

2024-25 Budget

Proposal about Business Registration

In the 2024-25 Budget, the Financial Secretary proposed to (a) increase business registration fees by \$200 to \$2,200 per annum (i.e. an increase of 10%) with effect from 1 April 2024 and (b) waive the business registration levy of \$150 payable to the Protection of Wages on Insolvency Fund for two years, starting from 1 April 2024, so as to relieve the impact of the increase in business registration fees on businesses. In line with the proposed increase in the business registration fees, the Government proposed that the branch registration fees will also increase by 10%.

The Public Revenue Protection (Business Registration) Order 2024 and the Business Registration Ordinance (Amendment of Schedule 2) Order 2024 were gazetted on 8 March 2024 to give effect to the proposal. Details of the proposed fee adjustments and the 2-year waiver of the levy are provided below. These adjustments are still subject to the scrutiny of the Legislative Council and the Legislative Council may amend the relevant pieces of subsidiary legislation by resolution.

Implementation Details

1. *Business registration fees and branch registration fees*

With effect from 1 April 2024, the registration fees payable under the Business Registration Ordinance (Cap. 310) will be adjusted upwards by 10% as below:

Item		Current registration fee (\$)	Adjusted registration fee (\$)
Business registration certificate	1-year	2,000	2,200
	3-year	5,200	5,720
Branch registration certificate	1-year	73	80
	3-year	189	208

The adjusted registration fees are applicable to:

- (a) the incorporation submissions and the limited partnership fund registration applications in relation to simultaneous business registration applications made on or after 1 April 2024; and
- (b) all other cases, if the commencement date of business or branch registration certificates is on or after 1 April 2024.

2. *Levy in relation to business registration and branch registration*

- (a) For a local company or a limited partnership fund that applies for business registration under simultaneous business registration applications, the levy payable under the Business Registration Ordinance for the first business registration certificate will be waived (1-year certificate) or reduced (3-year certificate) if the related incorporation submissions or registration applications are made within the period from 1 April 2024 to 31 March 2026 (“Relevant Period”).
- (b) For other cases, the levy payable in respect of business registration certificates or branch registration certificates with commencement date falling within the Relevant Period will be waived (1-year certificate) or reduced (3-year certificate).
- (c) The levy for each year in the Relevant Period is adjusted as follows:

Business / Branch registration certificate	Current levy (\$)	Date of making the incorporation submission or registration application / Commencement date of certificate falling on	
		1 April 2024 to 31 March 2025	1 April 2025 to 31 March 2026
		Adjusted levy (\$)	Adjusted levy (\$)
1-year	150	0	0
3-year	450	150	300

3. Please refer to the [business registration fee & levy table](#) for details of the total amount payable in respect of a certificate.

FAQ

Q1: My business’s business registration certificate will expire in April 2024. How much business registration fee and levy will I need to pay on renewal?

A1: The business registration renewal demand note in respect of your business will be issued to you in March 2024. Having regard to the Public Revenue Protection (Business Registration) Order 2024 and the Business Registration Ordinance (Amendment of Schedule 2) Order 2024, the Inland Revenue Department will demand the adjusted business registration fee and levy in the renewal demand note. For a 1-year certificate, only the business registration fee of \$2,200 will be payable. For a 3-year certificate, the business registration fee and levy payable will be \$5,870 (\$5,720 + \$150).

Q2: How much business registration fee and levy will I need to pay if I submit an application for business registration of my sole proprietorship business to the Business Registration Office on or after 1 April 2024 but I have commenced business on or before 31 March 2024?

A2: The amounts of business registration fee and levy payable in respect of the registration of a sole proprietorship business are determined based on the date of commencement of business but not the date of submission of the application. Therefore, you are required to pay the current business registration fee and levy of \$2,150 (\$2,000 + \$150) for a 1-year certificate or \$5,650 (\$5,200 + \$450) if you elect for a 3-year certificate.

Q3: I will apply for company incorporation before the end of March 2024. How much business registration fee and levy will I need to pay when making the application under the One-stop Company and Business Registration Service? Do I need to pay the difference between the current business registration fee and levy, and the adjusted business registration fee and levy if the date of incorporation of the company is in April 2024?

A3: For a local company that applies for business registration under the One-stop Company and Business Registration Service, the amount payable for the first business registration certificate is determined based on the date of making the related incorporation submission to the Companies Registry. Hence, for a 1-year certificate, the business registration fee and levy payable will be \$2,150 (\$2,000 + \$150). For a 3-year certificate, the business registration fee and levy payable will be \$5,650 (\$5,200 + \$450). Even if the commencement date of the company's business registration certificate, which is its date of incorporation, is in April 2024, the company is not required to make up the difference.

Q4: How much business registration fee and levy will I need to pay if I submit an application for registration of a non-Hong Kong company to the Companies Registry on or after 1 April 2024 but the company has already established its place of business in Hong Kong on or before 31 March 2024?

A4: For non-Hong Kong companies, the amounts of business registration fee and levy payable are determined based on the date of establishment of place of business in Hong Kong which should also be the date of commencement of business. Therefore, for a 1-year certificate, the business registration fee and levy payable will be \$2,150 (\$2,000 + \$150). For a 3-year certificate, the business registration fee and levy payable will be \$5,650 (\$5,200 + \$450).

Q5: My 3-year renewal business registration certificate commenced on 15 November 2023 and I have paid the levy of \$450 as demanded. Will I get a refund of levy for the Relevant Period for this renewal business registration certificate?

A5: No. The amount of levy payable is determined based on the date of commencement of the renewal business registration certificate. For a 3-year certificate with commencement date on 15 November 2023, the amount of levy payable as stipulated under the Business Registration Ordinance is \$450.

Inland Revenue Department
8 March 2024