

Inland Revenue Department

Waiver of Business Registration Fees for One Year

(from 1 April 2012 to 31 March 2013)

1. The Revenue (Reduction of Business Registration Fees) Order 2012 (“the Order”) comes into effect on 1 April 2012.
2. By the Order, the fees payable under section 5A(1)(a) in respect of local companies registered under the One-stop company incorporation and business registration regime (“One-stop Registration”) will be reduced by a sum of \$2,000 if the related incorporation applications are made within the period from 1 April 2012 to 31 March 2013 (“Waiver Period”). For other cases, the fees payable in respect of business registration certificates and branch registration certificates with commencement date falling within the Waiver Period will be reduced by a sum of \$2,000 and \$73 respectively.
3. Businesses are still required to pay the levy for the Protection of Wages on Insolvency Fund.
4. Please refer to the [business registration fee & levy table](#) for details of the total amount payable in respect of a registration certificate.
5. The Business Registration Office has not demanded and will not demand businesses or branches the registration fees for the Waiver Period in the renewal demand notes in respect of certificates with commencement date falling within the Waiver Period. Hence, those who receive demand notes from the Business Registration Office have to settle the amounts demanded thereon when due.

Concessionary Refund of Registration Fees Paid

6. The Order only applies to incorporation applications made under the One-stop Registration within the Waiver Period or, in other cases, new certificates or renewal certificates with commencement date falling within the Waiver Period. It does not provide for the refund of registration fees paid in respect of the Waiver Period.
7. In order that the waiver can also benefit those businesses that have paid the business registration fees or branch registration fees for the Waiver Period but are not required to renew their certificates in such period, concessionary refunds of

the relevant amount of registration fees paid will be allowed to them, upon applications (see paragraph 13 below).

Who is eligible

8. The following types of businesses:-
 - (a) Businesses or branches, which hold a 3-year registration certificate with a commencement date before 1 April 2012 and an expiry date on or after 31 March 2013;
 - (b) Ceased businesses or branches, which last hold a 1-year registration certificate with a commencement date between 1 August 2011 and 31 March 2012;
 - (c) Ceased businesses or branches, which last hold a 3-year registration certificate with an expiry date between 1 April 2012 and 31 March 2013; and
 - (d) Local companies registered under the One-stop Registration, which make incorporation applications between 1 August 2011 and 31 March 2012 and hold a 1-year or 3-year business registration certificate with a commencement date between 1 April 2012 and 31 March 2013.

How to apply

9. Based on the information in its database, the Business Registration Office will start issuing invitation letter and the application form [IRBR188\(2/2012\)](#) from **mid April 2012** to businesses that are eligible to apply for the refund. If the business operator wishes to apply for the concessionary refund, he needs to complete and return the duly signed application form to the Business Registration Office, either by post to P.O. Box 29015 Gloucester Road Post Office, Hong Kong or in person at 4/F Revenue Tower, 5 Gloucester Road, Wanchai, Hong Kong.
10. Where a business is eligible for the concessionary refund but does not receive the invitation letter and the application form from us, the business operator may download the application form [IRBR188\(2/2012\)](#) or obtain it by fax (fax number: 2824 1482), by post or in person at the IRD Office.
11. The application should be made by:

- the sole proprietor – in respect of a sole proprietorship business and its branch;
- any of the partners – in respect of a partnership business and its branch;
- the secretary, manager or any of the directors – in respect of a company and its branch; and
- any of the principal officers – in respect of a body of persons and its branch.

12. The application should be submitted to the Business Registration Office on or before 30 September 2013.

How much will be refunded

13. The relevant amount of the concessionary refund is the amount of registration fees paid on a pro-rata basis, in respect of the number of days in the Waiver Period, which are covered by the business registration certificate or the branch registration certificate in question. Please refer to the illustrative examples in the [Computation of the Refund Amount](#).
14. For a 3-year registration certificate, concessionary refund only applies to the second or third year. The refund amount shall not be more than \$1,600 and \$58 for a business registration certificate and a branch registration certificate respectively.
15. Levy for the Protection of Wages on Insolvency Fund paid will NOT be refunded.

When to issue the refund

16. If the application is approved, the Business Registration Office will normally issue the refund cheque within 21 working days from the date of receipt of the application.

FAQ

Q1: Do I need to pay the levy for the Protection of Wages on Insolvency Fund for the Waiver Period?

A1: Yes, the levy for the Protection of Wages on Insolvency Fund will continue to be

payable.

Q2: Can a company incorporated or registered under the Companies Ordinance apply for concessionary refund if it has ceased business within the Waiver Period?

A2: Normally, a company cannot claim refund of the business registration fee paid if it ceases business during the period covered by the business registration certificate, since under the Business Registration Ordinance, a company incorporated or registered under the Companies Ordinance is deemed to be a person carrying on business notwithstanding its cessation of business.

However, under the concessionary refund scheme, where the company is holding a 3-year business registration certificate with a commencement date before 1 April 2012 and an expiry date on or after 31 March 2013, it can apply for concessionary refund in respect of the Waiver Period, i.e. 1 April 2012 to 31 March 2013, WHETHER OR NOT the company has ceased business during the Waiver Period.

Besides, local companies registered under the One-stop Registration, which make incorporation applications between 1 August 2011 and 31 March 2012 and hold a 1-year or 3-year business registration certificate with a commencement date between 1 April 2012 and 31 March 2013, can also apply for concessionary refund in respect of the Waiver Period, i.e. 1 April 2012 to 31 March 2013 (see Q6 below).

Please refer to A8 below on how the refund will be calculated.

Q3: Can a business operator who registered his business in June 2011 with a 1-year business registration certificate and who is not required to renew the certificate because of cessation of business apply for concessionary refund?

A3: No. The business registration fee was already waived under the Revenue (Reduction of Business Registration Fees) Order 2010.

Q4: My company registered its business with a 1-year business registration certificate under the One-stop Registration in January 2012. How can it benefit from the waiver?

A4: When the company renews its business registration certificate in January 2013, the fee payable will be reduced by a sum of \$2,000.

Q5: A business has renewed its 1-year business registration certificate in March 2012. How can it benefit from the waiver?

A5: When the business renews its certificate in March 2013, the fee payable will be reduced by a sum of \$2,000.

Q6: I have applied for company incorporation under One-stop Registration before the end of March 2012 and have already paid the full amount of \$6,550 for a 3-year business registration certificate. The commencement date of the certificate of my company falls in April 2012. How can I benefit from the waiver?

A6: Your company may apply for concessionary refund of the registration fee paid in respect of the period from the commencement date of the certificate to 31 March 2013. Please refer to A8 below on how the refund will be calculated.

Q7: Can a former director of a dissolved company apply for concessionary refund?

A7: No. Under section 292(1) of the Companies Ordinance, where a company is dissolved, all property and rights whatsoever vested in or held on trust for the company immediately before its dissolution shall belong to the Government.

Q8: How is the amount of concessionary refund going to be calculated?

A8: The amount to be refunded will be calculated by reference to the number of days in the validity period of the certificate held by the business, the number of such days within the Waiver Period (i.e. 1 April 2012 to 31 March 2013) for which the concession applies, and the actual amount of registration fees paid on the certificate. Please refer to the illustrative examples in the [Computation of the Refund Amount](#).