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The Hong Kong Company Setup *Playbook*

A plain-English guide to incorporating and running a company in Hong Kong. No jargon, no fluff, just what actually matters, from someone who has done it a thousand times.

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PART ONE

Why Hong Kong, and what you actually need

Hong Kong is one of the simplest, most respected places in the world to run a company. Here is the honest version of why, and what it takes to get started.

Why founders choose it

- ▢ **Territorial tax.** You are generally taxed on profits earned in Hong Kong, not worldwide. Profits tax starts at 8.25% and caps at 16.5%. There is no VAT, no capital gains tax, and no tax on dividends.
- ▢ **A real gateway.** It is the cleanest bridge between mainland China and the rest of the world, with the rule of law and banking to match.
- ▢ **Fast and light.** A private company limited by shares can be formed quickly, needs just one director and one shareholder, and they can be the same person, of any nationality.
- ▢ **Credible.** A Hong Kong company opens doors with suppliers, customers and banks that an offshore shell never will.

What you need to incorporate

PEOPLE

At least one director and one shareholder (can be the same person, any nationality). Corporate shareholders are allowed too.

A COMPANY SECRETARY

Required by law. Must be a Hong Kong resident or a licensed firm. This is one of the things Jan handles for you.

A REGISTERED ADDRESS

A physical Hong Kong address, not a PO box. Provided as part of most setup packages.

A COMPANY NAME

English, Chinese, or both. It gets checked against the register before anything is filed.

WORTH KNOWING

You do not need to live in Hong Kong

Almost all of this can be done remotely. You will provide identity and address documents, and some banks may want a call, but you do not need to fly out just to incorporate.

PART TWO

The process, the timeline and the real costs

1 **Scope and structure**

Decide the shareholding, pick a name, and confirm the structure fits your goals. Half an hour of thinking here saves months later.

2 **Prepare and file**

Incorporation documents, director and shareholder details, and identity checks are prepared. You sign, and it is filed with the Companies Registry.

3 **Incorporated**

You receive your Certificate of Incorporation and Business Registration. The secretary and registered address are put in place. Usually a few working days.

4 **Bank and go**

An introduction to a suitable bank, then you are trading. Banking is the slowest part, so we start it early.

What to budget in year one

Indicative only, and every situation is different. Government fees change from time to time, so treat these as a planning guide, not a quote.

Company incorporation and registry filing	from HK$1,720 gov + service
Business Registration (1 year)	~ HK$2,150
Company secretary (year one)	from HK$2,000
Registered address (year one)	from HK$1,000
Bookkeeping, tax and annual filing	scales with activity

RULE OF THUMB

A simple company, fully set up and legally ready to trade, is usually a low four-figure sum in Hong Kong dollars for year one. Ongoing compliance is a predictable annual cost you agree up front.

PART THREE

Banking, tax and the compliance you cannot skip

Opening a bank account (the honest bit)

This is where most people get stuck on their own. Banks run real due diligence, and a thin application gets declined. What helps:

- ☐ A clear, believable business story with real customers and suppliers.
- ☐ Clean, complete documents, and a director who can answer questions confidently.
- ☐ Choosing the right bank for your profile, rather than applying everywhere and hoping.
- ☐ Starting early. Approval can take weeks, so it runs in parallel with setup.

The compliance calendar

A Hong Kong company is easy to run, but it is not zero-maintenance. Miss these and the fines add up fast.

EVERY YEAR

Annual Return to the Companies Registry, and renewal of your Business Registration.

EVERY YEAR

Audited financial statements by a Hong Kong CPA, then the Profits Tax Return.

ONGOING

Keep proper books, statutory registers, and a significant controllers register up to date.

IF YOU HIRE

Employer returns and MPF (the pension scheme) for staff based in Hong Kong.

THE POINT OF A PARTNER

None of this is hard when someone owns it and tracks the dates. It only becomes a problem when nobody does. That is the job Jan quietly does in the background all year.

PART FOUR

Mistakes to avoid, and your checklist

Five things people get wrong

- ▢ **Leaving banking to the end.** Start it first, it is the bottleneck.
- ▢ **Guessing the structure.** The wrong shareholding is expensive to unwind later.
- ▢ **Ignoring substance.** A company with no real activity where it claims raises questions with banks and tax authorities.
- ▢ **Filing late.** Missed annual returns and tax deadlines turn into penalties quickly.
- ▢ **Not protecting the name.** Most of Asia is first to file. Register your trademark before you launch.

Your quick-start checklist

- ✓ Decide directors, shareholders and the split
- ✓ Pick one or two company names
- ✓ Gather identity and address documents
- ✓ Confirm your registered address and secretary
- ✓ Prepare a clear business story for the bank
- ✓ Set reminders for annual return, BR renewal and tax
- ✓ Register your trademark before going public

Want someone to just handle it?

That is what Jan does. One experienced person, start to finish, with a fixed fee agreed up front and no meter running. Company formation, accounting, tax, company secretary and the compliance nobody warns you about, across seven Asian markets.

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