

Shenzhen, China
Rooms 1203-06, 12/F.
Di Wang Commercial Centre
5002 Shennan Road East
Luohu District, Shenzhen
T: +86 755 8268 4480

Shanghai, China
Room 603, 6/F., Tower B
Guangqi Culture Plaza
2899A Xietu Road
Xuhui District, Shanghai
T: +86 21 6439 4114

Beijing, China
Room 303, 3/F.
Interchina Commercial Bldg.
33 Dengshikou Street
Dongcheng District, Beijing
T: +86 10 6210 1890

Taipei, Taiwan
Room 303, 3/F.
142 Section 4
Chung Hsiao East Road
Daan District, Taipei
T: +886 2 2711 1324

Singapore
138 Cecil Street
#13-02 Cecil Court
Singapore 069538
T: +65 6438 0116

New York, USA
202 Canal Street
Suite 303, 3/F.
New York
NY 10013, USA
T: +1 646 850 5888

Dissolution of a Hong Kong Company - Requirements and Procedures

A Hong Kong limited company can be dissolved in the following two ways:

1. Deregistration of a Hong Kong Company

A limited company, which is defunct and solvent, wants to cease its business must officially apply to the Companies Registry to deregister it from the Register of Companies. A Company is still required to file Annual Returns to the Companies Registry before it is officially deregistered. A penalty will be imposed on the Company and/or the management for failure of submission of Annual Return.

In applying for deregistration, certain declarations should be made by the applicant. Any person who knowingly and recklessly gives information to the Companies Registrar that is false or misleading in a material particular is liable to a fine and to imprisonment. As the deregistration process is more technical and affecting company's property, a Company should seek professional advices before making an application.

(1) Requirements for deregistration

Limited companies incorporated in Hong Kong can apply for deregistration, provided that the Company to be deregistered meets the following requirements:

- (a) all members of the Company agree to the deregistration of the Company;
- (b) the Company has never commenced operation, or has already ceased business for more than 3 months;
- (c) the Company will not start/resume business in the future;
- (d) the Company has disposed of all trading stock, landed property and securities, if any;
- (e) the Company has no outstanding liabilities which include Profits Tax, Property Tax, Stamp Duty, Business Registration fee, fines and penalties in connection thereof and court fees;
- (f) the Company has no outstanding obligations under the Inland Revenue Ordinance. These include submission of return(s) which has (have) been issued by the Inland Revenue Department ("IRD"), liability to notify the

Commissioner of Inland Revenue in writing that the Company is chargeable to tax for any year of assessment in which a return has not been received;

- (g) there are no unanswered enquiries from the IRD;
- (h) there are no unsettled objections or appeals in respect of assessments already raised; and
- (i) all the annual returns have been filed.

(2) Persons capable of filing an application

- (a) The Company; or
- (b) A director or shareholder of the Company.

(3) Deregistration application procedures

- (a) Hold a board meeting to pass a resolution to deregister the Company;
- (b) Apply in writing to IRD for a notice of no objection for deregistration of a defunct company. It may take up to four weeks to receive the said notice; Please be reminded that the said notice will only be issued in the case that the Company to be deregistered owes no money to the Hong Kong Government and no outstanding tax returns;
- (c) Apply in writing to the Companies Registry for deregistration of the company. It may take well up to six months after the filing of application for the Companies Registry to deregister your company.

2. Liquidation/Winding Up

(1) Winding-up by the court

According to Section 177 of Companies (Winding Up and Miscellaneous Provisions) Ordinance, Limited Company can be ordered winding-up by the Court. The common reason for this type of winding-up is its inability to pay its debts.

If a Company fails to pay a debt exceeding HK\$10,000 or make arrangement with creditor(s) which is accepted by them within three weeks of receiving their written demand, then it is deemed unable to pay its debts.

(2) Voluntary winding-up

Members' voluntary winding-up

The Company is winding-up by the members. The Company should be able to pay-off its creditors when wound-up.

Creditors' voluntary winding-up

When directors of the Company do not believe that it will be able to pay-off the debt.

The creditor(s) can liquidate the company.

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at www.kaizencpa.com or contact us through the following and talk to our professionals:

Email: info@kaizencpa.com, enquiries@kaizencpa.com

Tel: +852 2341 1444

Mobile : +852 5616 4140, +86 152 1943 4614

WhatsApp/ Line/ Wechat: +852 5616 4140

Skype: kaizencpa