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Hong Kong Company Procedures and Fees for Deregistration

When a Hong Kong registered company ceased its business and is not expected to commence business again and the owner does not intend to use it, the company can apply to the Companies Registry to have it deregistered. Deregistration is a relatively simple, inexpensive and quick procedure for dissolving defunct private companies who meet certain specific requirements.

Summary

Our fees for handling the deregistration of a Hong Kong private company is HKD4,800. Our fees include both our service fees and officially filing fees to be paid to the Hong Kong Government in relation to the application for deregistration, but do not include any out-of-pocket expenses.

In any case that you will not be able to come to Hong Kong to close the corporate bank account or if you are having trouble closing the corporate bank account, we could assist you to close the bank account for a fee of HKD1,500.

The whole process for a deregistration would normally take anywhere from 4 to 6 months, assuming that there are no outstanding returns to be filed or outstanding taxes to be paid and no further accounting and/or auditing is required.

It is possible that the tax authority may require a company applying to be deregistered to prepare a last set of financial statements and/or requires that the financial statements be audited. Kaizen is a licenced public accounting firm in Hong Kong and can handle the accounting and auditing, if so requested.

1. Hong Kong Company Deregistration Costs

Our charges for handling the deregistration of a defunct Hong Kong company are HKD4,700, including both our service fees and the fees charged by the Hong Kong Government. Our deregistration services include:

- (1) Review corporate documents and tax filing history so as to make sure nothing is pending before filing the application for deregistration;
- (2) Prepare minutes of board of directors in respect of the deregistration and other documents for application for deregistration (strike off);
- (3) Apply to Hong Kong Inland Revenue Department (IRD) for Notice of No Objection for Deregistration of a Defunct Company;
- (4) Apply to Hong Kong Companies Registry for deregistration.

Note:

- (1) Our fees stated above do not include delivery fees for sending the deregistration documents to you for your signing.
- (2) In any case that you will not be able to come to Hong Kong to close the corporate bank account or if you are having trouble closing the corporate bank account, we could assist you to close the bank account for a fee of HKD1,500 on top of the fees stated in the table above.
- (3) The Hong Kong Inland Revenue Department may require a company which applying for deregistration to file a last profits tax return. In that case, a final audit of the financial statements may need to be performed.
- (4) A Hong Kong company is still required to maintain a registered office, a company secretary and filing Annual Returns while its deregistration application is being processed. Our fees stated above do not cover these services.

2. Deregistration Application Procedures

The following procedures apply to situation where there is no outstanding debts and property of the company are disposed before filing the application for deregistration:

- (1) Client checks for outstanding debts, if any, settles the debts;
- (2) Client checks for trade deposits/utility deposits paid, if any, arranges to collect the trade deposits/utility deposits;
- (3) Client arranges to close the corporate bank account, if any;
- (4) Kaizen prepares deregistration application documents and arranges to have them signed by client;
- (5) Kaizen applies in writing to Hong Kong Inland Revenue Department (IRD) for a Notice of No Objection for Deregistration of a Defunct Company;
- (6) IRD issues the Notice of No Objection to Deregistration;
- (7) Kaizen applies in writing to Hong Kong Companies Registry for de-registration of the company;
- (8) The CR issues a Notice of Deregistration in the Government Gazette and the company is officially deregistered.

3. Documents Required for Deregistration

If we are acting as company secretary of your Hong Kong company, there is no documents required from you as we will have the necessary corporate records to prepare the documents for the purpose of deregistration.

In the case that we are not acting as company secretary of your Hong Kong company, then we will need you to provide the following documents to us:

- (1) A copy of the latest annual return and any filings after the date of the latest annual return;
- (2) A copy of current business registration certificate;
- (3) A copy of certificate of incorporation
- (4) A copy of articles of associations
- (5) The full name of the director authorised to sign the deregistration application documents;
- (6) Date of cessation of business (if commenced business before).

4. Time Frame to Strike off a Hong Kong Company

The Hong Kong Inland Revenue Department takes around 2 weeks to process and issue the Notice of No Objection to Deregistration and the Companies Registry takes around 4 months to process a deregistration application. Therefore, the whole process to have a dormant Hong Kong company officially struck off the Register will take around 4 to 6 months.

5. Important Note

Clients are advised to make sure all outstanding deposits and accounts receivables are collected, fixed assets including property and properly disposed, and balances in the corporate bank account are cleared and bank account is closed before proceeding to deregistration. Once the company is officially deregistered, all remaining assets will be taken to be the property of the Hong Kong Government.

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at www.bycpa.com or contact us through the following and talk to our professionals:

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