



Formation of Hong Kong Private Companies

Company Categories

Company Categories

According to the Hong Kong Companies Ordinance, there are three different types of company. Currently, most companies are limited by shares.

- Company Limited by Shares
- Company Limited by Guarantee
- Unlimited Liabilities Company

Introduction to Private Company Limited

- The company should have at least one shareholder of any nationality
- The number of shareholders should not be more than 50
- There is no upper limit of capital (Minimum HKD 0.01)
- The Memorandum & Articles of Association must prohibit the transfer the public issue of shares and debentures and has restrictions on the transfer of shares
- Shareholders need not to be resident of Hong Kong

There are two ways to set up a Hong Kong Private Company

1. Tailor made Company

a. Company could be established by "subscribers". In most of the cases, a professional accountant or lawyer in Hong Kong can help the subscribers to prepare for the setting up of the company. The accountant or lawyer can also act as the subscribers for the shareholder of the company.

b. After the company is formed, the accountant or lawyer can leave the company by transferring the shares to the shareholders. The shareholder can become a director and/or company secretary.

2. Acquisition of Existing Shelf Company, (Change of Company's name after Acquisition of Existing Shelf Company)

Some corporate services companies in Hong Kong maintain a list of "Shelf Company" for ready use. It will take

about three working days for acquisition of a shelf company. In order to save time and cost, you can acquire a shelf company for immediate operations. The name of the shelf company can be changed afterwards. Change of company name takes around one week.

The Procedure of Establishing a New Company

a) . Checking of a company name – Before registration of a new company, the name of the proposed company (in English, Chinese or both English and Chinese) should be checked against existing company names in the Companies Registry to avoid duplication.

b) . Formation of Shareholders Meeting – Shareholders can appoint one or more of them to be the subscriber. Alternatively, they can appoint professional accountants as their “nominee” subscriber. Subscriber should take at least one share in the company. After the formation of the company, all other shareholders can take up shares in accordance to their agreement.

c) . Board of Directors – One or more person or corporation, of any nationality, can be appointed as director of the company.

d) . Registered Office – All companies, for the purpose of company registration and business (tax) registration, should have a registered office in Hong Kong. You can consider using the “registered office” services of our firm.

e) . Memorandum and Articles of Association. Memorandum and Articles of Association of the company is the constitution of the company. It is not mandatory to have a shareholders agreement. We shall provide you with a standard Memorandum and Articles. If a private shareholders agreement is required, it should be signed by subscribers and the witness together. Since shareholders agreement is confidential, it will not be opened to the public.

f) . Appointment of Company Secretary. – A company secretary must be a Hong Kong resident or Hong Kong corporation. He acts as the bridge between the Hong Kong Government and the company. Our firm can act as nominee company secretary, and look after the statutory requirements of your company.

g) . Approval from the Companies Registry and Business Registration. – After all documents have been prepared; we shall submit these documents of the companies to the Companies Registry for approval.

Please be noted that: with effect from 21 February, 2011, the one-stop Certificate of Incorporation and Business Registration services has been implementing, which will shorten the application time.

Additionally, the exempted HKD 2,000 of Business Registration fee will be ended up by 31 July, 2011. Business Registration fee will recover to HKD 2,450 from 1 August, 2011.