

Hong Kong Dormant Company Application Procedures and Fees

Unless otherwise indicated, the private company mentioned anywhere in this quotation refers to a private company limited by shares incorporated in accordance with the Hong Kong Companies Ordinance.

Our fee for handling the formalities of declaring a Hong Kong company become dormant is USD150. Our fee includes preparing the minutes of meetings or written resolution of directors and members, filing of dormant documents with the Companies Registry (CR) and sending a notice to the Inland Revenue Department (IRD).

To prepare the documents for filing so as to become a dormant company, client will need to deliver to us the registration documents, a copy of the latest annual return. Client should also decide on the date at which the company will become dormant.

The process of declaring dormant involves passing a special resolution declaring that the company is to become dormant, filing of a special resolution with CR and sending a notice to IRD. All these procedures can be completed in two days.

A dormant company is exempted from certain statutory requirements, including holding annual general meeting, filing annual returns, appointment of auditors. However, it is still required to renew its business registration certificate.

A company that wishes to cease its dormant status and resume its business activities is required to file special resolution declaring that the company intends to enter into a transaction to resume its business activities with CR.

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1. Dormant Company Application Fee and Service

Our fee for handling the formalities for becoming dormant of a private company registered in Hong Kong is USD150. The fee quoted above cover the following services in particular:

- (1) Review of corporate records, including the Articles of Association of the subject company;
- (2) Preparation of Minutes (or written resolution) of Directors' and Shareholders' Meeting to declare that the company is to become dormant;
- (3) Filing of an extract of the special resolution passed with the Hong Kong Companies Registry.
- (4) Submission of a notice of dormant to the Inland Revenue Department (IRD).

Please note delivery charge are not included in the fees stated above, if any.

2. Time of Billing and Payment Methods

Upon receipt of your confirmation of engagement, we will issue and email our invoice together with the wiring instruction to you for your settlement. Please write our invoice number or account number in the message section of the remittance receipt and send a copy of the same to us after fund is remitted. Because of the nature of services, we require full payment in advance. Also, once service is commenced, no service fee will be refunded except in special cases.

We currently accept Hong Kong Dollar check, cash or TT and credit card through PayPal only. If payment is settled through PayPal, extra 5% services fee will be charged.

3. Materials Needed for Application for Dormant

In order to enable us to prepare the documents for apply as Dormant Status, we need to have the following information and documents:

- (1) A copy of Articles of Association of the subject company;
- (2) The latest Annual Return;
- (3) Documents for subsequent changes after the latest Annual Return
- (4) The date of cessation of business or the date at which the company will become dormant.

If Kaizen is acting as company secretary of your Hong Kong company, then you do not need to provide these documents.

4. Procedures and Time Frame for Application as Dormant

The process for application to become dormant of a Hong Kong company takes 2 to 3 working days after receiving the original signed documents from client.

Step	Description	Time (Day)
1	Client confirms engagement with Kaizen to apply for dormant status; Kaizen issues an invoice to client.	1
2	Client delivers the materials listed in Section 3 above to us and at the same time settles Kaizen's invoice.	Client's schedule
3	Kaizen reviews the registration documents of the company and liaison with client to determine the date which the company will become dormant.	1
4	Kaizen prepares the dormant status application and delivers them by email to client for signing.	1
5	Client signs off the application documents and return them to Kaizen by email.	Client's schedule
6	Kaizen files the documents with the Companies Registry (CR).	1
7	Kaizen sends notice of becoming dormant to the tax authority (IRD).	1
8	Kaizen returns a copy of documents filed with CR for client's retention.	1
		Total: 2 days

5. Documents to be Returned to Client after Processing

The following documents will be returned to client:

- (1) Minutes of Directors' Meeting (or written resolution);
- (2) Minutes of Shareholders' Meeting (or written resolution);
- (3) Copy of extract of the special resolution resolving that the company is to become dormant;
- (4) Copy of notice filed with the Inland Revenue Department.

6. On-going Compliance Requirements

A dormant company is still required to comply with the following requirements while retains its dormant status:

- (1) Renewal of the business registration certificate;
- (2) Maintaining a registered office in Hong Kong;
- (3) Maintaining a company secretary in Hong Kong;
- (4) Maintaining a designated representative in Hong Kong;
- (5) Filing of profits tax return, if one is issued by IRD;
- (6) Filing of employer's return, if one is issued by IRD.

7. Cessation of Dormant Status

It should be noted a dormant company shall not enter into any relevant accounting transaction other than those that are allowed by under the Hong Kong Companies Ordinance, otherwise it will lose its dormant status. Any transactions which arise from the payment of any fee which the company is required to pay by any ordinance, should not be regarded as a “relevant accounting transaction”.

A company that wishes to cease its dormant status and resume its business activities may do so by delivering to the Registrar a special resolution declaring that the company intends to enter into a transaction to resume its business activities.

After ceasing to be dormant, a company will resume to operate as an active company, and therefore is obligated to file annual return, hold annual general meeting and also prepare audited financial statements which covers the period during which the company was dormant.

If you wish to obtain more information or assistance, please visit our official website at www.kaizencpa.com or contact us through the following means:

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