

Establishing Your Business In Hong Kong

As a leading international trading and service hub, Hong Kong is an attractive place to do business. Hong Kong is ranked as the world's freest economy and provides a gateway to potential investment into China.

Common uses of setting up in a Hong Kong entity:

- **Regional Headquarters**
- **Import and Export Center**
- **PRC Holding Company**
- **Special Purpose Vehicle**

Regional Headquarters

World-Class Infrastructure

Hong Kong has a world-class telecommunication, connectivity, sea and air cargo systems. The sophisticated financial systems, mature communication infrastructures and protective legal systems making Hong Kong is an ideal place to be the regional headquarters.



Regional Headquarters in Hong Kong



- Global Financial Hub
- **Sophisticated Infrastructure**
- World Class Service
- **Excellent Property Protection**

One of the core reasons for multi-national companies choosing Hong Kong as the location for their regional headquarters is that the tax is solely on jurisdiction basis and **levies no tax on any offshore income**. This creates a business friendly environment for overseas investors with offshore operations.

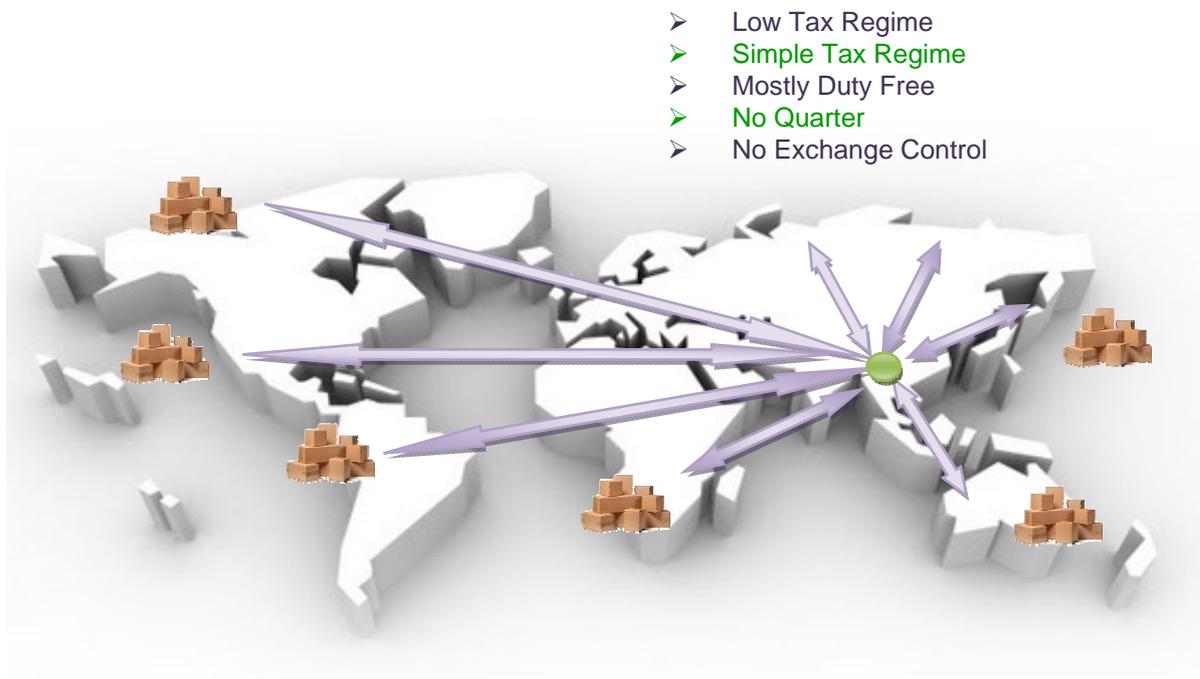
The official figures as of April 2014 from the Census and Statistics Department of Hong Kong suggest there has been an increase in the number of regional headquarters in Hong Kong over the years.

Year	Total	Country/Territory where the parent company was located				
		N. America	Asia	Europe	PRC	Others
2009	1,252	301	308	431	96	116
2010	1,285	303	319	431	99	133
2011	1,340	331	319	447	97	146
2012	1,367	351	326	450	106	134
2013	1,379	335	351	453	114	126

Import and Export Center

Free Trade Port & Simple Tax Regime

Hong Kong is well known for its free port status and easy customs procedures. Duty is levied on very few products. Hong Kong has one of the most tax-friendly economies per World Bank's study with only 16.5% of Profits Tax, maximum 15% on salaries tax and 15% on property tax in 2014. **There is no GST or VAT, withholding tax on dividend & interest, capital gains tax and estate tax.**



Wine, beer, and many other commodities are duty free in Hong Kong; a treatment which makes this a perfect place for testing your products under the Asian culture and developing your brand to attract awareness before making any substantial investment in the PRC market.

PRC Holding Company

Preferential Treatments

As a holding company of PRC investments, Hong Kong companies have a huge administrative advantage over foreign companies. Whilst foreign companies need to go to the local Chinese Embassy for any notarisation, Hong Kong companies can choose any one of the 150+ authorised lawyers in Hong Kong to notarise the official documents for setting up a Wholly Foreign Owned Enterprise (“WFOE”).

Currently, the majority of investors have setup their Hong Kong companies as holding vehicles of WFOEs. The PRC Ministry of Finance suggests Hong Kong is the highest Foreign Direct Investments contributor. Nevertheless, Hong Kong companies not only provide a good shelter to protect investors’ privacy but also may conceal the true identity of the beneficial owners under “One Country, Two System”.

Hong Kong also enters into Closer Economic Partnership Arrangement (“CEPA”) with the PRC, which provides preferential treatment and zero tariffs to qualifying businesses. The Double Tax Agreement (“DTA”) also offers generous withholding tax (“WHT”) rates to Hong Kong’s investments in the PRC. These favor Hong Kong as a mean for investment in the PRC and PRC investors’ re-investment vehicle.



Preferential Treatment:

- CEPA
- DTA

Market Potential

- Huge demand on modern service
- Huge demand for more sophisticated products
- Market full of high brand awareness customers
- PRC government’s policies on “Growth in Internal Spending” on “Going out”

Special Purpose Vehicle (SPV)

Supportive Policies, Convenient and yet Confidential

Hong Kong abides free market economy and imposes zero intervention to the majority of businesses whilst maintaining a high degree of privacy and property protection. Hong Kong is one of the world’s largest international banking centers and the sophisticated internet banking services in Hong Kong offer around the clock access to the businesses accounts from anywhere in the world.



How Boardroom can help?

Boardroom Hong Kong is a wholly owned subsidiary of Boardroom Singapore, a listed entity on the Singapore Stock Exchange. As regulated under the listing rules, controls and regulations, Boardroom requires high level of commitment and integrity to perform our professional services. Boardroom's regional teams of experienced professionals are equipped with the required capabilities to assist you with the initial, and post, incorporation activities and requirements. Our suite of professional services includes Corporate Secretarial, Accounting, Payroll, Business Advisory, Share Registry and Tax services, across countries in Asia.

Our incorporation services allow businesses to better manage their initial step, and functions like accounting, payroll and tax matters are proficiently tackled with the involvement of our dedicated and committed team of compliance professionals.

Boardroom constantly monitors the latest changes and regulations that impact businesses. Our regional presence (Singapore, Malaysia, Hong Kong, China & Australia) and active engagements with relevant government agencies (e.g. Invest HK, IE Singapore, EDB and SPRING) are deemed beneficial to all our clients. Our focus is your success.

For more information about incorporating a company in Hong Kong, please contact our team expertise.

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