



**PROCEDURE FOR
INCORPORATION OF HK PRIVATE LIMITED COMPANY**

(1) Our Service Fee

Please consult us the price for (a) HK company formation; (b) Virtual Office; (c) Accounting and Tax.

(2) Application Form

Please fill in the Application Form and provide apostilled supporting documents in English described in the Application Form.

(3) Nominee Director and Nominee Shareholder

You may appoint nominee director and nominee shareholder. If you require such service, please consult us for more information.

(4) Share Capital and Initial Shareholding

Our suggested share capital is total 1000 issued ordinary shares, each share equals to HKD1. If you need another capital structure, please specify in the Application Form.

(5) Estimated Time for Incorporation

If all supporting documents are in order, the proposed HK company can be incorporated within the estimated timeframe below:

Normal Procedure	Fast Track
6 – 8 business days	Within 24 hours*

**Note: please consult us for more information.*

(6) After Incorporation

The following documents will be sent to you for retention:

- (1) Certificate of Incorporation;
- (2) Copy of Business Registration;
- (3) Copy of Article of Association;
- (4) Copy of Incorporation Form;
- (5) Copy of Application for Shares;
- (6) Copy of Consent to Act as Company Secretary;
- (7) Copy of Consent to Act as Director;
- (8) Copy of Subscriber Minutes;
- (9) Copy of Registrar of Director;
- (10) Copy of Registrar of Company Secretary;
- (11) Copy of Registrar of Significant Controllers;
- (12) Copy of Share Certificate; and
- (13) One company rubber stamp.

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For maintenance of the company properly, the owners of the HK company must comply with the following matters:

Accounting Documents and Trading Records

The HK company has an obligation to keep all accounting documents and trading records of the company for at least 7 years, such documents include but not limited to brief business overview, expenses records, vouchers, stock taking records, invoices, bills, receipts, bank statements, any business contracts & agreements, employee's payrolls, employment contracts, MPF contributions (statutory employee pension scheme in HK), any insurance payment records and certificates etc.

Those documents must be either in English or Chinese, if not, appropriate official translation shall be provided. Kindly be reminded to safekeep those documents properly for accounting and auditing purpose, missing, incomplete and/or inconsistent documents will substantially increase the time and cost on you for preparation of the book of account and audited report, which may result in late filing of Profit Tax Return. In this case, penalty will be imposed, and even prosecution.

Audit Requirement and Filing of Profit Tax Return

HK company shall prepare audited financial report for each financial year, even if the company has not yet commenced business, or no Profit Tax Return is issued to the company.

The first Profit Tax Return will be issued 18 months after the date of incorporation, which must be supported by the audited financial report. Subsequently, Profit Tax Return will be issued on annual basis or the Inland Revenue Department ("IRD") may decide not to issue if the company has no profit in the latest financial year. Nevertheless, once the company records profit, it must inform IRD for issuing the return. Failure to file Profit Tax Return within time limit without reasonable cause will be subject to penalty and prosecution.

Offshore Profit Exemption

Hong Kong adopts territorial source principle of taxation. Only profits which have a source in Hong Kong are taxable. Profits sourced elsewhere are not subject to Hong Kong Profits Tax. Generally speaking, the IRD will consider, among others, the nature of the profits and of the transactions, where is the company's operation took place, place where decision is made, business presence overseas, whether goods travel though HK etc. Please consult us for more information.

IRD may raise questions on the application for offshore profit exemption. GB IBC can help to assist with this application, quotation can be provided upon request.

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New HK Tax – significant reduction on tax burden, great incentive to establish business in HK

HK Tax for year of assessment for 2017/18 and before is 16.5%.

From year of assessment 2018/9, the profits tax rate for the first \$2 million of profits of corporations will be lowered to **8.25 per cent**. Profits above that amount will continue to be subject to the tax rate of 16.5 per cent. A tax-paying corporation may save up to \$165,000 each year.

Nevertheless, If, at the end of the basis period of the entity for the relevant year of assessment, the entity has one or more connected entities, the two-tiered profits tax rates would only apply to the one which is nominated to be chargeable at the two-tiered rates. The others would not qualify for the two-tiered profits tax rates.

Various Returns and Government Fees

HK companies are required to file Annual Return and Employer's return on time. Government fee, such as Business Registration Annual Fee shall also be settled before deadline, otherwise penalty will be imposed even subject to prosecution.

Registrar of Significant Control

The Companies Ordinance (Cap.622) ("CO") provides that a company incorporated in Hong Kong must maintain a significant controller register ("SCR") to identify persons who have significant control over the company. *The SCR will be kept in the registered office of the company and it is not searchable by the public.* Nevertheless, the SCR can be accessible by law enforcement officers upon demand. A designated representative must be appointed to assist law enforcement officer to access the company's SCR.

GB IBC can appoint a designated representative officer for your HK company and the GB IBC annual fee has already included the fee for appointment of designated representative. In case of any change of significant controller, please inform us as soon as possible in order to update the register. We will also send you the annual due diligence review so as to keep the record up to date.

GB IBC Annual Fee

We will send you payment reminder approximately 3 months prior to the date of anniversary, please make the payment on time in order to avoid penalty or even prosecution arising from late payment of government fees.

Closure of Company

In case of cessation of business, the company must be dissolved properly and officially. GB IBC can assist you to prepare the closure of company, either by way of deregistration or winding up.

***** END *****

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