

HONG KONG PRIVATE COMPANY COMPLIANCE

Stay Compliant in HK

GET STARTED HK LIMITED

+852 2813 7600

www.getstarted.hk

info@getstarted.hk

TABLE OF CONTENTS

01 Introduction

Overview of statutory compliance requirements for private companies in Hong Kong to ensure transparency and good governance.

02 Company Formation

Key requirements for establishing a private company, including directorship, registered office, and filing incorporation documents.

03 Financial Reporting

Obligations for preparing annual financial statements and maintaining records as per accounting standards.

04 Taxation & Compliance

Guidelines for filing Profits Tax Returns, obtaining business registration, and fulfilling employer obligations.

05 Corporate Governance

Steps to maintain good governance through updated registers, Significant Controllers Register, and timely filings.

06 Summary

Importance of compliance to avoid penalties, maintain trust, and operate efficiently in Hong Kong's business environment.

INTRODUCTION

Hong Kong is a global business hub known for its efficient regulatory framework. Private companies must comply with statutory obligations under the Companies Ordinance (Cap. 622) to ensure transparency and good governance. Meeting these requirements helps companies maintain good standing and avoid penalties.

This document highlights key compliance areas, including:

- Annual return filings.
- Financial reporting.
- Maintenance of accurate records.
- Establishment of a Significant Controllers Register.

By following these guidelines, companies can ensure smooth operations and contribute to Hong Kong’s reputation as a top business destination.



About This Document This guide is based on the latest requirements from the Hong Kong Companies Ordinance (Cap. 622) and official guidelines by the Companies Registry. For details, visit the [Companies Registry](#) or the [Hong Kong Companies Ordinance](#)

COMPANY FORMATION

Startups and established businesses alike benefit from Hong Kong's ease of company formation, with efficient processes and streamlined regulations. There are 4 main elements when setting up a HK company.

01 Incorporation documents

To incorporate a private company limited by shares, the following steps and documents are required:

- Passport verification for significant controllers
- Recent address proof for key controllers
- Incorporation Form (Form NNC1)
- Articles of Association

02 Director

There is no requirement under the Companies Ordinance that a director must be a Hong Kong resident. In fact, any person over the age of 18 can be a director.

03 Company secretary

In Hong Kong, every company must have a company secretary to meet legal requirements. A company secretary should ensure the registered company complies with local laws and regulations.

04 Registered address

A registered address must be situated in Hong Kong. This address will be used for official communications and must be capable of receiving legal notices and correspondence. A P.O. box is not accepted.



FINANCIAL REPORTING

In Hong Kong, companies are mandated to adhere to specific financial reporting obligations under the Companies Ordinance (Cap. 622).

01 Preparation of Annual Financial Statements

Companies must prepare annual financial statements that provide a true and fair view of their financial position and performance. These statements must comply with the Hong Kong Financial Reporting Standards (HKFRS) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). HKFRS ensures consistency, reliability, and comparability of financial statements across entities.

02 Retention of Accounting Records

Companies are required to maintain sufficient accounting records to show and explain their transactions. These records must enable the preparation of financial statements that give a true and fair view. Records must be retained for at least seven years from the end of the financial year to which they relate, ensuring availability for audit and inspection purposes.

03 Compliance with Accounting Standards

Financial statements must adhere to HKFRS or any other applicable standards as specified under the Companies (Accounting Standards (Prescribed Body)) Regulation. This ensures alignment with globally recognized accounting practices, promoting transparency and good governance.

TAXATION AND COMPLIANCE



Filing Annual Profits Tax Returns

Every company operating in Hong Kong must file an annual Profits Tax Return (PTR) with the Inland Revenue Department (IRD). Companies typically have one month to complete and submit the return after receiving it. The submission must include supporting documents such as audited financial statements and tax computations, ensuring accurate reporting of assessable profits and fulfillment of tax obligations under Hong Kong tax laws.

Employer Obligations

Employers are required to report employee remuneration by filing the Employer's Return of Remuneration and Pensions (Form BIR56A) annually, along with Form IR56B for each employee. These forms must be submitted to the Inland Revenue Department (IRD) within one month from the issue date. Even if no employees are present, the form must still be completed.



CORPORATE GOVERNANCE

Maintaining robust corporate governance is essential for companies in Hong Kong to ensure compliance with the Companies Ordinance (Cap. 622) and uphold transparency and accountability. Key practices include:

Keeping Updated Registers of Members, Directors, and Secretaries

Companies are required to maintain accurate and up-to-date registers. These registers must be kept at the company's registered office or a prescribed place in Hong Kong and be readily accessible for inspection by authorized parties.

Establishing and Maintaining a Significant Controllers Register (SCR)

Companies are mandated to identify individuals or entities with significant control over the company and record their particulars in a Significant Controllers Register (SCR). The SCR must be kept at the company's registered office or a prescribed place and be accessible upon request.

Ensuring Timely Filing of Annual Returns and Updates to the Registry

Companies are obligated to file annual returns with the Companies Registry, providing updated information about the company's particulars. For private companies, the annual return must be filed within 42 days after the anniversary of the company's incorporation.

Holding Annual General Meetings (AGMs)

Companies are generally required to hold an Annual General Meeting (AGM) within a specified period after the end of their financial year. However, the Companies Ordinance allows private companies to dispense with the holding of AGMs if all members agree to a written resolution.

SUMMARY

Compliance is a critical aspect of operating a private company in Hong Kong, ensuring adherence to statutory obligations under the Companies Ordinance and other relevant regulations. By meeting these requirements, companies can avoid substantial penalties, including fines of up to HK\$50,000 for failure to file annual returns or HK\$100,000 for non-compliance with Significant Controllers Register requirements, while also safeguarding their reputation and maintaining the trust of stakeholders, including shareholders, clients, and regulatory authorities.

Adhering to these standards not only mitigates risks but also fosters a trustworthy and efficient business environment. Compliance contributes to Hong Kong's reputation as a leading global financial and commercial hub, enabling companies to thrive in the city's dynamic business ecosystem.



CONTACT US FOR FURTHER INQUIRIES



GETSTARTED
HONG KONG LIMITED

GET STARTED HK LIMITED
Suite C, Level 7, World Trust Tower,
50 Stanley Street, Central, Hong Kong
+852 2813 7600
www.getstarted.hk
info@getstarted.hk

