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Hong Kong Company Incorporation Guide (1) **Features of Hong Kong Company (Private Company Limited by Shares)**

1. Features of Hong Kong Private Companies Limited by Shares

(1) Type of Company for International Trade and Investment

Private Company Limited by Shares (Limited Liability Company, Private Company).

(2) Restrictions on Business Activity

No restriction on business activity but some business activities like banking or insurance activities or financial business (such as currency trading) requires obtaining relevant licences.

(3) Power of Company

A Hong Kong Company has all the powers of a natural person.

(4) Language of Legislation and Corporate Documents

Legislation in both English and Chinese; Corporate documents, such as Articles of Association (also known as Memorandum & Articles of Association, bylaws and constitutions in other countries), director or member resolution etc could be prepared either in English or Chinese.

(5) Name of Company

It is not possible to reserve a name. It is essential to check that there is no similar or identical name in the Register of Companies maintained by the Companies Registry, which would prevent the company being incorporated.

A name that constitutes a criminal offence or is otherwise contrary to the public interest or a name that implies government patronage is not allowed to be used.

The following words could only be used with permission: Chamber of Commerce, kaifong, levy, savings, tourist board, tourist association, trust and trustee.

The name of a company must be ended with "Limited" if in English and "有限公司" if in Chinese.

See also: [Hong Kong Company Names Guidelines](#)

(6) Share Capital

It only has paid up share capital, authorized capital is no longer exist after the new Companies Ordinance (Chapter 622) effective on 3 March 2014. There is no limitation on the amounts of share capitals. For most of the small private company, the share capital will be set as HKD1.00 or HKD10,000.00.

A Hong Kong company could issue ordinary shares, preference shares, redeemable shares and shares with or without voting rights. But bearer shares not allowed.

Also see: **Issue and allotment of shares**

(7) Shareholders of a Hong Kong Company

A minimum number of one shareholder is required whose details are filed on the public register maintained by the Companies Registry. Corporate shareholders are permitted and anonymity can be achieved by the use of nominee shareholders. The shareholders can be of any nationality and be resident anywhere in the world and meetings can take place anywhere. There is no requirement that any of the shareholder must be a Hong Kong resident.

(8) Directors of a Hong Kong Company

A minimum of one nature person director is required to be appointed at the time of incorporation and full details of these must be filed with the Hong Kong Companies Registry. The nature person director can be of any nationality and be resident anywhere. However, directors must be at least 18 years of age and must not be bankrupt or convicted for any malpractices. Corporations incorporated anywhere can act as director, but corporate director only be allowed after having a nature person director in the company. There is no requirement for board meetings to be held within Hong Kong. The shareholder could also act as director but there is no requirement for the directors to also be shareholders.

Also see: **Guidelines on the Duties of Directors of Hong Kong Company**

(9) Company Secretary

A company must appoint a Company Secretary who can either be a person or a corporation. If the company secretary is a person, he or she must be a Hong Kong resident. If the company secretary is a corporation, the corporation must have a registered office or a place of business in Hong Kong.

A director could also act as Company Secretary at the same time. However, it has to be noted that in case of a sole director, the same person cannot act as the company secretary. The company secretary is responsible for maintaining the statutory books and records of the company and must also ensure the company compliance with all statutory requirements. A nominee secretary can be appointed.

(10) Registered Office

A company must maintain a registered address in Hong Kong where the correspondence from Hong Kong Government can be served. The registered address must be a physical address and cannot be a PO Box.

(11) Designated Representative

A company must appoint a Designated Representative in the Significant Controllers Register. The designated representative must be either a shareholder, director or an employee of the company who is a natural person resident in Hong Kong or, alternatively, a Hong Kong certified public accountant, a Hong Kong legal professional or a trust or company service business (TCSP) licensee. The responsibilities of the designated representative include updating and maintaining the Significant Controller Register and liaison and providing assistance relating to the company's Significant Controller Register to a law enforcement officer.

(12) Hong Kong Company Annual Reporting Requirements

Hong Kong incorporated companies are required to update its books of accounts and arrange to have the annual financial statements audited by a firm of accountants registered in Hong Kong under the company laws. Also, a copy of the audited financial statements is to be furnished with Inland Revenue Department together with Profits Tax Return. The audited financial statements are not available to the public or to the foreign authorities except those of a listed company. We can provide complete supporting services after incorporation, such as book-keeping and auditing ([please click here for details of our accounting and auditing services](#)) and tax filing ([please click here for details of our tax filing services](#))

All companies must also prepare and file an annual return which gives details of the current directors and of the shareholders who have held shares in the company at any time during the year.

(13) Taxation

Profits tax (Corporate Income Tax) is under a two-tiered profits tax rates regime, the profits tax rate for the first \$2 million of assessable profits is 8.25% for corporations. Assessable profits above \$2 million will be subject to the rate of 16.5% for corporations. Hong Kong follows a territorial basis of taxation i.e. only profits which arise in or derived from Hong Kong are subject to tax in Hong Kong. There is no capital gains tax, withholding tax on dividends, or GST/VAT in Hong Kong.

2. Summary of Features Hong Kong Private Companies Limited by Shares

General Information	
Company Law	Companies Ordinance, Cap. 622
Type of Company	Private Company Limited by Shares
Language of Legislation and Corporate Documents	Chinese or English or Both
Taxation of Foreign Profits	Nil
Exchange Controls	None
Length of Time to Incorporate	Approximately 5 working days
Shelf Companies Available	Yes

Corporate Names	
Name Restrictions	Names identical, similar or offensive words
Endings and Abbreviations Required	"Limited" word must be used completely
Length of Time to Verify Name Availability	One working day
Reservation of Names Permitted	No
Language of Name	Chinese or English or Both
Words Need Consent or Approval	Chamber of Commerce, Kaifong, Levy, Savings, Tourist Board, Tourist Association, Trust and Trustee

Capital and Shareholders	
Minimum Number of Shareholders	One
Local Shareholders Required	No
Corporate Shareholders Permitted	Yes
Disclosure of Shareholders	Yes
Minimum Paid-up Capital Required	There is no minimum stated. Standard paid-up capital is usually HKD1 or HKD10,000
Bearer Shares Permitted	No
Registered Shares Permitted	Yes
No Par Value Shares Permitted	Yes

Directors and Officers	
Minimum Number of Directors	One Nature Person
Qualifications of Directors	At least 18 years old
Local Director Required	No
Officers Required	Company Secretary
Corporate Directors/Officers Permitted	Yes

Meetings	
Annual General Meeting of Shareholders Required	Yes
Location of Directors and Shareholders Meetings	Anywhere
Quorum required for purposes of meetings	Determine by Company's Articles of Association
Written Resolution Allowed	Yes

Local Requirements	
Qualified Registered Office/Agent	Yes
Filing Register of Shareholders to Government	No
Filing Register of Directors to Government	No
Filing Register of Charges to Government	No
Filing Significant Controllers Register to Government	No
Register of Directors/Members/Charge to be kept at Registered Office	Optional. The company may file a "Notification of Location of Registers" to keep them somewhere else in Hong Kong
Significant Controllers Register to be kept at Registered Office	Optional. The company may file a "Notification of Location of Registers" to keep them somewhere else in Hong Kong
Copy of Minutes to be kept at Registered Office	Optional. The company may file a "Notification of Location of Registers" to keep them somewhere else in Hong Kong
Company Seal Required	Optional

Annual Requirements	
Minimum Annual Government fee	Annual Return statutory filing fee and business registration fee of HKD105 and HKD2,250 respectively
Annual Government Fee Due Date	Company's Anniversary Date
Applicable Surcharges	Varies (depending on payment date)
Filing Annual Returns	Yes
Preparing Annual Audited Accounts	Yes
Filing Tax Return	Yes
Filing Employer Return	Yes
Hold Annual General Meeting	Optional

Other Relevant Information	
Member of Apostille of the Hague Convention	Yes
Redomiciliation	Not Allow
Reinstatement at Registry	Allow
Removal from Registry	Deregistration, striking off, voluntary liquidation, creditors liquidation, winding up by Court

See also: **[Step by step guide to register a Hong Kong company](#)**

Ready to incorporate? please check out our **[Hong Kong company complete registration package](#)** here.

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:

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