

## The Advantages of a Hong Kong Company

Hong Kong is one of the world's most reliable and efficient financial centres, with no exchange control, a sound legal system and efficient transport and communication networks. This, along with the fact Hong Kong is ranked the freest economy in the world, makes incorporation in Hong Kong attractive for international traders.

### The Hong Kong Company

By statute Hong Kong companies must have a minimum of one director and two shareholders, but there is no statutory requirement that the shareholders or directors be residents of Hong Kong. Hong Kong company incorporation also requires a registered office in Hong Kong and a Hong Kong resident individual or Hong Kong corporation to act as the secretary.

Hong Kong companies are ideal vehicles for international trading or consulting activities which are not sourced in Hong Kong and therefore can be conducted free of tax. The same is true for companies holding real estate which is located outside Hong Kong. There is no capital gains tax and dividends received or distributed by a Hong Kong company are also tax-free. But even the standard rate of profits tax applicable to Hong Kong sourced income is very competitive at 17.5 per cent.

### Why Hong Kong?

Hong Kong's stock market, the third-largest in Asia after Japan and China, is considerably more liquid, and more familiar to investors, than mainland stock markets.

Since China opened its doors to the world in the late 1970s, Hong Kong companies have invested more time, money and resources than any others tapping the potential of the Chinese market.

Hong Kong's long-term economic prospects hinge on being able to maintain competitiveness and relevance as a major centre for international finance, trade, transport and logistics, professional services, communications and tourism.

ILS, which can provide a Hong Kong company for a one off payment of US\$1,200, which includes first

business registration fees and government filing fees – see the full fee scale below - has gained significant experience in advising and administering Hong Kong company related structures for clients, which usually take the form of some of the following:

- Company administration
- Formation of companies and trusts
- Use of our service companies as intermediaries
- Assistance with contracts
- Invoicing and accounting
- Administration
- Director and secretary services
- Registered office facilities
- Physical office facilities
- Accounting services
- Opening of bank accounts

### Hong Kong Company Annual Fees (US\$)

Incorporation and Activation of company (one off fee)	1,200
Providing Registered Office Address	250
Company Secretary	650
Corporate Director	600
Personal Director	From 2,000
Nominee Shareholder	250
Bank Signatories (if separate from acting as director)	700
Minimum monthly Accounting, Hong Kong Taxation, Company	130
Secretarial charge (HK\$1,000)	130

For those wishing to have a consultation regarding setting up in China please email Kenneth Yeung at [kenneth.yeung@ils-world.com](mailto:kenneth.yeung@ils-world.com)