

Inland Revenue Department

Waiver of Business Registration Fees for One Year

(from 1 April 2019 to 31 March 2020)

1. The Revenue (Reduction of Business Registration Fees and Branch Registration Fees) Order 2019 (“the Order”) comes into operation on 1 April 2019.
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 2019 to 31 March 2020 (the “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 waiver will be effected by the reduction of business or branch registration fees for one year in the renewal demand notes issued by the Business Registration Office in respect of certificates with commencement date falling within the Waiver Period. Businesses are required to settle the levy for the Protection of Wages on Insolvency Fund and, for 3-year registration certificates, the registration fees for the remaining 2 years, as demanded in the renewal demand notes when due.
5. Please refer to the [business registration fee & levy table](#) for details of the total amount payable in respect of a certificate.

Concessionary Refund of Registration Fees Paid

6. Businesses that have paid the registration fees for the Waiver Period but are not required to renew their certificates in the Waiver Period can also benefit from the concessionary measure. They include:
 - (a) Businesses or branches, which hold a 3-year registration certificate with a commencement date before 1 April 2019 and an expiry date on or after 31

March 2020;

- (b) Ceased businesses or branches, which last hold a 1-year registration certificate with an expiry date on or after 1 April 2019 but before 31 March 2020;
- (c) Ceased businesses or branches, which last hold a 3-year registration certificate with an expiry date between 1 April 2019 and 31 March 2020; and
- (d) Local companies registered under the One-stop Registration, which make incorporation submissions between 1 April 2018 and 31 March 2019 and hold a 1-year or 3-year registration certificate with a commencement date between 1 April 2019 and 31 March 2020.

Concessionary refunds of the relevant amount of business registration fees paid will be made.

- 7. The 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](#).
- 8. Levy for the Protection of Wages on Insolvency Fund paid will **NOT** be refunded.
- 9. No application is required. The refund notices together with cheques will tentatively be issued to eligible businesses starting from late July 2019.

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: Will a company incorporated or registered under the Companies Ordinance (Cap. 622) be eligible for the concessionary refund if it has ceased business within the Waiver Period?

A2: Under the Business Registration Ordinance (Cap. 310), a company incorporated or registered under the Companies Ordinance (Cap. 622) is deemed to be a person carrying on business notwithstanding its cessation of business. Therefore, normally a company will not be eligible for refund of the business registration fee paid if it ceases business during the period covered by the business registration certificate.

However, under the concessionary refund arrangement, where the company is holding a 3-year certificate with a commencement date before 1 April 2019 and an expiry date on or after 31 March 2020, it will receive the concessionary refund in respect of the Waiver Period, i.e. 1 April 2019 to 31 March 2020, WHETHER OR NOT the company has ceased business during the Waiver Period.

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

Q3: My business received its renewal business registration certificate (1-year) in the middle of February 2019 (i.e. just before the Budget was announced) and the business registration fee and levy for the Protection of Wages on Insolvency Fund demanded will be due in April 2019. Is my business required to pay the fee and levy for the Protection of Wages on Insolvency Fund demanded on or before the due date? How can my business benefit from the waiver?

A3: Yes, your business is still required to pay the fee and levy demanded on or before the due date. Your business can benefit from the waiver when the renewal certificate is issued in February 2020 since the business registration fee will be waived and only the levy will be payable.

Q4: My business holds a 3-year business registration certificate which commenced in April 2019. 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 just before the proposal of waiver of business registration fee was announced in the Budget and paid the business registration fee and levy for the Protection of Wages on Insolvency Fund.

How can I benefit from the waiver?

A5: If you have elected for a 1-year certificate which will commence before 1 April 2019, your company can benefit from the waiver when its business registration certificate is due for renewal within the Waiver Period since the business registration fee will be waived and only the levy will be payable. If you have elected for a 3-year certificate which will commence before 1 April 2019, your company will receive a concessionary refund in respect of the Waiver Period under the concessionary refund scheme since the 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 refund will be calculated on a pro-rata basis by reference to the validity period of the certificate held by the business, the number of days within the Waiver Period (i.e. 1 April 2019 to 31 March 2020) 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](#).

Q8: Is application required for the concessionary refund in respect of the registration fees paid for the Waiver Period?

A8: No application is required. The refund notices together with cheques will tentatively be issued to eligible businesses starting from late July 2019.

Q9: If my business has no bank account, can I request for change of the payee's name on the refund cheque?

A9: If you need to change the payee's name on the refund cheque, you can complete and sign the Authorization Form and Letter of Indemnity (IRBR188B) attached to the refund notice and return it to the IRD with the refund cheque.