

Regulatory Framework for Opening, Operating and Closing a Business

Disclaimer: Any information rendered in this document is for general references only and should not be considered as legal advice. Users are strongly advised to seek independent legal advice if they are in doubt of their legal position.

Business Entry

No.	Regulatory Framework	Link
<i>Company Information Filing</i>		
1.	Requiring entrepreneurs to verify and to have the company name approved in order to register a new business	➤ Sections 100 and 102, Cap. 622 Companies Ordinance
2.	Legislation providing for clear, exhaustive, and specific rules for rejecting proposed company names	➤ Sections 100 and 102, Cap. 622 Companies Ordinance
3.	Requiring verifying the identity of the entrepreneurs willing to start a new business by the Registrar	➤ Sections 67 and 68, Cap. 622 Companies Ordinance ➤ Section 3 of Schedule 2, Cap. 622 Companies Ordinance
4.	Requiring registration of shareholders details	➤ Sections 142(1) and 662, Cap. 622 Companies Ordinance ➤ Section 1(f) of Schedule 6, Cap. 622 Companies Ordinance
5.	Requiring companies to file annual company returns and financial statements	➤ Section 7 of Schedule 6, Cap. 622 Companies Ordinance ➤ Sections 430 and 662, Cap. 622 Companies Ordinance

No.	Regulatory Framework	Link
<i>Beneficial Ownership</i>		
6.	Requiring new companies to register beneficial ownership information: <ul style="list-style-type: none"> • Full name • Identification number and information • Address • Date of becoming a significant controller and nature of control over the company 	➤ Sections 653H, 653I and Schedule 5B, Cap. 622 Companies Ordinance
7.	Specifying a time limit (i.e. 7 calendar days) for registering the required beneficial owner information in the case of a newly registered company	➤ Section 653J, Cap. 622 Companies Ordinance
8.	Allowing nominee shareholders and director	➤ No restriction under Cap. 622 Companies Ordinance
9.	Requiring verifying the identity of beneficial owners by the company	➤ Section 653P, Cap. 622 Companies Ordinance
<i>Company Information and Beneficial Ownership Updates</i>		
10.	Requiring registering changes to the company name at the business registry or another relevant agency within 15 calendar days	➤ Section 107(2), Cap. 622 Companies Ordinance
11.	Requiring registering changes to the shareholders' details at the business registry or another relevant agency to report in the Annual Return after the changes	➤ Section 1(f) of Schedule 6, Cap. 622 Companies Ordinance

No.	Regulatory Framework	Link
12.	Requiring registering changes to the shareholders' details at the business registry or another relevant agency to report within one month after the allotment of shares	➤ Section 142(1), Cap. 622 Companies Ordinance
13.	Requiring registering changes in the articles of association at the business registry or another relevant agency within 15 calendar days	➤ Sections 88 and 89, Cap. 622 Companies Ordinance
14.	Requiring registering changes to beneficial ownership information within 7 calendar days	➤ Sections 653H and 653J, Cap. 622 Companies Ordinance
<i>Simple Standard Forms</i>		
15.	Allowing all entrepreneurs and limited liability companies to register a business by themselves using a simple standard registration form without the mandatory use of third-party intermediaries	➤ Section 67, Cap. 622 Companies Ordinance
16.	Allowing all entrepreneurs and limited liability companies to make updates to the company's statutory information without the mandatory use of third-party intermediaries	➤ No requirement on mandatory use of third-party intermediaries in Cap. 622 Companies Ordinance

No.	Regulatory Framework	Link
17.	Providing for a risk-based assessment for issuing environmental operating licenses. For example, less stringent licensing requirements should be applicable for low-risk activities while more stringent requirements should apply for higher risk activities	<ul style="list-style-type: none"> ➤ Cap. 311 Air Pollution Control Ordinance and relevant licensing requirements: ➤ Requirements and Procedure for Application of Environmental Permits/ Licences ➤ Section 21, Cap. 358 Water Pollution Control Ordinance ➤ Section 9, Cap. 400 Noise Control Ordinance ➤ Technical Memorandum, Cap. 400 Noise Control Ordinance ➤ Guidance Notes for Construction Noise Permit application
<i>Restrictions for Domestic Firms</i>		
18.	Not requiring a mandated paid-in minimum capital for domestic private limited liability companies	➤ No requirement on mandated paid-in minimum capital in Cap. 622 Companies Ordinance
19.	Not mandating any of the following general requirements for an entrepreneur who wants to register a limited liability company and start business operations: <ul style="list-style-type: none"> • Minimum education or training • Criminal history records or affidavits • Approval of business plan, feasibility plan, or financial plan • Obtaining a general operating license 	➤ No such mandates in Cap. 622 Companies Ordinance

No.	Regulatory Framework	Link
20.	Not mandating specific requirements for domestic entrepreneurs from different sociodemographic groups (e.g., age, ethnicity/race, gender, migration status, religious affiliation) that wish to open a bank account	➤ No such requirement in Cap.155 Banking Ordinance and Cap. 615 Anti-Money Laundering and Counter-Terrorist Financing Ordinance
<i>Restrictions for Foreign Firms</i>		
21.	Not requiring a mandated paid-in minimum capital for foreign private limited liability companies	➤ No requirement on mandated paid-in minimum capital in Cap. 622 Companies Ordinance
22.	<p>Not imposing any of the following restrictions for foreign entrepreneurs:</p> <ul style="list-style-type: none"> • Limitations on the proportion of shares that can be held in a company (e.g., foreign participation is limited to 49% of the shares held in a company) • Limitations on the number of joint ventures (e.g., foreign investors are restricted to enter more than one joint ventures in a country) • Investment screening or approval by government authority (e.g., requirement to obtain an investor license) • Minimum size of investment, different from the amount for domestic firms (e.g., foreign entrepreneurs can only open a company in a given sector if their initial investment is bigger than USD 100,000) 	➤ No such restrictions in Cap. 622 Companies Ordinance

No.	Regulatory Framework	Link
	<ul style="list-style-type: none"> • Restrictions on the nationality of the management of foreign subsidiaries (e.g., it is mandatory for the nationality of at least 51% of the management to be national) • Restrictions on the nationality/legal residency of company board members or managers (e.g., it is mandatory for the legal residency of at least 51% of the board members to be national) • Restrictions on hiring foreign nationals (e.g., hiring foreign nationals is limited to 20% of the company's work force) • Minimum required number or percentage of national employees (e.g., it is mandatory for the nationality of at least 51% of the company employees to be national) • Obligation to have a local partner (e.g., a foreign entrepreneurs can only open a company in the economy with a mandatory local partner) • Local sourcing requirements (e.g., a requirement for the foreign firm to purchase goods or services from local suppliers) • Limitations on dividend distribution (e.g., dividends cannot be distributed to foreign accounts) 	

Public Services that Facilitate Trade

[Including services provided by government bureaux and departments, and other public organisations]

Disclaimer: There are other digital public services that aim to facilitate business and compliance in Hong Kong. Please refer to the webpages of individual bureaux / departments / public organisations for details.

Business Entry

No.	Public Services	Link
<i>Storage of Company Information</i>		
1.	<p>Features of the company information database at the business registry:</p> <ul style="list-style-type: none"> Fully electronic (e.g., all data is stored and accessible electronically) Centralized with full coverage in the territory Covers all types of companies and establishments (e.g., covers all firms regardless of their business activity) 	➤ Companies Registry Website (How to obtain company information)
2.	Companies Registry stores all company registration records in digital form	➤ Companies Registry Website (How to obtain company information)
<i>Business Start-Up Process</i>		
3.	Existence of an electronic and fully automated system to verify the uniqueness and compliance of company names	➤ e-Services Portal

No.	Public Services	Link
4.	Existence of an electronic system that covers the entire company registration process from submitting the application to receiving the company documents	➤ e-Services Portal
5.	Existence of a fully electronic system for businesses to update their statutory information	➤ e-Services Portal
6.	Existence of an electronic payment option for all fees, such as business registry fees, related to company incorporation	➤ Electronic Company Incorporation and Business Registration Frequently Asked Questions
7.	Issue the certificate of company incorporation fully electronically	➤ Electronic Company Incorporation and Business Registration Frequently Asked Questions
<i>Exchange of Company Information</i>		
8.	Key public sector agencies for business entry (i.e. Companies Registry and Inland Revenue Department) exchange information on companies automatically and electronically	➤ Frequently Asked Question: Business Registration & Miscellaneous
9.	Changes in company name automatically updated for Inland Revenue Department	➤ Frequently Asked Question: One-stop Notification of Change of Company Particulars

No.	Public Services	Link
10.	Availability of an electronic signature or another electronic form of authentication identification for online company registration	➤ Electronic Company Incorporation and Business Registration Frequently Asked Questions
<i>Availability of Business Start-up Information Online</i>		
11.	<p>Availability of business start-up information online to the general public</p> <ul style="list-style-type: none"> • List of documents needed to incorporate a Limited Liability Company • List of all fees required for company incorporation at the business registry • Service standards for company incorporation at the business registry (e.g., expected time to obtain a service or rules on correction of errors) • Regulatory information about environmental-related requirements for new businesses conducting activities with low or negligible environmental impact. Including, for example, the list of low-risk business activities that do not require special permits 	<ul style="list-style-type: none"> ➤ Incorporation of a Local Limited Company ➤ Price Guide to Main Services ➤ Performance Pledges ➤ Guidance Notes for Licence Application
12.	Publicly funded programs to support small and medium limited liability companies	<ul style="list-style-type: none"> ➤ Support and Consultation Centre for Small and Medium Enterprises ➤ SME Link Portal

No.	Public Services	Link
13.	Electronic search for all company records	➤ e-Services Portal
14.	<p>Availability of the following corporate information on individual companies online from the database of the business registry:</p> <ul style="list-style-type: none"> • Name of the company • Company ID • Name of company's directors • Name of company's shareholders • Year of company's incorporation • Company's annual financial accounts • Company's legal address • Company's physical address • Company's type of activity 	<p>➤ e-Services Portal</p> <p>➤ GovHK (Business & Company Registration)</p>
15.	Availability of the statistics about limited liability companies newly registered in 2022 in Hong Kong online to the public	➤ Number of Local Companies Incorporated