bank accounts with internet facility	£900 approximately
Certificate of good standing	£150
Audit fee	Approximately £1,500 per annum, dependent on number of transactions.
Deregistration of company (please note winding up will be more expensive)	£1,250

PLEASE NOTE WE REQUIRE ALL CLIENTS TO SATISFACTORILY COMPLETE OUR DUE DILIGENCE REQUIREMENTS AND COMPLY WITH THE MONEY LAUNDERING REGULATIONS 2007.