



**Aspen Group Limited**

# A Guide to Hong Kong Companies

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**HONG KONG**

**PANAMA**

**PRAGUE**

## BACKGROUND

Hong Kong was occupied by the UK in 1841 but on December 19, 1984 an agreement signed by China and the UK gave end to the colonial era and Hong Kong became the Hong Kong Special Administrative Region (SAR) of the People's Republic of China on 1 July 1997. In this agreement, China promised that, under its "one country, two systems" formula, China's socialist economic system would not be imposed on Hong Kong and that Hong Kong would enjoy a high degree of autonomy in all matters except foreign and defense affairs for the next 50 years.

## LOCATION

It is located in Eastern Asia, bordering the South China Sea and China. Hong Kong boasts a deepwater harbor, feldspar and more than 200 islands in its territory.

## POPULATION

The total population in Hong Kong is 7,055,071 (July 2009 est.) composed mainly by Chinese; large groups of Westerners, Filipinos, Indonesians, East Indians, and other Asians also reside.

## GOVERNMENT

Hong Kong is a Special Administrative Region of China and its government style is regarded a limited democracy.

## LEGAL SYSTEM

Basic Law, approved in March 1990 by China's National People's Congress, is Hong Kong's "mini-constitution" and English Common Law.

## ECONOMY

Hong Kong has a free market economy highly dependent on international trade and finance. The territory has become increasingly integrated with mainland China over the past few years through trade, tourism, and financial links. The mainland has long been Hong Kong's largest trading partner. With the easing of travel restrictions, the number of mainland tourists to the territory surged 16.9 million in 2008, when they outnumbered visitors from all other countries combined. Hong Kong is also a premier stock market for Chinese firms seeking to list abroad. More than one-third of the firms listed on the Hong Kong Stock Exchange are now mainland Chinese companies. Hong Kong's service industry has grown rapidly and accounts for more than 90% of the territory's GDP. Hong Kong's natural resources are limited, and food and raw materials must be imported. Hong Kong continues to link its currency closely to the US dollar. The main industries are in textiles, clothing, tourism, banking, shipping, electronics, plastics, toys, watches, clocks

## MERCHANT MARINE

Hong Kong's merchant marine records 1114 vessels registered of which 703 are foreign-owned: Belgium 3, Canada 44, China 324, Denmark 24, France 1, Germany 6, Greece 22, Indonesia 7, Iran 15, Japan 111, South Korea 3, Norway 40, Philippines 1, Portugal 1, Russia 2, Singapore 18, Syria 1, Taiwan 11, UAE 1, UK 39, US 29. Three hundred and fifty seven vessels are registered in other countries; among them, the largest numbers are registered in Panama 130, 30 in Bahamas, and 47 in Singapore.

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Language	Chinese & English	Chinese & English are the official languages.
Level of Confidentiality	High	
Type of Company	Limited / Unlimited	Limited by shares / guarantee. Also available: unlimited companies.
Tax on Offshore Profits	No	Local profits tax currently 16.5%
Local Registered Office & Agent	Yes	
Minimum Director	1	
Local Director Required	No	
Corporate Directors	Yes	
Minimum number of Shareholders	1	
Corporate Shareholders Permitted	Yes	
Company Secretary Required	Yes	The Aspen Group provides qualified company secretarial services.
Government Register of Directors	Yes	
Government Register of Shareholders	Yes	
Bearer shares	No	
Annual Return filing	Yes	
Audited Accounts	Yes	Audit must be made by HK accounting firm. Custom made companies are also available. Incorporation time is approx. 7 days from the time all the correct information of directors & shareholders is received. All company names must end with the word Limited.
Shelf Companies Available	Yes	
Certificate of Incumbency available in Hong Kong	No	Registered agent certificate can be provided.
Bank accounts, Visa debit cards, on-line banking and other banking services	Yes	We work with major local banks.

## OUR OBSERVATIONS

Hong Kong is a world-class financial, trading and business centre. It is Asia's world city and the gateway to China. Hong Kong is the ideal location for an Asian headquarters. Hong Kong's state of the art financial centre and services industry spearhead its excellent reputation. It is one of the major components of the financial trio: NYLONKONG and leads in ease of doing business and regulatory supervision while maintaining user friendliness and expeditious transactions. Hong Kong is deemed a clean jurisdiction by sophisticated investors and anyone who wishes to enter into worldwide transactions big or small. It is the preferred jurisdiction for investments, joint ventures, and for holding

wholly owned foreign enterprises in China. Mainland authorities and bankers prefer and validate Hong Kong without further legalization.

The Closer Economic Partnership Arrangement (CEPA) between Hong Kong and China warrants the SAR with favorable custom and import fees. Hong Kong maintains double tax treaties with Belgium and Luxembourg. These two treaties present interesting possibilities because profits can be earned tax free in Hong Kong and moved to the EU at great savings.

The foregoing does not constitute legal advice and it is merely Aspen Global Incorporations opinion based on use and experience. If you are not a professional service provider, please consult a tax attorney, solicitor, and/or accountant before you pursue any venture in a tax free environment. Aspen Global Group will be glad to meet with you and assess your requirements. Legal evaluations in each jurisdiction are available at a time cost fee.

If you would like additional information on this jurisdiction or our current shelf list, please contact us at [enquiries@aspenoffshore.com](mailto:enquiries@aspenoffshore.com); or contact any of our offices.

#### **HONG KONG**

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