

Inland Revenue Department

Waiver of Business Registration Fees for One Year

(from 1 April 2016 to 31 March 2017)

1. The Revenue (Reduction of Business Registration Fees) Order 2016 (“the Order”) comes into effect on 1 April 2016.
2. By the Order, the fees payable under section 5A(1)(a) of the Business Registration Ordinance (Cap. 310) 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 submissions are made within the period from 1 April 2016 to 31 March 2017 (“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. The Business Registration Office has not demanded and will not demand businesses or branches the registration fees for one year in the renewal demand notes in respect of certificates with commencement date falling within the Waiver Period. Hence, business operators who receive demand notes from the Business Registration Office have to settle the amounts demanded thereon when due.
5. Please refer to the [business registration fee & levy table](#) for details of the total amount payable in respect of a registration certificate.

Concessionary Refund of Registration Fees Paid

6. The Order only applies to incorporation submissions 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 businesses which have paid the registration fees for the Waiver Period but are not required to renew their registration certificates in the Waiver Period can also benefit from the waiver, concessionary refunds of the relevant amount of registration fees paid will be made, upon applications (see paragraph 9 below).

Who is eligible

8. (a) Businesses or branches, which hold a 3-year registration certificate with a commencement date before 1 April 2016 and an expiry date on or after 31 March 2017;
- (b) Ceased businesses or branches, which last hold a 1-year registration certificate with an expiry date on or after 1 April 2016 but before 31 March 2017;
- (c) Ceased businesses or branches, which last hold a 3-year registration certificate with an expiry date between 1 April 2016 and 31 March 2017; and
- (d) Local companies registered under the One-stop Registration, which made incorporation submissions between 1 April 2015 and 31 March 2016 and hold a 1-year or 3-year registration certificate with a commencement date between 1 April 2016 and 31 March 2017.

How to apply

9. Based on the information in its database, the Business Registration Office will start issuing invitation letter and application form **from early July 2016** to businesses that are eligible to apply for the refund. If a business operator wishes to apply for the concessionary refund, he/she 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 application form from the Business Registration Office **by end of July 2016**, the business operator may download the application form [IRBR188\(3/2016\)](#) or obtain it by fax (fax number: 2824 1482), by post or in person at the Business Registration Office at 4/F, Revenue Tower, 5 Gloucester Road, Wanchai, Hong Kong.

11. The application should be made by:
- the sole proprietor – Sole proprietorship business and its branch(es);
 - any partner – Partnership business and its branch(es);
 - the secretary, manager or any director – company (corporation) and its branch(es); and
 - any of the principal officers – Other body of persons and its branch(es).
12. **The application should be submitted to the Business Registration Office on or before 30 September 2017.**

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. In general, the refund amount for a 3-year registration certificate 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, you still need to pay the levy for the Protection of Wages on Insolvency Fund.

Q2: Can a company incorporated or registered under the Companies Ordinance

(Cap. 622) 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 (Cap. 310), a company incorporated or registered under the Companies Ordinance is deemed to be a person carrying on business notwithstanding its cessation of business.

However, the company can apply for concessionary refund in respect of the Waiver Period, i.e. 1 April 2016 to 31 March 2017, WHETHER OR NOT the company has ceased business during the Waiver Period, under the concessionary refund scheme in the following cases:

- (a) where the company is holding a 3-year certificate with a commencement date before 1 April 2016 and an expiry date on or after 31 March 2017; or
- (b) where the company made an incorporation submission between 1 April 2015 and 31 March 2016 and holds a 1-year or 3-year registration certificate with a commencement date between 1 April 2016 and 31 March 2017.

Please refer to A7 below on how the refund will be calculated.

Q3: My business received its renewal business registration certificate (1-year) in February 2016 and paid the business registration fee and levy demanded. Is my business eligible to apply for concessionary refund in respect of the fee paid? How can my business benefit from the waiver?

A3: Your business will **NOT** be eligible to apply for concessionary refund if it continues to carry on its business and is required to renew its business registration certificate within the Waiver Period. Your business can benefit from the waiver upon renewal of its business registration certificate in February 2017 since the business registration fee will be waived and only the levy will be payable.

However, if your business ceases within the Waiver Period, you can apply for concessionary refund in respect of the fee paid for the Waiver Period.

Please refer to A7 below on how the refund will be calculated.

Q4: My business holds a 3-year business registration certificate which commenced in April 2016. Is my business eligible to apply for concessionary refund?

A4: No. The business registration fee payable in respect of your 3-year business registration certificate has already been reduced by a sum of \$2,000.

(Please refer to A5 for the case of a local company which was issued with a 3-year business registration certificate upon incorporation)

Q5: I applied for company incorporation in February 2016 and paid the business registration fee and levy. Is my company eligible to apply for concessionary refund in respect of the fee paid? How can my company benefit from the waiver?

A5: If you have elected for a 1-year certificate which commenced before 1 April 2016, your company can benefit from the waiver upon renewal of its business registration certificate within the Waiver Period since the business registration fee will be waived and only the levy will be payable.

If the 1-year certificate is issued during the Waiver Period or you have elected for a 3-year certificate which commences before 1 April 2017, your company can apply for concessionary refund in respect of the fee paid for the Waiver Period since your company will not be required to renew its business registration certificate within the Waiver Period.

Please refer to A7 below on how the refund will be calculated.

Q6: Can a former director of a dissolved company apply for concessionary refund?

A6 No. Under section 752(1) of the Companies Ordinance (Cap. 622), where a company is dissolved, every property and right vested in or held on trust for the company immediately before its dissolution is vested in the Government as bona vacantia.

Q7: How to calculate the amount of concessionary refund?

A7: The amount of refund will be calculated on a pro-rata basis by reference to the

number of days of the overall validity period of the relevant certificate, the number of such days falling within the Waiver Period (i.e. 1 April 2016 to 31 March 2017) and the actual amount of fee paid in respect of the Waiver Period. Please refer to the illustrative examples in the [Computation of the Refund Amount](#).