



Regulations on Doing Business in Hong Kong

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Free Economy

- Free trade & free enterprise
- Little government interference
- Free import and export of capital funds
- Free repatriation of funds
- No foreign currency regulations
- USD 1 pegged at HK\$ 7.8



Corporate vehicles

- Unincorporated vehicle –sole proprietor
- General Partnership or Limited Partnership
- Limited Liability Company
- Foreign company registered at HK Companies Registry, Branch office or representative office.



Registering Company

- Constitution of Company –Articles of Association
- Company names and restrictions.
- Form- details of directors, shareholders, secretary (must be individual or HK Company but not sole director), share capital, registered office.
- Business registration application.
- Fees
- 24 hour on line portal



Buying a Business, business model

- Buy the shares- beware liabilities
- Buy the assets only
- Joint venture
- Agents, distributors, franchise- no regulations
- Pyramid selling Prohibition Ordinance



Registrations

- Business registration within 1 month (for limited Company automatic)
- Opening Bank accounts- KYC
- Mandatory Provident Fund
- Employees Compensation
- Appropriate insurance
- Appointing auditor
- Annual Return to Companies Registry



Tax

- Salaries tax progressive rates 2-17% (15% max)
- Profits tax 16.5%
- Stamp duty on sale of land
- Stamp duty of tenancy agreements & Licenses.
- Stamp duty of transfer of shares



Employment

- Employment Ordinance applies to all workers except family members working in business and merchant seamen.
- No closed shop trade unions.
- Employees must be locals holding HK identity card
- No-local employees need visa- local sponsor required
- Minimum wage
- No prescribed hours- but one day holiday.
- Basic minimum annual leave 7-14 days depending on length of service
- Mandatory MPF



Employment (cont'd)

- No social security payments.
- Maternity leave 10 weeks, Paternity leave 3 days 4/5 pay.
- Sick leave pay 4/5 (Max 120 paid days)
- Four Discrimination laws
 - Sex discrimination
 - Disability discrimination
 - Family status
 - Race discrimination



Employment (cont'd)

- Severance pay after 24 months by redundancy
- Long severance pay after 5 years
- Probation period
- Statutory Holidays in Hong Kong



Employment - TERMINATION

- Probation 1st month no notice
- Probation 2nd month onwards 7 days notice
- Renewal contract with 7 days termination clause – 7 days notice
- Other renewal terms 1 month notice
- Continuous contract – 7 day notice.
- Payment in lieu of notice



Immigration

- Visa on arrival- check from time to time.
- Visa applications for business –business model- Good Education Background, professional abilities and background
- Workers need to apply for visas through sponsorship and lack of availability of skills in Hong Kong (i.e. Polish and Russian languages skills)- Good educational background
- Import from Poland US\$80 million, exports to Poland US\$317 million



Immigration Arrangements for Non-local Graduates (IANG)

- Non-local graduates may apply under the IANG to stay in Hong Kong for one year to look for a job. Key requirements include —
 - Obtained an undergraduate or higher qualification in a full-time locally-accredited local programme in Hong Kong
 - Job offer not required upon entry (for fresh graduates)
 - Job is at a level commonly taken up by degree holders and is remunerated at the market rate (for returning graduates)



Other laws

- Anti- competition law (Competition Ordinance 2012)
- Anti-bribery and corruption laws (ICAC)
- FATCA
- FATAF – Anti- Money laundering
- No double tax treaty -as no tax information exchange agreement can be signed in absence of available HK law to sign same – (1st agreement with USA in March 2014)



Poland and creativity

- ESTIMOTE- Beacons -creating magical experiences in the real world
- Nicolaus Copernicus
- Fryderk Chopin
- Henryk Sienkiewicz
- Marie Curie
- Wladyslaw Reymont
- Czeslaw Milosz
- Lech Walesa
- Wislawa Szyborska
- Karol Wojtyla John Paul II



Corporations

- Arcelor Mittal Steel Poland
- Asseco
- CD Project RED –game development
- Techland –game development
- LEOPARD – Roadster car



Intellectual Property

- Copyright
- Trademarks- from EU registered mark or separate
- Patents
- Design Registrations
- Trade Secrets (undisclosed business secrets)
- Layout-Design (Topography) of Integrated Circuits
- Plant Varieties Protection (Plant Breeders' Rights)
- Company names are not protected (Passing off action may fail)



Patent

- A standard patent application in Hong Kong, China is made in two stages by filing:
 - a request to record a designated patent application (stage 1)
 - a request for registration and grant (stage 2).



Registered Design

- Appearance of product (e.g.: Orange juice extractor)
- An application for registration of the design.
- a representation of the design suitable for reproduction.
- applicant's name and address.
- fees.



Copyright

- Copyright Ordinance and common law
- Right to original owner (literary and other works)
- No formalities required
- Works of authors from any place in the world, or works first published anywhere in the world, also qualify for copyright protection in Hong Kong. (through ratification of international conventions)
- Civil sanctions and criminal (Customs and Excise Department enforce)
- Parallel imports beware.



Copyright (cont'd)

- Distinctive
- Descriptive of goods and services
- Well known term in your line of business (difficult)
- Similar trademarks to others (difficult)



Notarization

- Polish Consulate in Hong Kong
- Poland is signatory to Hague Convention- documents can be notarised and an apostille applied for recognition in Hong Kong.
- Hong Kong Notary can sign and apostille affixed for use in Poland.



Entertainment

- Dacha Restaurant – Russian cuisine
- Hire a junk boat and see the islands
- Go hiking



SEE YOU IN HONG KONG