

# A Guide to Setting Up a Company in Hong Kong



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If you've been thinking about setting up a business in Hong Kong, you're in the right place. Not only is Hong Kong a great place to set up shop, but here at Osome, we're experts in company incorporation. Here's everything you need to know about registering a company in Hong Kong, in one handy Guide.

#### Why Hong Kong?

Hong Kong has a lot going for it, especially for foreign entrepreneurs opening a company in Asia. Firstly, it has one of the most attractive taxation systems for businesses; secondly, it's proximity to China makes it really convenient for sourcing business supplies; and thirdly, the Hong Kong government follows free enterprise and is very welcoming to foreigners, as most of the workforce can understand and speak English.

## What's involved in registering a company in Hong Kong?

The process starts with an application at the Company Registry and is complete when you receive your Business Registration Certificate, which is issued by the Inland Revenue Department. You must have your Business Registration Certificate to do business in Hong Kong, and should be displayed in your business premises and updated every year (which is charged for).



Would you prefer us to handle the hassle for you? We're experts at company incorporation. You don't even have to be in Hong Kong! <u>Let us know if you'd like a chat.</u>

#### STEP 1

#### **Decide your company structure**

In Hong Kong, the most common business entities are sole proprietorships, partnerships, private limited liability companies (LLC), and private limited companies.

Limited Liability Company

Sole **Proprietorship** 

**Partnership** 

Foreign Company Office

(Branch, Subsidiary or Representative Office)

A private limited liability company is usually the preferred way to set up a company, as it's a separate legal entity from you and your founders. The shareholders are only liable for up to the amount they've invested in the entity.

For this type of company, shares are easily transferred between the members. If your company grows and you wish to make it public, you can convert the business form into a public limited liability company.



Confused about the various types of company structures you can open in Hong Kong? Read on here.

#### STEP 2

#### Decide on a physical address for your business

All Hong Kong companies must be registered with a local physical address. This will go on all your legal documents, and official letters, such as notices from the Inland Revenue Department, will be sent to this address. If you miss these notices, you might have to pay a fine!

Along with helping you to incorporate your company, Osome can provide you with an address that you can use to register your company. We'll also help you with the official mail you get to make sure you avoid missing any of them and facing fines.

#### STEP 3

Here's a checklist:

### **Prepare the following documents and details**



There are a few documents and details you'll need to prepare.

	Company name	
	Description of your business activities	
	Details of your directors and shareholders (their names, addresses, contact info and identification documents)	
	The number of shares each shareholder will hold	
	The value of each share (eg HK\$1 per share)	
	Your company's financial year-end date	
	HSIC code, which indicates your company's major business activities	
	Your paid-up capital (you only need HK\$1 to get started)	
You'll also need to submit the following three documents to the Companies Registry online website:		
	Articles of Association (find samples <u>here</u> )	
	Incorporation form, also referred to as form NNC1	
	A Notice to the Business Registration Office, also referred to as form IRBR1	



#### STEP 4

#### **Collect your certificates**

If your application is approved, you can download or collect your Certificate of Incorporation and Business Registration Certificate from the Companies Registry.



#### **Business Registration Certificate**

A Business Registration Certificate makes things official. This is a document that you or your company secretary will need to update every year through the Companies Registry. You'll need to display this certificate at your registered business address.

The certificate can either be valid for one year or three years. Generally, the Hong Kong business registration fee costs <u>HK\$250 for a certificate with a validity period of 1 year</u>, and <u>HK\$3,950 for a certificate that has a validity period of 3 years</u>.



#### **Certificate of Incorporation**

A Hong Kong Certificate of Incorporation is a document issued to limited liability companies after it has been registered on the Hong Kong Companies Registry.

# We deal with the admin. You focus on your business.

If you have any questions or need a bit of help with making your company official, don't worry, our company secretaries have years of experience doing just that. Find out how they can help you to set up in Hong Kong.



