



BRIS GROUP

HONG KONG

PRIVATE LIMITED COMPANY

CLIENT GUIDE 2026

Formation, territorial profits tax, audit, annual return and compliance

Professional company formation and ongoing corporate administration

BRIS GR LIMITED | 66 Paul Street, London EC2A 4NA, United Kingdom

general.info@bris-group.com | +44 207 206 2487 | +44 775 479 5814 | bris-group.com

Hong Kong Private Limited Company at a Glance

A Hong Kong **private company limited by shares** is incorporated under the **Companies Ordinance (Cap. 622)**. It is a separate legal person and is one of the principal structures used for international trading, consulting, holding, technology and regional Asian business. Hong Kong retains a territorial profits-tax system: the key tax question is generally the **source of profits**, not the nationality of the shareholder or customer.

Topic	Current legal / practical position
Foreign ownership	100% foreign ownership is permitted; there is no general requirement for a Hong Kong-resident shareholder.
Shareholders	A private company can be incorporated with one shareholder/member.
Directors	At least one director must be a natural person. A director does not have to be Hong Kong resident.
Company secretary	Mandatory. An individual secretary must ordinarily reside in Hong Kong; a corporate secretary must have its registered office/place of business in Hong Kong.
Registered office	A registered office in Hong Kong is mandatory.
Share capital	Hong Kong uses a mandatory no-par share regime. There is no statutory minimum paid-up capital.
Profits tax	Territorial system: Hong Kong-source taxable profits are generally taxed; genuine offshore profits can fall outside profits tax, subject to source analysis and the FSIE rules where relevant.
Annual compliance	Annual return, accounting records, financial statements, audit, profits-tax filing and Significant Controllers Register compliance apply.

Key Benefits for International Clients

- 100% foreign ownership and non-resident directors are permitted.
- Territorial profits-tax system: profits sourced outside Hong Kong can be non-taxable where the legal source test is satisfied.
- Two-tier corporate profits-tax rates: **8.25%** on the first HK\$2 million of assessable profits for a qualifying corporation and **16.5%** above that amount.
- No statutory minimum paid-up capital for an ordinary private company.
- Mandatory no-par shares provide flexibility in capital structuring.
- Established common-law commercial system and internationally recognised corporate jurisdiction.
- No general Hong Kong withholding tax on ordinary dividends paid by a Hong Kong company.
- Private-company financial statements are not filed with the annual return at the Companies Registry, although accounts and audit remain legally required.
- Shareholder and management structures can be kept commercially flexible through the articles and corporate records.

Important: When Can Profits Be 0% Taxed in Hong Kong?

Genuine offshore profits can be outside Hong Kong profits tax

Hong Kong does **not** tax a company merely because it is incorporated in Hong Kong. Under the territorial system, profits tax generally applies to profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong. If the profit-producing operations that generate particular trading/service profits genuinely take place outside Hong Kong, those profits may be treated as **offshore and not chargeable to Hong Kong profits tax**, subject to the facts, evidence and Inland Revenue Department source principles.

Foreign ownership, foreign customers or a foreign bank account alone do **not** establish offshore source. The IRD looks at what the taxpayer did to earn the profits and where those profit-producing activities occurred. Offshore treatment must therefore be assessed from the actual business model and supported by records.

Foreign-Sourced Income Exemption (FSIE) - Important Limitation

Hong Kong's enhanced **FSIE regime** applies to specified foreign-sourced income received in Hong Kong by an entity that is part of a multinational enterprise group. Specified income includes foreign-sourced interest, dividends, disposal gains and IP income. Such income can be deemed Hong Kong-sourced and taxable unless the applicable economic-substance, participation, nexus or intra-group transfer relief conditions are satisfied.

Do not confuse ordinary offshore trading profits with FSIE specified income

The territorial source analysis remains central, but internationally structured holding/investment groups must separately review the FSIE provisions before assuming that foreign dividends, interest, disposal gains or IP income are exempt.

Incorporation Requirements

Topic	Current legal / practical position
Company name	Must comply with Cap. 622 naming rules and be accepted by the Companies Registry.
Articles	Articles of Association govern the company; model articles may apply subject to permitted modifications.
Shareholder(s)	At least one member/shareholder; individual or corporate ownership is possible.
Director(s)	At least one natural-person director; non-Hong Kong residents are permitted.
Company secretary	Required and must satisfy the Hong Kong residence/office requirement.

Topic	Current legal / practical position
Registered office	Must be situated in Hong Kong.
Share capital	No-par shares; no statutory minimum paid-up capital.
Business registration	Incorporation is coordinated with business registration under Hong Kong's one-stop registration arrangements.
Significant controllers	A local company must identify significant controllers and maintain the statutory SCR unless exempt.

Share Capital

Since 3 March 2014, all shares of Hong Kong companies have **no par value**. The concepts of par value, share premium and authorised share capital were abolished. The full consideration for issued shares is credited to share capital.

No minimum paid-up capital

The Companies Registry expressly confirms that the Companies Ordinance imposes **no minimum amount of paid-up capital**. A company may therefore be incorporated with modest initial capital appropriate to its intended activities. Paid and partly-paid capital remain legally meaningful, so the subscription terms should accurately reflect what the shareholder has agreed and paid.

Documents Required from the Client

- Passport/government-issued identification and recent proof of address for shareholders, directors and ultimate beneficial owners.
- For corporate shareholders: incorporation, constitutional, management and ownership-chain documents.
- Three proposed company names and detailed business activities.
- Proposed shareholding percentages and initial share issue/subscription amount.
- Proposed director(s) and signing/management arrangements.
- Hong Kong registered-office and company-secretary arrangements.
- Source-of-funds/source-of-wealth information required under AML procedures.
- Countries of operation, where contracts are negotiated/concluded, where services are performed and where key management/business functions occur.
- Expected turnover, currencies, banking, customers/suppliers and transaction profile.

Formation Process & Documents Received

1. Structure/tax-source review
2. KYC/AML & UBO review
3. Name & incorporation documents
4. Companies Registry/business registration
5. SCR/tax setup
6. Corporate file

Typical corporate file: Certificate of Incorporation; Business Registration Certificate; Articles of Association; incorporation form/registry records; initial resolutions; register of members/directors/secretary; share certificate(s); Significant Controllers Register documentation and company chop/seal if commercially required (a common seal is optional).

Profits Tax Rates

Two-tier rates for qualifying corporations

The first **HK\$2 million** of assessable profits is taxed at **8.25%**; assessable profits above HK\$2 million are taxed at **16.5%**. Where an entity has connected entities, generally only one nominated connected entity can benefit from the two-tier regime.

Where profits are genuinely offshore under Hong Kong's source principles, the issue is not applying an 8.25% or 16.5% rate to them: the profits may instead be outside the charge to profits tax. The source position must be established transaction-by-transaction/business-model-by-business-model.

Examples of Offshore / Onshore Factors

Topic	Current legal / practical position
Trading profits	Key factors commonly include where purchase/sale contracts are effected, negotiated and concluded and where the profit-producing trading operations occur.
Service income	The place where the services generating the fees are actually performed is highly important.
Hong Kong office/staff	Hong Kong personnel performing core profit-generating work can support Hong Kong source.
Foreign customers	Foreign customers alone do not make profits offshore.
Foreign bank account	Location of the bank account is generally not decisive by itself.
Management location	Relevant to the overall facts but not a substitute for analysing the operations producing each category of profit.
Evidence	Contracts, emails, travel records, invoices, service-delivery records and operational evidence should support any offshore claim.

Accounting Records, Financial Statements & Audit

A Hong Kong company must keep proper accounting records and prepare annual financial statements under the Companies Ordinance. A private company is generally required to have its annual financial statements audited by a Hong Kong certified

public accountant, subject to the statutory framework.

Accounts are audited, but not filed publicly with NAR1

For a local private company with share capital, the Companies Registry confirms that **financial statements are not delivered together with the annual return**. This is different from public companies and companies limited by guarantee. The accounts nevertheless remain necessary for shareholder reporting, audit and Inland Revenue Department tax compliance.

Annual Return - Form NAR1

Every local private company must deliver an annual return **Form NAR1** to the Registrar of Companies within **42 days after each anniversary of incorporation**. The return reports prescribed company particulars, including registered office, shareholders, directors and company secretary.

The current on-time annual registration fee for a private company is **HK\$105**. Substantially higher fees apply to late filing, and failure to comply can also lead to prosecution.

Profits Tax Return

The Inland Revenue Department issues profits-tax returns to companies. A company must prepare the required tax computation and supporting financial information and file within the applicable deadline/extension arrangements. A company claiming offshore profits should make the tax position accurately and retain detailed evidence supporting the source analysis.

An offshore profits claim does not remove Companies Registry annual-return, accounting, audit, business-registration or other statutory obligations.

Significant Controllers Register (SCR)

Hong Kong companies within the statutory regime must identify persons/entities with significant control and maintain a **Significant Controllers Register** at the registered office or another prescribed place in Hong Kong. The company must also designate a representative to provide SCR assistance to law-enforcement officers.

Topic	Current legal / practical position
Shareholding test	A person/entity holding directly or indirectly more than 25% of issued shares can be a significant controller.
Voting rights	Direct or indirect control of more than 25% of voting rights can qualify.
Board control	The right to appoint/remove a majority of directors can qualify.
Significant influence	Other significant influence or control can also satisfy the statutory test.
Public filing	The SCR itself is maintained by the company rather than filed as a public shareholder-style register at the Companies Registry.
Designated representative	Must be a qualifying Hong Kong person/entity under the statutory rules.

Public Register & Privacy

Hong Kong is not an anonymous jurisdiction. Company particulars and filed documents are available through Companies Registry search services. Under the current inspection regime, directors' **correspondence addresses** rather than usual residential addresses and **partial identification numbers** rather than full identification numbers are generally made available for public inspection.

Banks, company-service providers, auditors and authorities can require full KYC and beneficial-ownership information even where some personal information is protected from general public inspection.

Annual Compliance Checklist

- Maintain the Hong Kong registered office and qualified company secretary.
- Maintain at least one natural-person director and current statutory registers.
- Maintain proper accounting records and prepare annual financial statements.
- Arrange annual statutory audit under the applicable Companies Ordinance framework.
- File NAR1 within 42 days after the incorporation anniversary and pay the registration fee.
- Maintain Business Registration Certificate/renewal.
- File profits-tax return and tax computation as required by the IRD.
- Maintain evidence for any offshore profits position.
- Review FSIE rules for foreign dividends, interest, disposal gains and IP income where the company is an MNE entity.
- Maintain and update the Significant Controllers Register and designated representative.
- Review employer, MPF, VAT/GST-equivalent (Hong Kong has no general VAT/GST), licensing and sector-specific obligations.
- Update the Companies Registry promptly when registered particulars change.

Why Hong Kong Can Be Attractive

Topic	Current legal / practical position
Territorial taxation	Genuine offshore profits can fall outside Hong Kong profits tax, subject to source analysis and FSIE where relevant.
Low onshore rates	8.25% first HK\$2m / 16.5% thereafter for qualifying corporate assessable profits.
Foreign ownership	100% foreign ownership and non-resident directors are permitted.
No minimum capital	No statutory minimum paid-up capital; no-par share regime.
Commercial position	Major international finance/trade hub with established common-law corporate framework.
Private-company filing	Audited accounts are not attached to the private company's public NAR1 annual return.
Flexible structure	Single shareholder, corporate shareholder and international ownership structures are possible.

How BRIS Group Supports You

Pre-formation review - Review ownership, business activity, operational geography and suitability of Hong Kong.

Company formation - Coordinate name, incorporation, registered office, secretary and initial corporate records.

Tax-source review - Coordinate preliminary analysis of Hong Kong/offshore profit-source facts and documentation requirements.

KYC / SCR - Coordinate shareholder, director, UBO due diligence and Significant Controllers Register compliance.

Accounting & audit - Coordinate bookkeeping, annual financial statements and Hong Kong statutory audit.

Tax compliance - Coordinate profits-tax return, tax computation and offshore-claim support where appropriate.

Annual return - Coordinate NAR1 and Companies Registry updates.

Documents - Arrange certified Registry documents, apostille/legalisation and status documents where required.

Professional Fees & Quotations

Tailored quotation

This brochure is an informational guide to Hong Kong private-company incorporation and maintenance and is not a fee quotation. BRIS Group professional fees, Hong Kong registered-office/company-secretary services, government/business-registration fees, accounting, audit, profits-tax work, offshore-claim support, SCR compliance, certified documents and optional services are quoted separately. Clients may request a tailored quotation based on the ownership, activity and expected annual transactions.

Client Preparation Checklist

- Three proposed company names.
- Detailed business activity and countries of operation.
- Shareholder(s), ownership percentages and ultimate beneficial owners.
- Proposed director(s).
- Passport and recent proof of address for each relevant individual.
- Corporate documents for any legal-entity shareholder.
- Proposed initial share issue/subsorption amount.
- Hong Kong registered-office/company-secretary arrangement.
- Source-of-funds/source-of-wealth information.
- Expected turnover, currencies, banking and transaction profile.
- Where contracts will be negotiated/concluded and where services/core operations will actually be performed.
- Any Hong Kong staff, office, warehouse, customers, regulated activity or licensing requirements.

Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute Hong Kong legal, tax, accounting, audit, regulatory or investment advice. **Hong Kong can provide 0% profits-tax treatment for genuinely offshore profits, but foreign ownership or foreign customers alone do not create an exemption.** Profit source is determined from the actual profit-producing operations. The FSIE regime must also be considered for specified foreign-sourced income received in Hong Kong by MNE entities.

Primary official sources reviewed: Companies Ordinance (Cap. 622) and Companies Registry guidance on incorporation, directors/company secretary, no-par shares, annual returns, accounts/audit, filing requirements and inspection; Inland Revenue Department two-tier profits-tax guidance and Foreign-sourced Income Exemption regime materials.

Information reviewed: August 2026. Tax-source, FSIE, audit, business-registration, SCR and filing requirements will be reconfirmed before incorporation and annual compliance work.

PREPARED BY BRIS GROUP

Hong Kong Private Limited Company - Client Guide 2026

Professional incorporation and corporate administration for international clients.

