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# Doing Business in Hong Kong

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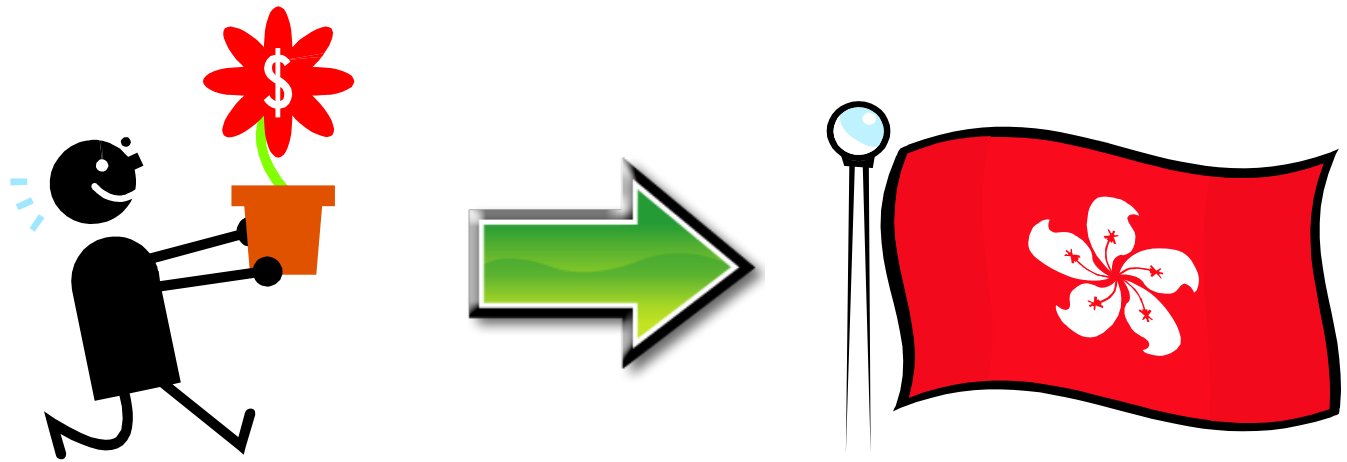
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# Foreign Investment





# Foreign Investors' Options

- Incorporate a subsidiary
- Sole proprietor
- Register the foreign company as a foreign company having a place of business in Hong Kong
- Representative Office



# Foreign Investors' Options

- Joint venture with local partner
- Take over part of the shares of a local business

# Subsidiary

- Separate legal personality
- Limited liability
- Flexibility in treating income
- Shelf companies are available
- Hong Kong or offshore



# Hong Kong Company - Basic Requirements

- Minimum of 1 director.
- Minimum of 1 shareholder.
- A company secretary
- Registered office located in Hong Kong





# Hong Kong company - Annual Requirements

- Annual return
- Business Registration Fee
- An annual registration Fee
- Annual General Meeting
- Annual audited financial statements

# Company Name

- Can have English name, Chinese name or both
- Must ended with Limited or the Chinese equivalent unless approved
- Name cannot be used if
  - Same as or too like an existing name
  - Offensive or contrary to public interest
  - Contain a restricted words, e.g. Building Society, Chamber of Commerce, Cooperative, Mass Transit, Municipal, Savings, Tourist Association, Trust, Trustee, etc

# Change of Company Name

- Can be changed at any time with special resolution
- Companies Registry can order a company to change its name
- Companies Registry can change a name of a company



# Public Information of a Hong Kong registered Company

- On-line company search available
- Generally what is filed is available
- All details of officers are available
- Shareholding reported once a year
- Applicable to Hong Kong and registered foreign company
- Nominee or trust arrangement possible

# Sole Proprietor

- No separate legal personality
- Unlimited liability
- Not suitable for foreign investment other than maybe for individuals

# Registered Foreign Company

- Registration required under Part XI of the Companies Ordinance if a foreign company establish a place of business in Hong Kong
- No separate legal personality
- No separate limited liability
- Profits are those of head office
- Acceptability

# Registered Foreign Company- Requirements

- Annual return required to be filed.
- Annual audited accounts may have to be filed
- Local representative required – until one year after cessation

# Representative Office

- Representative Offices cannot engage in profit-making activities
- Informal therefore very few formalities
- Suitable for preliminary work promotion and liaison work only



# Start up Procedures

- Incorporation/registration
- Obtain Business Registration
- Register employee
- Very few other formalities unless in restricted business or dealing with restricted commodities

# Restricted Businesses

- Telecommunication
- Media
- Banking
- Insurance company
- Investment related industries

# Restricted Commodities

- Animal/birds
- Biological material
- Dutiable commodities
- Endangered animal
- Frozen food
- Live food
- Plant
- Motor vehicles
- Strategic commodities
- Pharmaceutical products
- Optical disc mastering & duplication equipment
- Rice
- Sand

# Entry Visa



# Entry Visa

- Generally divided into employment visa and investment visa
- Common criteria
  - No security objection
  - No criminal records
  - Good education background

# Entry Visa

- Employment visa – possess special skills knowledge or experience of value to and not readily available in Hong Kong
- Investment visa – the applicant is in a position to make substantial contribution to the economy of Hong Kong
- Other special investment schemes

# Entry Visa

- Employment visa easier than an investment visa
- Processing time 4 to 6 weeks
- At the discretion of the Immigration Department

# Entry Visa

- Dependant visa
  - Spouse or children of applicant
  - Apply at the same time as the main application
  - Main applicant as the sponsor
  - Not restriction to work/study



# Employment



# Employment

- Employment law here still favours employer
- No collective bargaining
- Termination without reason allowed
- MPF mandatory
- Minimum wages coming in probably next year

# Employment

- Discrimination
  - Sex
  - Disability
  - Family status
  - Race

# Premises



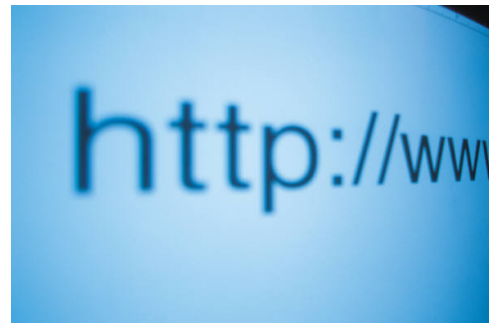
# Premises

- Rent
  - Office premises
    - between HK\$20 to HK\$160 per square foot per month
  - Residential property
    - Between HK\$20,000 and HK\$200,000 per month
  - Rent may not include rate or management fees

# Premises

- Business centres available
- Specialist areas
  - Cyberport
  - Science Park

# Intellectual Property Rights

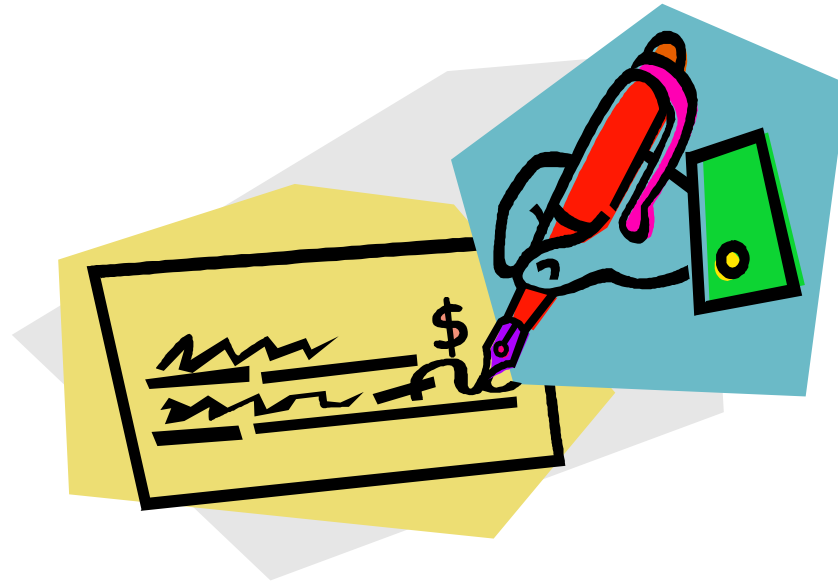


# Intellectual Property Rights

- Trade mark
- Service mark
- Registered design
- Patent
- Domain name registration
- Copyright



# Bank Account



# Bank Account

- KYC create difficulties and delay
- Need some form of business plan and some bank insist a meeting
- Generally, most case will be straight forward
- Existing banking relationship overseas an advantage



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WG**

**Thank you  
The End**