



A GUIDE TO REGISTERING A PRIVATE
LIMITED LIABILITY COMPANY IN HONG KONG

Hong Kong Company Incorporation & Company Secretarial Services

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Introduction

With its strategic geographical location, Hong Kong attracts many global entrepreneurs and investors. Are you planning to incorporate or register a company in Hong Kong?

This guide provides detailed information about registering a private limited liability company in Hong Kong including basic incorporation requirements.

Governed by the Hong Kong SAR Companies Ordinance, any person (foreign or local) aged 18 or above can establish a Hong Kong company. The most common type of business entity registered in Hong Kong is a private limited liability company.

Limited liability companies in Hong Kong are a separate legal entity registered with Companies Registry meaning that they have a legal identity separate from its members/shareholders.

A limited liability company can be suitable for a small or medium sized business or for large corporations. With limited liability companies, transfer of ownership is easier when compared to other business structures such as sole proprietorship and partnership.

So, how to register a company in Hong Kong? Irrespective of whether you are a local or foreign entrepreneur, [Law Debenture](#) is well versed with the local legislations governing companies and are also experienced in handling ongoing regulatory and compliance requirements of Hong Kong company formation.

Are you a global entrepreneur or investor?

Foreigners registering a limited liability company in Hong Kong, should consider that Hong Kong companies may have sole directors and shareholders that are not Hong Kong resident, there are no local resident requirements. While there is no requirement to be physically present at the time of company registration, physical presence may be required for the purpose of opening a bank account, depending on the bank chosen.

What are some of the requirements for setting up a Hong Kong company?

Company name

The company name must be approved before you can go ahead with the incorporation of a Hong Kong company. The company name must be in English, traditional Chinese or both.

Articles of Association

The articles are the constitution of the company and provide a set of regulations for the management of its management. A company must have articles that must be printed in English or Chinese. A company can prepare and print its own articles, but it is customary to adopt the model articles for private companies restricted by shares, which are available on the Companies Registry website.

Share Capital

Although there is no minimum share capital requirement, the general norm for companies incorporated in Hong Kong is to have at least one shareholder with one ordinary share issued on their formation. Share capital can be expressed in any major currency and is not restricted to the Hong Kong Dollar alone. Shares can be freely transferred, subject to a stamp duty fee. Bearer shares are not allowed. Share capital can be increased with or without allotment of shares at any time. There is no capital duty in Hong Kong.

Shareholders

A minimum of one and a maximum of 50 shareholders. A director and a shareholder can be the same or different person. The basic requirements of a shareholder are:

- Can be an individual or body corporate
- Of any nationality or residence
- On incorporation, the first shareholder is called the founder member
- Shareholder meetings can be held anywhere in the world.

Directors

A minimum of one individual director and unlimited maximum number of directors allowed.

A corporate director is allowed provided that there is already an individual director, and the company is not a member of a group of companies of which a listed company is a member. The basic requirements of a director are:

- Be aged 18 years or older
- must not be bankrupt or convicted for any malpractices
- Of any nationality or residence

- A share qualification is not needed, the director need not be a shareholder of the company
- No specific professional qualification is needed (some exceptions)
- Board meetings can be held anywhere in the world.

Company Secretary

When setting up a company in Hong Kong, appointing a company secretary is **mandatory**. The basic requirements of a company secretary are:

- if an individual, must ordinarily reside in Hong Kong
- if a body corporate, must have its registered office or a place of business in Hong Kong. and hold a valid TCSP license issued by the Registrar of Companies
- It must be noted that in case of a sole director/shareholder, 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's compliance with all statutory requirements.

Registered Office Address

In order to register a Hong Kong company, you must provide a local Hong Kong address as the registered office address of the company. The registered address must be a physical address and cannot be a PO Box.

Significant Controllers Register (“SCR”)

Every company incorporated in Hong Kong, except for those listed in the Hong Kong Stock Exchange (HKSE), will be required to create, and maintain a register of all persons who have significant control of the company.

All companies must also appoint a **Designated Representative (“DR”)** responsible for reporting in relation to the SCR to prescribed local authorities upon demand. For more details, refer to New Hong Kong Companies Ordinance guide.

Public Information

The information of the directors, shareholders, and company secretary of a Hong Kong company will be disclosed to the public according to Hong Kong Company Laws.

It is **mandatory** to file details of the company officers with the **Hong Kong Companies Registry**.

Time needed for incorporation

There are two ways of incorporating a company in Hong Kong – submission can be done physically ('paper incorporation') or electronically ('e-incorporation').

In general, a company is incorporated within 4 business days via paper incorporation and same business day via e-incorporation, provided that documents submitted are in order. However, to use e-incorporation the founder members must be registered with Companies' Registry e-registry so use of this option may be limited.

What ongoing compliance should you consider?

It is mandatory for companies to prepare and maintain proper financial statements. These financial statements must be audited annually by Certified Public Accountants in Hong Kong. The audited accounts together with tax return must be filed annually with the Inland Revenue Department.

Taxation – Corporate tax, (or profits tax as it is called in Hong Kong), is currently set at either 8.25% for the first HK\$2 million of assessable profit or 16.5% for any subsequent profits. 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.

Every company must file Annual Returns with the Companies Registry and pay the annual registration fee.

The Business Registration Certificate should be renewed, up to one month before expiry on an annual basis or in certain instances once every three years.

An Annual General Meeting (AGM) must be held for each financial year. A written resolution in lieu of Annual General Meeting is permissible.

What documents are required to start a business in Hong Kong?

To setup a Hong Kong limited liability company, the following documents must be submitted to the Companies Registry to set up a company:

- A copy of the Articles of Association for the company.
- A duly completed incorporation form that includes the following:
 - Company name
 - Registered office address
 - Particulars of shareholders, directors, and company secretary
 - Description of business activities
 - Share capital registered on incorporation
 - Number of shares taken up by subscribers
- For individual shareholders and directors:
 - Certified True Copy (CTC) of Hong Kong identity card or passport (for non-Hong Kong resident only)

- CTC of residential address proof
- For corporate shareholders and directors:
 - CTC of parent **company registration** documents such as Certificate of Incorporation, Articles of Association and Statutory Registers

In addition, we will need to obtain certain Know Your Client documents in order to comply with the requirements as a TCSP licensee. Details will be provided upon request. Officially certified translated versions for any non-English documents must be provided.

Company registration in Hong Kong: Why you should engage a corporate secretarial service provider?

Hiring a competent and service-oriented firm is particularly important as the relationship is a long-term and ongoing one. The firm you have engaged for your Hong Kong company formation will normally take care of all the necessary formalities from the beginning to the end.

Law Debenture is a Licenced Trust or Company Service Provider (TCSP) that can:

- Provide an address in the heart of the central business district of Hong Kong as the Registered Office address of your company
- act as a Company Secretary for your company
- act as the designated representative of your company

Law Debenture will:

- Collect the necessary incorporation details and identifications documents from you.
- Prepare the necessary incorporation documents (including Articles of Association) that will need to be filed with Company Registry. You will need to sign these documents unless e-incorporation is used (must be registered with e-registry)
- File the incorporation documents with the Company Registrar and obtain Certificate of Incorporation.
- Obtain Business Registration Certificate from Inland Revenue Department.
- Assist you with opening of bank account.
- Prepare the following for the new company:
 - Post-incorporation documents
 - Common seal (optional) and stamp
 - Share certificate and share register
 - Statutory books
- Assist with filing of local business licenses, ongoing statutory compliance, and all the necessary annual filings and return.

If you have any queries or need further assistance, please do not hesitate to contact Marc as below:



Marc Cormack-Bissett

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Having started with LawDeb in September 2007, Marc relocated to Hong Kong in August 2018 to enhance corporate governance and has overall responsibility for operational aspects of the Hong Kong office.

Marc's experience comes from over thirteen years as a Chartered Certified Accountant and has extensive experience of acting as Company Secretary and holding Independent Directorships of entities in England, the Channel Islands, Hong Kong, and in the Cayman Islands. Further, Marc has specialised in accounting for Special Purpose Vehicles ("SPVs") of structured financing transactions and has a proven track record being responsible for transaction management of Employee Share Trusts, Escrows, Bonds, Loans and other related transactions.

He has been the Group Money Laundering Reporting Officer, and now holds this Office in Hong Kong, providing valuable support to the Group MLRO and Head of Compliance.

Marc supports and serves the Group Risk Committee, having previously been the Group Chief Risk Officer, a role he relinquished on moving to Hong Kong.

Marc is ACCA qualified and attained his Fellowship (FCCA) in 2012. He also holds an ICA Diploma in Anti Money Laundering (with merit) from ICA/University of Manchester.

Testimonials

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Law Deb's Listed PLC Corporate Secretarial Services team have proven invaluable to us since their appointment in August 2021. In fully outsourcing end-to-end CoSec we benefitted from detailed and high quality 'business as usual' work: from meeting support and key stakeholder management, through to supporting with various M&A transactions, including our takeover, and managed our annual report governance disclosures and general meeting support. The peace of mind that LawDeb team's depth and breadth of experience brought was felt widely at board level, particularly when we were being acquired last year, with the LawDeb team ensuring our compliance with the Companies Act 2006, the continuing obligations of the FCA's Listing Rules and Disclosure Guidance and Transparency Rules and the Market Abuse Regulation specifically. LawDeb's governance experts excel in providing practical advice, robust guidance and technical expertise; a combination that resulted in us being fully briefed on the governance requirements in the recommended cash acquisition and scheme of arrangement entered into.

Craig Huff, Chairman | ContourGlobal plc (formerly FTSE 250, taken private 2022)

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LawDeb's Investment Trust Company Secretarial Services have proven invaluable to us since their appointment in February 2022. We now benefit from up to date, detailed and high quality 'business as usual' work. This, coupled with the quality of their specialist advice and sharing their insights as to investment trust industry best practice, is a very powerful combination. We are confident that our corporate governance is enhanced through the practical advice and guidance we receive from the governance experts and company secretaries at Law debenture giving us time and space to think ahead to future changes and how they may affect our business going forward.

Craig Huff, Chairman | ContourGlobal plc (formerly FTSE 250, taken private 2022)