

How to Register a Company in Hong Kong:

A COMPLETE GUIDE



Picking the right company structure for your business is as important as any other business-related activity. The correct business structure will allow your enterprise to operate efficiently and meet your required business targets.

WHY SHOULD YOU CHOOSE HONG KONG TO START YOUR BUSINESS



Hong Kong has been the freest economy on the planet for 25 years. It remains a shining force on how to conduct free and open enterprise coming just second to Singapore in 2020. Hong Kong is a bright example on how to run free and open an enterprise, despite its relatively minor decrease in rank.

Let's take a quick look at the factors that make Hong Kong a sought after destination for businesses.

What are the Advantages of Registering in Hong Kong?

There are many advantages to starting your company in Hong Kong. Some of them are as follows:



Demography

With a land area of 1,106 square kilometres, Hong Kong is populated with nearly 7.5 million people. Having a GDP/Capita of US \$48,755.80, Hong Kong is renowned for its second-largest economy in the world.

Located near China, Hong Kong serves as the main gateway and is one of the most convenient business hubs for many entrepreneurs from around the world.



Low Red Tape and Even Lower Taxes

Hong Kong has built a clean and transparent environment for businesses to operate without any concerns. Due to minimal red tape, entrepreneurs have the convenient option of registering a Hong Kong company via online.

Also, what's more astonishing is that corporate taxes are only as high as 16.5%, making it a significant attraction factor for many foreign businesses when considering doing business in Hong Kong.



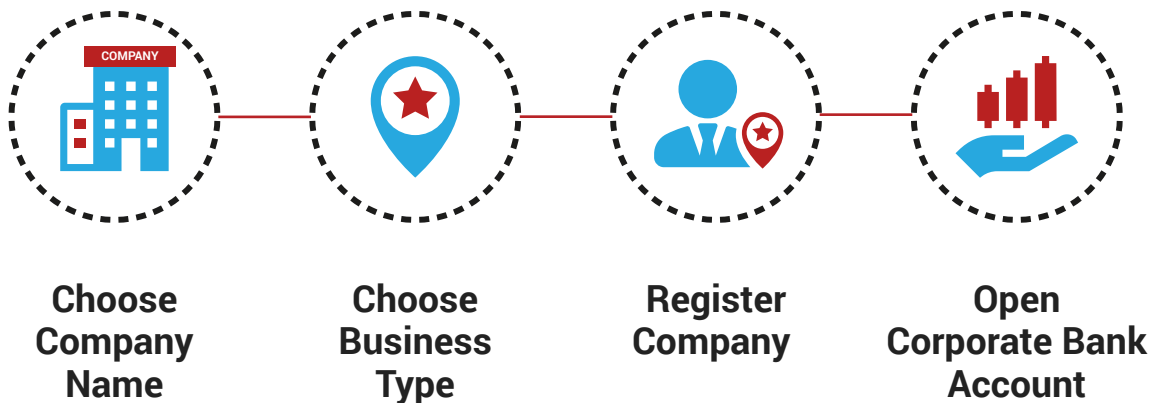
Government Support

Need an extra push to get your business finally started? We've got good news for you. Hong Kong has provided much support for local and foreign enterprises during operating the business. The government also spares no effort to promote multiple funding schemes for companies in different industries like innovation, design and technology that will help to kick-off your business plan in Hong Kong.

If you're a small business or SME, we have compiled guides on how you can have access to the right grants available in Hong Kong.

WHAT DO YOU NEED TO START A COMPANY IN HONG KONG?

Well though the incorporation process takes approximately 5-7 business days, it's not that complicated. All you need are four simple steps to get your company incorporated.



1. Choosing the right company name

Choose a unique name that identifies with your company. Just ensure that the name is not already registered with another Hong Kong corporation, does not violate any existing intellectual property, or is obscene or offensive.

2. Choosing a suitable business structure

While there are several types of business that you could start in Hong Kong, you first need to ask yourself if you would want to run your business operations by entering Hong Kong or from wherever you are located. This decision will also help you in different areas such as tax compliances.

3. Registration of a Hong Kong Company

Registering a company in Hong Kong is a relatively smooth process. With all the required documents in place, you can have your company incorporated in approximately 5-7 business days.

4. Opening a Bank Account

To open a bank account in Hong Kong, you will need to ensure that your business model is in good shape and feasible, to have a smooth process. You should seek the assistance of a corporate service provider that can quickly help you with the process.

Once all that is done, without complications, you're set and ready to start running your business in Hong Kong.

What business structures are available to Register in Hong Kong?

While there are several types of business that you could start in Hong Kong, you first need to ask yourself if you would want to run your business operations by entering Hong Kong or from wherever you are located. This decision will also help you in areas such as tax.

We have explained each business structure below to help you determine the most suitable type:

- Sole Proprietorship
- Private Limited by Shares Company
- Company Limited by Guarantee
- Representative Office
- Business Partnership
- Public Limited by Shares Company
- Branch Office

Sole Proprietorship

A single owner who is entirely liable for all profits and losses.

Business Partnership

Minimum 2 to a maximum of 20 partners join together and share the profits. There is an option for a general partnership where partners are personally liable for profits and debts. There is also an option for a limited partnership where limited partners are only responsible for their initial contribution, and general partners have unlimited liability.

Private Limited by Shares Company

With a maximum of 50 shareholders, a Private Limited by Shares Company is a separate legal entity from its owners/shareholders. With the ability to receive all of Hong Kong's tax benefits, this is the most common structure that entrepreneurs choose.

Public Limited by Shares Company

Suitable for large companies which want to be listed for raising capital. Allowing more than 50 shareholders, this company is usually listed on the SEHK and its shares can be subscribed by the public.

Company Limited by Guarantee

Suitable for charities or non-profit organisations. As compared to being shareholders who spend money, members in this structure are required to guarantee to pay an agreed amount as stated in the company's article of association if the company terminates.

Branch Office

An extension of an overseas corporation giving its opportunity to conduct business activities to make profit from Hong Kong. It is not a separate legal body of its own in Hong Kong.

Representative Office

An extension of an overseas corporation but cannot undertake commercial activities to gain profit. It is suitable for non-commercial operations such as marketing or HR departments.

What are the Requirements to start a company in Hong Kong?

Here are the minimum requirements for forming the most common business entity in Hong Kong -

For a Private Limited by Shares Company :

- Min. 1 Shareholder
- Min. 1 Individual Director
- Min. 1 Local Corporate Secretary
- Min. HKD 1.00 Paid-up Capital
- Local Registered Address

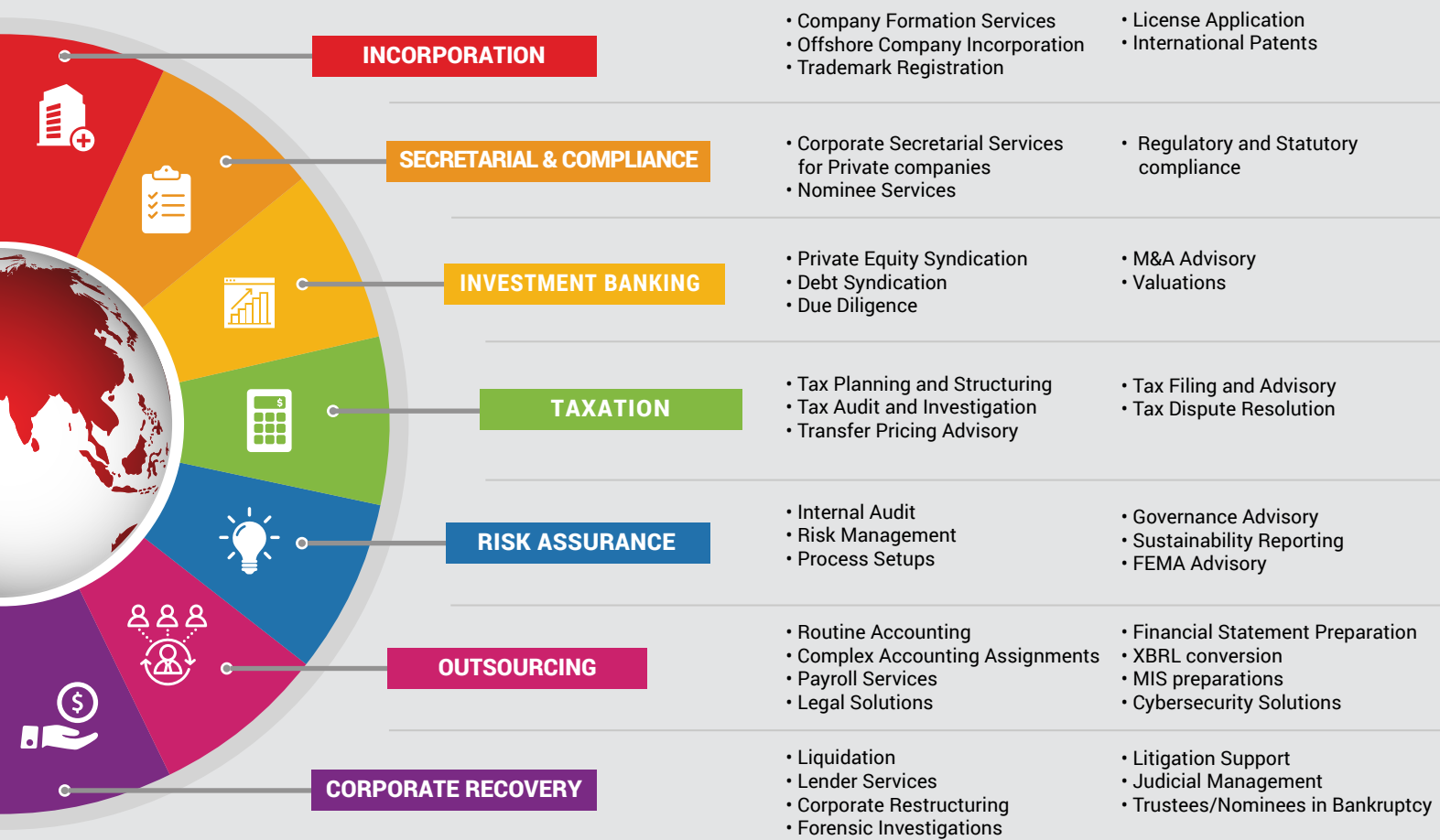
You will also need to produce relevant documents such as company incorporation forms, identification copies of directors/shareholders and proof of residential address.

What are the company registration fees that you need to pay in Hong Kong?

Naturally, considering the relief provided by the Hong Kong government from time to time, the current costs are as follows:

- Company secretarial fee for incorporation – approx. HK\$2,000
- Acting as Company Secretary – approx. HK\$4,000
- Provision of registered office address – approx. HK\$2,000
- Preparation and maintenance of significant controllers register and acting as designated representative – HK\$2,000
- Business Registration Certificate – HK\$250
- Miscellaneous (including but not limited to government application fee, company kit, seal and chop) – approx. HK\$3,500

Our Services



Looking To Start Your Business in Hong Kong?

InCorp is a leading corporate service provider who will go the extra mile to ensure your company registration experience is seamless



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