

Hong Kong Company Deregistration Procedures and Fees

When a Hong Kong registered company ceased its business and is not expected to commence business again, the company can apply to the Companies Registry to have it deregistered. Deregistration is a relatively simple, inexpensive and quick procedure for dissolving defunct private companies who meet certain specific requirements.

Our fee for handling the deregistration of a Hong Kong company is USD630. Our fees include officially filing fees to be paid to the Hong Kong Government in relation to the application for deregistration, but does not include any out-of-pocket expenses.

The whole process for a deregistration would normally take anywhere from 4 to 6 months, assuming that there are no outstanding returns to be filed or outstanding taxes to be paid and no further accounting and/or auditing is required.

It is possible that the tax authority may require a company applying to be deregistered to prepare a last set of financial statements and/or requires that the financial statements be audited. Kaizen is a licenced public accounting firm in Hong Kong and can handle the accounting and auditing, if so requested.

You should make sure that you close the corporate bank account and that all receivables are collected, and assets handled properly before we file the application for deregistration as once the company is officially deregistered, all remaining assets will be taken to be the property of the Hong Kong Government.

The fees stated in this quotation are for general reference only and are subject to change from time to time.

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1. Hong Kong Company Deregistration Costs

Our charge for handling the deregistration of a defunct Hong Kong company is USD630, including both our service fees and the fees charged by the Hong Kong Government.

In particular, our deregistration services include:

- (1) Answering client's questions regarding the deregistration or dissolution of a company in Hong Kong;
- (2) Reviewing the corporate documents and tax filing documents so as to make sure nothing is pending before filing the application for deregistration;
- (3) Preparation of minutes/written resolution of the board of directors and shareholders authorizing the application for the deregistration and other documents for application for deregistration (strike off);
- (4) Making application to Hong Kong Inland Revenue Department (IRD) for Notice of No Objection for Deregistration of a Defunct Company;
- (5) Liaising with the tax authority regarding the issuing of Notice of No Objection;
- (6) Making application to Hong Kong Companies Registry for deregistration;
- (7) Updating client with the progress of deregistration on a regular basis and report the final deregistration.

Note:

- (1) All bank accounts should be closed before filing for deregistration. We could assist you to close company bank accounts for a fee of USD200 each.
- (2) A company is required to file its Annual Return as and when it falls due until it is official dissolved. Our fee for this service will be quoted upon request.
- (3) If it is found out that there are still outstanding returns to be filed, such as profits tax return and employer's return, we can prepare and file these returns for and on your behalf. Our fees for these services will be quoted upon request.
- (4) Our fees stated above do not include delivery fees, if any.

2. Optional Services

We also provide the following related services so as to enable a company, while the deregistration is being processed, to comply with the requirements of the laws.

No.	Services	Fee (USD)
1	Acting as Company Secretary, per annum (Note 1)	270
2	Registered Office address, per annum (Note 2)	210
3	Acting as Designated Representative, per annum (Note 3)	96
4	Close of bank account	200
5	Audit of financial statements (Note 4)	TBA
6	Filing of Corporate Income Tax Return (Note 5)	200 up

Note:

- (1) Kaizen will provide a company secretary while the deregistration of client's company is being processed. Our services include:
 - (a) Companies Registry (CR) Compliance Alert & Reminders;
 - (b) Named Company Secretary registered with CR for 12 months;
 - (c) Updating and maintenance of statutory records, including the register of member and directors, register of charges and share transfer register;
 - (d) Preparation and filing of Annual Return

Kaizen's duties, as company secretary, are limited to those listed above only. General secretarial services, including transfer of shareholder, change of director, increase of share capital and preparation of minutes are to be charged separately.

- (2) A Hong Kong registered company is required to have a Hong Kong street address as its registered office. The address provided by Kaizen can be used for both the registration of your company and receiving mails from the Hong Kong Government and your business partners.

Two options for handling incoming letters:

- (a) Kaizen will open, scan the mails received, and send the scanned copies to your designated email account once a month. The paper letters will be destroyed one month after the date scanned mails are sent to you.
- (b) Kaizen will forward mails received to the address designated by you once a month. Actual postage will be charged separately.

Kaizen will take option 1 by default if no instruction has been received from you during incorporation. If mails are to be scanned and forwarded immediately, a handling fee of USD10 per batch/time will be charged.

- (3) Kaizen or its associated company will act as the designated representative of your Hong Kong company for a period of 6 months. The responsibilities of the designated representative include updating and maintaining the Significant Controller Register and liaison and providing assistance relating to the company's SCR to a law enforcement officer.
- (4) Audit of Financial Statements

If your Hong Kong company ceased its business recently, it is very likely that the Hong Kong Inland Revenue Department will request that a final set of audited financial statements be prepared and file along the profits tax return stated below. Kaizen can carry the audit of the last set of financial statements. We will quote our fee upon review of the accounting documents.

(5) Filing of Profits Tax Return

Upon receipt of the application for Notice of No Object to Deregistration, it is very likely that the Hong Kong Inland Revenue Department will issue a final Profits Tax Return for you to report the operating results of the period before cessation of business. Kaizen can handle the filing of the profits tax return for and on your behalf. Our fee will be quoted upon request.

3. Time of Billing and Payment Methods

Upon receipt of your confirmation of engagement, we will issue and email our invoice together with the wiring instruction to you for your settlement. Please write our invoice number or account number in the message section of the remittance receipt and send a copy of the same to us after fund is remitted. Because of the nature of services, we require full payment in advance. Also, once service is commenced, no service fee will be refunded except in special cases.

We currently accept Hong Kong Dollar check, cash or TT and credit card through PayPal only. If payment is settled through PayPal, extra 5% services fee will be charged.

4. Documents Required for Deregistration

If Kaizen is the company secretary of and is handling the auditing and tax matters for your Hong Kong company, then we will need only the date of cessation of business as we will have the necessary corporate records to process the deregistration.

Otherwise, we will need your help to provide the following materials:

- (1) A copy of the latest annual return and any returns filed with the Companies Registry after the date of the latest annual return;
- (2) A copy of current business registration certificate;
- (3) A copy of the latest profits tax return and accompanying tax computation filed with and the latest assessment issued by the tax authority (if any);
- (4) A copy of the latest audited financial statements, if any;
- (5) A copy of management accounts for the period from the date of last dated accounts to the date of cessation of business.
- (6) The name of director authorised (if more than one director) to sign off the deregistration application documents;
- (7) The date of cessation of business, if ever commenced business;
- (8) Copy of identification and address proof documents of the member and director.

The identification and address proof documents will need to be certified by Kaizen, or by a practicing accountant, lawyer or an attesting officer.

5. Hong Kong Company Deregistration Procedures and Time Frame

Assuming the company has never commenced business or has already ceased business for more than 3 months, the deregistration would take 4 to 6 months to process. The table below details the procedures and timeframe.

Step	Description	Day
1	Client confirms engagement with Kaizen to handle the deregistration and deliver to Kaizen the materials listed in Section 4.	1
2	Kaizen reviews all the statutory records and tax filing records of the company and will advise client whether any further annual return needs to be filed, and liaison with client whether Kaizen's company secretary and registered office services are needed while the deregistration of the company is being processed.	1-5
3	Kaizen issues invoice for deregistration service fee and company secretary and registered office services or annual return filing services, as the case may be, to client for settlement.	1
4	Kaizen prepares deregistration application documents and arranges to have them signed by client;	1
5	Client checks for trade deposits/utility deposits paid, if any, and to arrange to collect the trade deposits/utility deposits.	Client's schedule
6	Client arranges to settle all liabilities, if any.	Client's schedule
7	Client arranges to transfer the remaining funds to the members and close the corporate bank account, if applicable.	Client's schedule
8	Kaizen applies in writing to Hong Kong Inland Revenue Department (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. (Note 3)	30
9	Kaizen applies in writing to Hong Kong Companies Registry for deregistration of the company.	1
10	The Companies Registry review the documents and if it finds the documents in order, it will public a notice of intention of deregistration in the Government Gazette.	30
11	Assuming no objection to the deregistration during the two months publication period, the Companies Registry publish another notice of deregistration.	60
12	Kaizen send notice to client that the company is officially deregistered.	1
Total: 4 -6 months		

Note:

- (1) All assets of the company must be disposed properly before the company is deregistered. These include the collection all debts and deposits and receivables and that all bank accounts the company be closed.

- (2) A company is still obligated to file an annual return before it is officially deregistered/struck off from the Register.
- (3) If the company is to be deregistered had ceased business not long ago before filing for deregistration, the Inland Revenue Department may issue a final profits tax return to the client for completion and filing. And may also require the company to file a set of audited financial statements for the current accounting period. Should the tax authority issue such a request, it may take much longer to obtain the Notice of No Objection to Deregistration.

6. Materials Returned

After the deregistration process is completed, the following materials will be returned to client by email:

- (1) No-objection to deregistration application form;
- (2) Notice of No-objection to deregistration (issued by the tax authority);
- (3) Application for deregistration of a defunct company;
- (4) Notice of deregistration (issued by the Companies Registry).
- (5) Minutes or written resolutions of the directors and shareholders giving authority to the deregistration;

If you need any assistance or wish to obtain more information, please browse our official website at www.kaizencpa.com or reach out to us through the following methods:

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