

Incorporating a Private Company Limited by Shares (Hong Kong)

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A Practice Note outlining the process for forming and incorporating a Hong Kong private company limited by shares. This Note discusses the initial considerations, procedural steps, and registration requirements for setting up a new tailor-made company under the Companies Ordinance (Cap 622) (CO). It covers key preparatory tasks such as choosing a company name, establishing a registered office, defining the management structure, and producing the articles of association. The guidance details the necessary documents for filing with the Companies Registry (CR), including the incorporation form (Form NNC1), and explains the effects of incorporation. Furthermore, this Practice Note addresses essential post-incorporation obligations, such as maintaining company records, the requirements for keeping a register of significant controllers, opening a bank account, and appointing auditors. This resource is intended to guide users through the key legal and administrative obligations involved in Hong Kong company formation.

There are several reasons for incorporating a company, including:

- Limited liability.
- Separate legal personality.
- Raising funds and giving security.

A new business can be set up as a company or an existing business can be transferred to a new company.

This Note discusses the steps that must be carried out to incorporate a Hong Kong private company limited by shares under the [Companies Ordinance \(Cap 622\)](#) (CO) and register it with the [Companies Registry](#) (CR). It focuses on the incorporation of a new tailor-made company, rather than the process of adopting a company that has already been incorporated and registered with the CR in Hong Kong (such as an acquired company or a shelf company).

This Note does not cover formation issues unique to companies with listed shares. Tax considerations when choosing the form of a company in Hong Kong are outside the scope of this Note.

Initial Considerations

A company formed under the laws of Hong Kong is registered by filing the necessary documents with the CR and paying the required fees. The company is deemed to be incorporated from registration with the CR.

Type of Company

The CO provides for the incorporation of five types of company:

- Private company limited by shares.
- Private unlimited company with a share capital.
- Public company limited by shares.
- Public unlimited company with a share capital.
- Company limited by guarantee without a share capital.

(Section 66, CO.)

A company limited by guarantee falls within a separate category and is not classified as private or public.

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A company is defined as a private company if its articles:

- Restrict a members' right to transfer shares.
- Limit the number of members to 50.
- Prohibit any invitation to the public to subscribe for any shares or debentures of the company.

(Section 11(1), CO.)

The most common form of company in Hong Kong is a private company limited by shares. This Note deals with the incorporation of private companies limited by shares under the CO.

For an overview of the key features of different trading vehicles commonly used to carry out business in Hong Kong, see [Practice Note, Trading Vehicles: Overview \(Hong Kong\)](#). For a comprehensive overview of the main characteristics of a private company limited by shares, see [Practice Note, Main Characteristics of a Private Company Limited by Shares \(Hong Kong\)](#).

Shelf Companies

A person who wishes to use the corporate form can acquire a shelf company instead of incorporating a new company. Shelf companies typically have a nominal share capital. The acquisition process involves:

- Transferring shares in the shelf company to new members.
- Appointing new directors and a new company secretary.
- Changing the company's name and registered office.

Registration with Companies Registry

The CR is Hong Kong's public company registry. All companies must register with the CR to be incorporated.

The CR's online filing platform allows the electronic submission of necessary documents for incorporation. This makes incorporating a new company quicker and reduces the need to acquire a shelf company to save time (see Shelf Companies). For more information on online incorporation, see [CR: E-Services Portal](#).

Preparing for Registration

Incorporating a Company

Before registering a new company, the person(s) setting up the company must:

- Choose a company name (see Choosing a Company Name).
- Choose a registered office location (see Choosing a

Registered Office).

- Decide on the management structure of the company (see Putting in Place the Management Structure).
- Prepare to contribute to the company's capital in exchange for the issuance of shares (see Share Capital and Initial Subscribers).
- Produce the articles of association and accompanying documents (see Producing the Constitutional Governing Documents).
- They can also choose to adopt a common seal, but this is not mandatory (see Adopting a Common Seal).

Choosing a Company Name

The company name is the name under which a company is registered with the CR. A proposed company name must be submitted with the incorporation form to the CR for registration.

The following requirements apply when selecting a company name:

- **Language.** The company name can be in English or Chinese, or both, but cannot combine English words and Chinese characters.
- **"Limited" designation.** All limited companies must have the word "Limited" as the last word of the company's English name and/or " " as the last four characters in the Chinese name (section 102, CO). The Registrar of Companies (Registrar) can license a company to dispense with this requirement if the company:
 - is formed to promote commerce, art, science, religion, charity, or any other useful objects;
 - applies its profits or other income in promoting its objects; and
 - prohibits dividend payments to the company's members.

(Section 103, CO.)

In practice, such licences are rarely granted to private companies limited by shares and are typically reserved for non-profit organisations.

The following names cannot be registered:

- **Existing names.** The registration of an existing name in the Registrar's index of company names is prohibited (section 100(1)(a), CO).
- **Name of body corporate.** The registration of the name of a body corporate incorporated or established under an Ordinance (as defined in section 3 of [Interpretation and General Clauses Ordinance \(Cap 1\)](#)) is prohibited (section 100(1)(b), CO).
- **Criminal offence.** The registration of a name that

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constitutes a criminal offence in the Registrars' opinion is prohibited (section 100(1)(c), CO).

- **Offensive or contrary to public interest.** The registration of a name that would be offensive or contrary to the public interest in the Registrar's opinion is prohibited (section 100(1)(d), CO).
- **Government connection.** The registration of a name that gives the impression that the company is connected with the Central People's Government of the People's Republic of China or the Hong Kong Government is prohibited, unless the Registrar consents (section 100(2), CO).

Successful registration of a company name does not mean that the company name is unobjectionable. The Registrar can direct a company to change its name in the following circumstances:

- The name is too similar to:
 - a name that appeared or should have appeared in the Index of Company Names (section 108(1)(a), CO); or
 - the name of a body corporate incorporated or established under an Ordinance (section 108(1)(b), CO).
- Misleading information was given for the registration of the company name (section 108(1)(c), CO).
- Any undertaking or assurance given for the registration of the name has not been fulfilled (section 108(1)(d), CO).
- The name:
 - is likely to give the impression that the company is connected in any way with the Central People's Government, the Hong Kong Government, or any department or agency of either government; or
 - contains any word or expression specified in an order published in the Gazette.

(Section 108(1)(e), CO.)

A company directed by the Registrar to change its name under section 108(1)(d) (unfulfilled undertaking or assurance) or section 108(1)(e) (name suggesting government connection) can appeal to the Administrative Appeals Board (section 109(3), CO).

If a company fails to comply with the Registrar's direction to change its name, the Registrar can change the company's name to "Company Registration Number " (or " " for a Chinese name) followed by the company's registration number as stated in the certificate of incorporation or the certificate of re-domiciliation (section 110, CO).

The CO does not require a company to operate under its registered company name. A company can operate its business under a business name. However, the company must display its registered company name on:

- Any communication document of the company.
- Any transaction instrument of the company.
- Any website of the company.

(Section 4, [Companies \(Disclosure of Company Name and Liability Status\) Regulation \(Cap 622B\)](#).)

Changing Company Name

To change its name, a company must pass a special resolution in a general meeting and deliver [Form NNC2 \(Notice of Change of Company Name\)](#) to the CR within 15 days of passing the resolution (section 107(2), CO). If the Registrar approves the name, they will issue a Certificate of Change of Name and the change takes effect from the date stated in that certificate (section 107(3) and (4), CO). A change of name does not affect any rights or obligations of the company or render defective any proceedings by the company or against the company (section 107(5), CO).

Choosing a Registered Office

A company must have a registered office in Hong Kong (section 658(1), CO). The address stated in the incorporation form becomes the company's registered office on incorporation (section 658(2), CO). In practice:

- The registered office must be a physical address, not a PO box.
- A company usually has only one registered address.

The registered office does not need to be the same as the company's main place of business, and it does not need to appear in the company's articles of association. The registered office is the company's official address for receiving all communications and notices from the government and other bodies, including service of legal process.

The company must keep statutory records available for inspection at the registered office.

If the company changes its registered office address, it must file [Form NR1 \(Notice of Change of Address of Registered Office\)](#) with the Registrar within 15 days of the change (section 658(3), CO).

Putting in Place the Management Structure

Board of Directors

The directors of a company are responsible for managing and representing the company.

- A private company must have at least one director (section 454(1), CO). The persons named as the directors in the incorporation form become the company's first directors on incorporation (section 454(2), CO). Unless specified in the articles of

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association, there is no maximum number of directors.

- At least one director must be a natural person, unless the company is a member of a group that includes a listed company (section 457, CO). A director must be at least 18 years old at the time of appointment (section 459(1), CO). There is no nationality requirement for directors.

The articles of association can determine, among other matters:

- The number of directors.
- The term of appointment of directors.
- The remuneration of directors.

Company Secretary

The company must appoint a company secretary who is either:

- A natural person ordinarily resident in Hong Kong.
- A body corporate with its registered office or a place of business in Hong Kong.

(Section 474(4), CO.)

The person named in the incorporation form becomes the first secretary on incorporation (section 474(2), CO). A director can also be appointed as company secretary if the company has more than one director (section 475, CO).

The company secretary performs a chief administrative role in the company, including organising board and shareholder meetings, maintaining registers, and filing returns and other documents with the CR.

Share Capital and Initial Subscribers

Shares and Members

A share is a unit of ownership in a company that confers certain rights on its holder. The holder of share(s) is called a shareholder or member.

A person becomes a member on registration of their name in the company's register of members, which serves as conclusive evidence of being a member (see Company Records). The main statutory restriction is that a subsidiary cannot be a member of its holding company (section 113(1), CO).

Founder Members

A private company limited by shares can be set up with one or more members (section 67, CO). The founder members of the company are the first members of the company. Their details are set out in the articles of association and the incorporation form.

Rights of Members

Members enjoy various rights, including:

- Voting on company decisions.
- Receiving dividends declared by the company.
- Receiving a distribution of any surplus assets on winding-up of the company.

For an overview of the statutory rights of shareholders of a company in Hong Kong, see [Practice Note, Shareholders' Rights in Private and Public Companies \(Hong Kong\)](#).

Share Capital

The share capital is the total amount of capital contributed (or to be contributed) by members in money or money's worth (most commonly cash) in exchange for the allotment and issue of shares by the company.

Minimum Capital Requirement

Since 3 March 2014, par value of shares (that is, the minimum price at which shares can generally be issued) has been abolished.

There is no minimum share capital requirement for a private company in Hong Kong. A common practice is for a company to have paid up capital of at least HKD1, represented by at least one share.

The company's articles of association specify when the share capital must be paid, for example:

- On incorporation.
- On allotment or transfer of shares.
- On any fixed or unfixed future date.
- On a call on shares.
- On winding-up of the company (to the extent that capital has been issued but is unpaid).

Adopting a Common Seal

A company is not required to have a common seal (section 124(1), CO).

If a company chooses to have a common seal, it must be a metallic seal with the company's name engraved on it in legible form (section 124(2), CO). A company with a common seal can execute documents with or without the common seal (section 127(1), (2), and (3), CO).

For sealing securities or documents creating or evidencing securities, a company with a common seal can use an official seal that is a replica of the company's common seal but have the word "securities" or the characters " " (or both) engraved on it (section 126(1) and (2), CO).

Producing the Constitutional Governing Documents

A private company must sign and deliver to the CR a copy of its articles of association on incorporation. The CO abolished the requirement for a memorandum of association.

The articles of association must include the following mandatory provisions:

- Company name (section 81, CO).
- Members' liabilities (section 83, CO).
- Liabilities or contributions of members (section 84, CO).
- Capital and initial shareholdings (section 85(1) and section 8, Part 5, Schedule 2, CO).
- If the company has a licence to omit the word "Limited" from its name (see Choosing a Company Name), the company's objects while the licence is in force (otherwise an objects clause is optional) (section 82(1), CO).

The following provisions are not mandatory, but are typically included in the articles of association:

- Appointment and removal of directors.
- Responsibilities and powers of directors.
- Directors' meetings and decision-making.
- Members' meetings and decision-making.
- Use of the company seal if the company has adopted one (see Adopting a Common Seal).

A private company limited by shares can adopt the Model Articles for Private Companies Limited by Shares (set out in [Schedule 2](#) to the [Companies \(Model Articles\) Notice \(Cap 622H\)](#)) as its articles of association (section 80, CO). The Model Articles provide a ready-made framework covering essential matters such as directors' powers and responsibilities, members' meetings and decision-making, and transfer and transmission of shares, offering a cost-effective and compliant foundation for companies that do not require tailored governance provisions.

Registration Formalities for Company Incorporation

Filing the Incorporation Documents

Incorporation Documents

The incorporation documents to be filed with the CR comprise:

- The incorporation form ([Form NNC1](#)).
- A copy of the company's articles of association (see

Producing the Constitutional Governing Documents).

- A [Notice to Business Registration Office](#) (Form IRBR1).

The incorporation form includes a statement of compliance certifying that all requirements of the CO regarding the registration of the proposed company have been complied with and that the information, statements, and particulars contained in the incorporation form are accurate and consistent with the company's articles of association (section 70(1), CO).

Individuals Entitled to Sign Incorporation Documents

The incorporation form must be signed by a founder member. The original articles of association must be signed by each founder member. (Section 67(1), CO.)

A director who is the founder member signing the incorporation form must sign the "Consent to Act as Director" statement in the incorporation form. Other first directors who do not sign the consent statement in the incorporation form must sign and deliver [Form NNC3 \(Consent to Act as First Director\)](#) to the CR within 15 days of the date of incorporation. Failure to do so is an offence for which the company, every responsible person of the company, and the founder member who signed the incorporation form are each liable to a fine (up to HKD25,000 and, for a continuing offence, a further HKD700 for each day the offence continues) (section 74(2), CO).

Method of Filing

The incorporation documents (see Incorporation Documents) can be filed with the CR either:

- In person, by delivering the incorporation documents to the Shroff on the 14th floor of the Queensway Government Offices, and paying the incorporation fees (see Costs of Incorporation).
- Online, by lodging the incorporation documents electronically with the necessary e-signatures, and settling the incorporation fees via e-payment.

Timing of Incorporation

The timing of incorporation is generally as follows:

- In-person filing: if the incorporation documents are delivered in physical copy to the CR, incorporation typically takes about four working days (assuming the incorporation documents are in order).
- Online filing: in straightforward cases, online incorporation can be completed within one hour, provided that the proposed company name does not need further review by the CR and all information submitted in the online incorporation form successfully passes system validation checks.

Costs of Incorporation

The costs and fees of incorporating a company are as follows:

- Registration fee payable to the CR: HKD1,720 for an in-person application and HKD1,545 for an electronic application.
- Business registration fee payable to the CR, which is then forwarded to the Inland Revenue Department:
 - HKD2,200 for a one-year certificate; and
 - HKD6,020 for a three-year certificate.

Effect of Incorporation

On approval of the registration application, the CR issues a certificate of incorporation and business registration certificate. The company acquires legal personality from the date of incorporation stated on the certificate of incorporation (section 73, CO).

The certificate of incorporation can be issued in electronic or hard copy form, depending on the mode of application. It is conclusive evidence that:

- All the requirements of the CO regarding the company have been complied with.
- The company is registered under the CO.

(Section 72, CO.)

Post-Incorporation Obligations

Company Records

Following incorporation, a company must keep the following registers:

- **Register of members (section 627, CO).** This register must contain the name and address of members, the date on which each person becomes a member, and the date on which any person ceased to be a member (section 627(2), CO). A company with a share capital must also enter in the register of members the shares held by each member and the amount paid or agreed to be considered as paid on the shares (section 627(3), CO). For more information, see [Practice Note, Register of Members \(Hong Kong\)](#).
- **Register of directors (section 641, CO).** This register must contain each director's name, residential and correspondence address, and Hong Kong identity card number or passport number (if they do not have a Hong Kong identity card) (section 643(1)(a), CO). If the director is a body corporate, the register must contain its corporate name and the address of its registered or principal office (section 643(1)(b), CO).

- **Register of company secretaries (section 648, CO).**

This register must contain the company secretary's name, correspondence address, and Hong Kong identity card number or passport number (if they do not have a Hong Kong identity card) (section 650(1)(a), CO). If the company secretary is a body corporate, the register must contain its corporate name and the address of its registered or principal office (section 650(1)(b), CO).

- **Register of significant controllers (section 653H, CO).** This register must contain the required particulars of each significant controller, that is, name, correspondence address (or principal office address for a body corporate), Hong Kong identity card number or passport number (if they do not have a Hong Kong identity card) (or, if a body corporate, its legal form and governing law), the date they became a registrable person, and the nature of control exercised over the company (Parts 2 and 3, Schedule 5B, CO). See also Significant Control Disclosure.

Form of the Registers

Company records and registers can be kept in hard copy form or electronic form (section 655(2)(a), CO).

Location of the Registers

The company registers can be kept at the registered office or a prescribed place of the company in Hong Kong (sections 628(1), 641(3), 648(3) and 653M(1), CO and section 3, [Company Records \(Inspection and Provision of Copies\) Regulation \(Cap 622I\)](#) (Company Records Regulations)).

The company must notify the Registrar of the place at which a register is kept and deliver [Form NR2 \(Notice of Location of Registers and Company Records\)](#) to the Registrar within 15 days after the register is first kept at that place (sections 628(2), 641(4), 648(4), and 653M(2) and (3), CO). If the register has at all times been kept at the company's registered office, no such notice is required (sections 628(4)(a), 641(6)(a), 648(6)(a), and 653M(4), CO).

Rights of Inspection

Members of the company have the right to inspect the register of members, register of directors, and register of company secretaries free of charge (sections 631(1), 642(1), and 649(1), CO). Other persons can inspect these registers on payment of the specified fee.

The court can compel the company to permit immediate inspection or make an order regarding the time, duration, and manner of inspection of registers (section 9, Company Records Regulations).

The right to inspect the register of significant controllers is restricted to:

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- Persons whose names are entered in the register as significant controllers (section 653W, CO).
- Officers of the CR and any other law enforcement officers for the performance of a specific function (section 653X, CO).

The court can, on application by a law enforcement officer, order the company to permit the officer to inspect the register of significant controllers (section 653Y, CO).

A company and every responsible person of the company commit an offence if they fail to make the register of significant controllers available for inspection by CR officers or other law enforcement officers (section 653X, CO).

Significant Control Disclosure

Disclosure Obligation

A non-listed company that has its registered office in a Hong Kong must keep a register of significant controllers (see Company Records).

What Is a Significant Controller?

A significant controller is defined as either:

- A registrable person of a company.
- A registrable legal entity of a company.

(Section 653A, CO.)

A registrable person or registrable legal entity is a natural person or specified entity that has significant control over a company (section 653C(1), CO) or an entity that is a member of the company and has significant control over the company (section 653D, CO).

A person has significant control over company if one of the following conditions applies:

- The person holds (directly or indirectly) more than 25% of the issued shares in the company (for a company with a share capital) or rights to share in more than 25% of the capital or profits of the company (for a company without a share capital) (section 1(a), Part 1, Schedule 5A, CO).
- The person holds (directly or indirectly) more than 25% of the voting rights in the company (section 1(b), Part 1, Schedule 5A, CO).
- The person holds (directly or indirectly) the right to appoint or remove a majority of the board of directors (section 1(c), Part 1, Schedule 5A, CO).
- The person has the right to exercise, or actually exercises, significant influence or control over the company (section 1(d), Part 1, Schedule 5A, CO).
- The person has the right to exercise, or actually

exercises, significant influence or control over a trust or firm:

- that is not a legal person; and
- whose trustees or members meet one or more of the conditions specified in the above four bullets.

(Section 1(e), Part 1, Schedule 5A, CO.)

Opening a Bank Account

Opening a bank account is not a requirement for incorporating a private company in Hong Kong. However, companies are commonly incorporated with a share capital in the form of cash rather than contributions in kind, and therefore need a bank account to deposit these cash contributions. The directors can open a bank account in the name of the company.

To combat money laundering and terrorist financing, Hong Kong banks have implemented standard compliance criteria before a company can open a corporate bank account. These may include:

- Requiring the principal director and shareholder to attend the bank account opening appointment in person.
- Providing certified company documents and proof of business activities.
- Establishing the source of funds.

Appointing Auditors

An auditor must be appointed for each financial year of a company (section 394, CO). The directors can appoint the company's auditor for the first financial year at any time before the first annual general meeting (AGM) (section 395, CO). A private company must hold an AGM nine months after the end of its accounting reference period or, if the first accounting reference period exceeds 12 months, either (whichever is later):

- Nine months after the first anniversary of the company's incorporation.
- Three months after the end of that accounting reference period.

(Section 610, CO.)

Certain companies are not required to hold an AGM, including:

- Single member companies (section 612(2)(a), CO).
- Dormant companies (section 611, CO).
- Companies that have passed a resolution by all members to dispense with holding an AGM (section 613, CO).

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For companies not required to hold an AGM, the directors can appoint the first auditor of the company at any time before the appointment period relating to the next financial year (section 395, CO). The auditor in office at the end of the appointment period is deemed to be re-appointed for the next financial year (section 403(1), CO). The appointment period is a 28-day window that starts from the earlier of:

The date the company sends its financial statements and reports for the previous year to all members of the company.

The deadline by which those documents must be sent.

An auditor holds office in accordance with the terms of their appointment (section 402, CO).

For more information on:

- The procedure for appointing an auditor, see [Country Q&A, Corporate Governance and Directors' Duties in Hong Kong: Overview: Question 26](#).
- Eligibility requirements for an auditor, see [Country Q&A, Corporate Governance and Directors' Duties in Hong Kong: Overview: Question 27](#).

The role of a company's auditor is to prepare an annual audit report for the members on any financial statements prepared by the directors, stating whether the financial statements, in their opinion:

- Have been properly prepared in compliance with the CO.
- Give a true and fair view of the financial position and financial performance of the company (and its subsidiaries).

(Sections 405 and 406, CO.)

The auditors' appointment terminates in any of the following circumstances:

- Their term of office expires (section 416(1)(a), CO).
- They resign from office under section 417(1) of the CO (section 416(1)(b), CO).
- They cease to be eligible or are disqualified for appointment as auditor (section 416(1)(c), CO).
- They are removed from office by members of the company under section 419(1) of the CO (section 416(1)(d), CO).
- A winding up order is made regarding the company (section 416(1)(e), CO).

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