



INTERSHORES
聯岸金融服務
Your Corporate Services Provider in Asia

KEEPING YOUR COMPANY IN GOOD STANDING

CONGRATULATIONS !

Your Hong Kong private limited company has been successfully incorporated!

You should take note of the annual compliance.

INTERSHORES helps you to manage your company effectively.

Post incorporation obligation includes:

- 1. Notification of Commencement of Business**
- 2. Continuing Obligation/Filing to the Companies Registry**
- 3. Significant Controllers Register (SCR)**
- 4. Registers of Directors, Company Secretaries and Members**
- 5. Employer's Return of Remuneration**
- 6. Filing of Annual Return (NAR1)**
- 7. Annual General Meeting (AGM)**
- 8. Business Registration Certificate (BRC)**
- 9. Profits Tax Return (PTR)**



1. Notification of Commencement of Business

The company is obliged to notify Business Registration Office of Inland Revenue Department in writing within 1 month of its nature of business, business description, business address, and date of business commencement.

Note: Business commencement does not specifically mean that your company has incoming banking transactions. When you set up a company website, print your name card, find an office, procure equipment (computers, mobile phone for company use), soliciting potential customers (by phones, whatsapp or email), providing consultation, investing in equity (subsidiary), etc., it is deemed as business commencement.

2. Continuing obligation/Filing to the Companies Registry

It is the responsibility of a company and its officers to file notifications of change of address of registered office, directors and secretaries and their particulars etc. with the Registrar of Companies within the time periods prescribed in the Ordinance.

3. Significant Controllers Register (SCR)

Under the Amendment Ordinance (starting from 2018), all companies incorporated in Hong Kong (except listed companies) are required to:

- identify and ascertain a person who has significant control over the company.
- maintain a SCR to be accessible by law enforcement officers upon demand.

The SCR must contain i) required particulars of the significant controller(s); ii) contact details of the designated representative of the company.

Note: Failure on keeping the Significant Controllers Register will lead to prosecution. According to section 653M(1) and 653M(6) of the Companies Ordinance, if a company fails to comply with the provision, the company and every responsible person of the company are liable to prosecution and, if convicted, default fines. The maximum penalty is HK\$25,000 for each breach and, in the case of a continuing offence, a daily default fine of HK\$700.

4. Registers of Directors, Company Secretaries and Members

The company needs to maintain up-to-date Register of Directors, Register of Company Registry, and Register of Members in the registered address.

5. Employer's Return of Remuneration

Company carrying on business in Hong Kong is obliged to:

- maintain payroll records of the employees and keep these records for at least 7 years.
- report remuneration paid to an employee by filing Form IR56B for all its employees, irrespective whether the employee rendered services in or outside Hong Kong.

Normally, the Inland Revenue department will issue BIR56A (Employer's Return) to employers on the first working day of April each year and the form has to be filed within 1 month from the date of issue of BIR56A.

6. Filing of Annual Return (NAR1)

Every company is required to file with the Registrar of Companies, once in every year, a duly completed and signed NAR1 within 42 days after the anniversary of the date of incorporation together with an annual registration fee.

Consequences of Not Filing NAR1 on time :

- A substantially higher registration fee is payable for late filing. ☒
- The company and its officers (director, secretary, manager and authorized representative) are liable to prosecution and, if convicted, default fines.



Note: You can read the full text of the Companies Ordinance at www.legislation.gov.hk. For more information on your obligations, you can also visit the "Compliance" section of the Registry's website at www.cr.gov.hk.

7. Annual General Meeting (AGM)

An annual general meeting is mandatory each financial year of the company. A company must, in respect of each financial year, hold its AGM within 9 months after the end of its accounting reference period (a private company that is not a subsidiary of a public company).

8. Business Registration Certificate (BRC)

Each Hong Kong company must renew its BRC every year on time. A business registration renewal demand note will be issued by the Business Registration Office approximately one month before the expiry date on the BRC.

Note: Failure to renew BRC will lead to prosecution. According to the Business Registration Ordinance, if a company fails to comply with the provision, the company and every responsible person of the company are liable to prosecution and, if convicted, default fines. The maximum penalty is HK\$5,000 and imprisonment for 1 year.

9. Profits Tax Return (PTR)

The Inland Revenue Department requires a tax filing for each newly incorporated company. The first PTR is issued by the IRD within 1-2 months before the 2nd anniversary date, or around 20 months from the date of incorporation. For the first PTR, it has to be filed within 3 months upon receipt.

Note: We will notify you by email as soon as we receive the Profits Tax Return for your company. Profits Tax Return Rate – 8.25% on profits up to HKD\$ 2,000,000, and 16.5% on profits thereafter.

Offshore Profits Tax Exemption – If all the company's income is from outside Hong Kong, you may claim offshore exemption, relieving your firm of Hong Kong tax at 0%. Offshore claim has to be submitted with provision of evidence.

"NIL" profits tax return – for firms which have not yet commenced any business in any country.