

# Inland Revenue Department

## Waiver of Business Registration Fees for One Year

(from 1 August 2010 to 31 July 2011)

1. The Revenue (Reduction of Business Registration Fees) Order 2010 (“the Order”) comes into effect on 1 August 2010.
2. By the Order, the fees payable in respect of business registration certificates and branch registration certificates with commencement date falling within the period from 1 August 2010 to 31 July 2011 (“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 under a certificate.
5. The Business Registration Office will not demand businesses or branches the registration fees for the Waiver Period in the notice of renewal and payment 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 Fee Paid**

6. The Order only relates to the waiver of one-year registration fees for new certificates or renewal certificates with commencement date falling within the Waiver Period. It does not provide for the refund of fees paid in respect of the Waiver Period.
7. In order that the waiver can also benefit those businesses that have paid the registration fees for the Waiver Period but are not required to renew their certificates in such period, concessionary refunds of the relevant amount of business registration fees paid for the Waiver Period will be allowed to them, upon their applications.

### ***Who is eligible***

8. The following types of businesses:-
  - (a) Businesses or branches, which hold a 3-year certificate with a commencement date before 1 August 2010 and an expiry date on or after 31 July 2011; and

- (b) Ceased businesses or branches, which last held a 3-year registration certificate with an expiry date falling within 1 August 2010 to 31 July 2011.

### *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\(4/2010\)](#) from **mid August 2010** 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\(4/2010\)](#) 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 31 December 2011.**

### *How much will be refunded*

13. The Business Registration Office will proportionately refund the amount of business registration fee or branch registration fee paid by reference to the validity period of the certificate held by the business, the number of days in the Waiver Period and the amount of registration fees paid. Please refer to the illustrative examples in the [Computation of the Refund Amount](#).
14. Since the concessionary refund concerned only applies to the second or third year of a 3-year certificate, 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 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 certificate with a commencement date before 1 August 2010 and an expiry date on or after 31 July 2011, it can apply for concessionary refund in respect of the Waiver Period, i.e. 1 August 2010 to 31 July 2011, WHETHER OR NOT the company has ceased business during the Waiver Period. Please refer to A4 below on how the refund will be calculated.

***Q3: Can a business operator apply for concessionary refund in respect of his 1-year registration certificate that expires between 1 August 2010 and 31 July 2011 but he is not required to renew the registration certificate because of cessation of business?***

A3: No. The business would not have paid any registration fee for that certificate because the fee was waived under the Revenue (Reduction of Business Registration Fees) Order 2009.

***Q4: How is the amount of concessionary refund going to be calculated?***

A4: The amount to be refunded will be calculated by reference to the validity period of the certificate held by the business, the number of days within the Waiver Period (i.e. 1 August 2010 to 31 July 2011) for which the concession applies, and the actual amount of fees paid in respect of the Waiver Period. Please refer to the illustrative examples in the [Computation of the Refund Amount](#).

***Q5: Can a former director of a dissolved company apply for concessionary refund?***

A5: 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.