

INLAND REVENUE DEPARTMENT NOTICE BUSINESS REGISTRATION

Your attention is drawn to the following matters under the Business Registration Ordinance (Cap. 310).

New Business Registration

Except those specifically exempted, every person carrying on a sole proprietorship or partnership business in Hong Kong must register his business within 1 month of commencement of business. The Inland Revenue Department (IRD) will not accept any applications for registration of businesses which have never existed or have yet to commence operation.

Any person applying for incorporation of a local limited company or registration of a non-Hong Kong company under the Companies Ordinance (Cap. 622) is deemed to apply for business registration at the same time ("One-stop Business Registration"). Applications for the One-stop Business Registration must be submitted to the Companies Registry (CR). For details, please browse the CR's website (www.cr.gov.hk). Local limited companies are required to notify the Business Registration Office of IRD (BRO) in writing within 1 month of the date of commencement of the business their business name, description and nature of business, business address and date of commencement of business. The relevant notifications can be made by letter or by completing a Form IRBR200.

Renewal of Business Registration Certificate (BRC)

BRO will issue business registration renewal demand notes to registered businesses about 1 month before their current BRCs expire. If business operators do not receive such renewal demand notes, they must inform BRO in writing within 1 month of expiry of their current BRCs. IRD may impose penalties if renewal demand notes are overdue.

Prescribed business registration fees or prescribed branch registration fees and levy

The Revenue (Reduction of Business Registration Fees) Order 2013 will expire on 1 April 2014. For any BRCs which commence on or after that date, the prescribed business registration fee or the prescribed branch registration fee, as the case may be, will be payable together with the levy. For the One-stop Business Registration, the relevant date for determining the business registration fee payable is the date of making the related incorporation submission to the CR.

For sole proprietorship, partnership and branch businesses, etc., if your business / branch commences in March 2014 and you make the business / branch registration application within one month from the commencement date, i.e. in April 2014, you will still enjoy the waiver of the first-year business / branch registration fee under the Order and are only required to pay the levy. For details of the total amount payable under a certificate, please refer to the business registration fee & levy table by clicking the link: http://www.ird.gov.hk/eng/pdf/brfee_table.pdf.

Display of Business Registration Certificate

The valid BRC must be displayed in a conspicuous place at the address where the business is carried on and should be produced for official inspection by IRD's tax inspectors on demand.

Apart from Business Registration

Business registration is not a licence to trade. Apart from business registration, the applicant may need to apply for other types of licences or obtain the recognised professional qualifications for operating certain kinds of business. The issue of BRC in respect of any business does not imply that the requirements of any law in relation to such business have been complied with.

Change of Business Registration Particulars

Any change in the business particulars or cessation of a business must be notified in writing to BRO within 1 month of the change or the cessation.

For a local limited company or a non-Hong Kong company which has changed its company name under the Companies Ordinance, CR will notify BRO after the “Certificate of Change of Name” is issued. If the business name is changed, the company must notify BRO separately.

Under the optional electronic one-stop notification service at the e-Registry portal (www.eregistry.gov.hk) of CR, a company which reports a change of registered office address in an electronic Form NR1 may request CR to notify BRO on its behalf that its business address as registered under the Business Registration Ordinance has changed to its new registered office address with effect from the effective date of change as stated in the electronic Form NR1. If the company does not opt to use this electronic service, it must notify BRO of any change in the business address in writing, other than notifying CR of any change in the registered office address.

Exemption from Payment of Business Registration Fee and Levy

Apart from companies incorporated or registered under the Companies Ordinance, businesses may apply for exemption from payment of the fee and levy if:

- (a) its profits are mainly derived from the sale of services and its average monthly sales/receipts do not exceed \$10,000; or
- (b) in other cases, its average monthly sales do not exceed \$30,000.

If two or more businesses are carried on by the same proprietor or partners, none of these businesses is entitled to exemption. All applications for exemption must be made in ‘Form 3’ and lodged with BRO –

New Business

Not later than 1 month after the application for the registration of the business.

Existing Business

Not later than 1 month before the expiry of the current BRC.

Important Tips

The law provides that any person who fails to comply with the provisions of the Business Registration Ordinance is liable to a maximum penalty of a fine of \$5,000 and imprisonment for 1 year.

It is anticipated that there will be an upsurge in demand for new business registration services in March 2014, please submit your application [by electronic means or by mail](#) as far as possible. If you have to submit your application in person, you are recommended to come to the Business Registration Office during the non-peak hours from 8:45 a.m. to 10:30 a.m. so that your application can be processed promptly.

For more details on business registration, please download a pamphlet “A Brief Guide to Business Registration” from IRD’s website (www.ird.gov.hk) or call 187 8088.

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