

**For information**

**Legislative Council Panel on Financial Affairs**

**Proposed Waiver and Reduction of Fees under  
Companies (Fees) Regulation (Cap. 622K)**

**PURPOSE**

This paper briefs Members on the proposed waiver and reduction of certain fees prescribed in the Companies (Fees) Regulation (Cap. 622K).

**THE PROPOSAL**

2. As one of the relief measures to “support enterprises and safeguard jobs”, the Financial Secretary announced in the 2020-21 Budget that the registration fees for annual returns (except for late delivery<sup>1</sup>) charged by the Companies Registry (“CR”) should be waived for two years. It is proposed that the fee waiver should apply to annual returns delivered to the CR between 1 October 2020 and 30 September 2022 (both dates inclusive).

3. Having considered its financial objectives<sup>2</sup> and with a view to encouraging the wider use of its electronic services, the CR also proposes to reduce the fees payable in relation to incorporation of companies (including registration of non-Hong Kong companies) through electronic means by 10%.

**LEGISLATIVE AMENDMENTS**

4. The proposed waiver and reduction of fees require legislative amendments to the Companies (Fees) Regulation (Cap. 622K), which provides for the fees payable to the CR in respect of the performance of the

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<sup>1</sup> Returns delivered on time include annual return delivered within 42 days after the company’s return date for private companies having share capital, public companies having share capital and companies limited by guarantee; and return delivered within 42 days after the anniversary of registration for registered non-Hong Kong companies.

<sup>2</sup> The CR is a trading fund and operates under commercial principles on a self-financing basis in accordance with the Trading Funds Ordinance (Cap. 430).

CR's functions under the Companies Ordinance (Cap. 622). Details of the amendments to the relevant fees prescribed in the Companies (Fees) Regulation (Cap. 622K) are set out at Annex.

## **FINANCIAL IMPLICATION**

5. The waiver of registration fees for annual returns will benefit about 1.4 million companies. The revenue forgone will be about \$212 million between 2020-21 and 2022-23. As for the reduction of fees payable in relation to the incorporation of companies (including registration of non-Hong Kong companies) through electronic means, the reduction in the related revenue is about \$12 million per annum.

## **WAY FORWARD**

6. We plan to table the relevant subsidiary legislation before the Legislative Council for negative vetting in Q2 2020. The fee waiver and reduction should take effect from 1 October 2020.

7. Members are invited to note the proposal.

Financial Services Branch  
Financial Services and the Treasury Bureau  
April 2020

### Details of Proposed Waiver and Reduction of Fees

**(A) Waiver of registration fees for annual returns which are delivered on time<sup>1</sup>**

Fee item	Type of company	Existing fee (to be waived)
Registration fee for annual return (4 fee items <sup>2</sup> )	Private company having share capital	\$105
	Public company having share capital	\$140
	Company limited by guarantee	\$105
	Registered non-Hong Kong company	\$180

<sup>1</sup> Annual return delivered within 42 days after the company's return date for private companies having share capital, public companies having share capital and companies limited by guarantee; and return delivered within 42 days after the anniversary of registration for registered non-Hong Kong companies.

<sup>2</sup> Items 7(a) and 8(a) in Part 1, item 6(a) in Part 2 and item 3(a) in Part 3 of Schedule 1 to Cap. 622K.

**(B) Reduction of fees for applications delivered in electronic form**

<b>Item</b>	<b>Fee item</b>	<b>Existing fee (remain applicable for applications delivered in hard copy form)</b>	<b>Reduced fee (applicable for applications delivered in electronic form)</b>
<b>Part 1 – Fees payable in relation to company having share capital (6 fee items<sup>3</sup>)</b>			
1.	For registration of a company having share capital, re-registration of an unlimited company as a company limited by shares or registration of an eligible company as an unlimited company	\$1,425	\$1,280
2.	For lodging of the relevant forms and accompanying documents for registration or re-registration	\$295	\$265

**Part 2 – Fees payable in relation to company limited by guarantee  
(9 fee items<sup>4</sup>)**

<sup>3</sup> Items 1, 2, 3, 4, 5, and 6 in Part 1 of Schedule 1 to Cap. 622K.

<sup>4</sup> Items 1, 2, 3(a) and (b), 4 and 5(a), (b), (c)(i) and (ii) in Part 2 of Schedule 1 to Cap. 622K.

Part 2 – Fees payable in relation to **company limited by guarantee**  
(9 fee items<sup>4</sup>)

1.	<p>For registration of a company limited by guarantee or registration of an eligible company as a company limited by guarantee –</p> <p>(a) with 25 members or less</p> <p>(b) with members exceeding 25 but not exceeding 100</p> <p>(c)(i) with members exceeding 100; and</p> <p>(ii) for every additional 50 members or less after the first 100</p> <p>Subject to a maximum sum of \$1,025<sup>5</sup></p>		
		\$170	\$155
		\$340	\$305
		\$340	\$305
		\$20	\$18

<sup>5</sup> The maximum sum will be correspondingly reduced to \$925 for applications delivered in electronic form.

Part 2 – Fees payable in relation to **company limited by guarantee**  
(9 fee items<sup>4</sup>)

2.	<p>For registration of any subsequent increase in the number of members in the company, in respect of every 50 members or less of that increase</p> <p>Subject to a maximum sum of \$1,025<sup>6</sup>, taking into account the fee paid on the first registration of the company and the fee paid for registration of any previous increase in the number of members of the company</p>	\$20	\$18
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Part 3 – Fees payable in relation to **registered non-Hong Kong company**  
(2 fee items<sup>7</sup>)

1.	For registration of a non-Hong Kong company	\$1,425	\$1,280
2.	For lodging of the relevant form and accompanying documents for registration	\$295	\$265

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<sup>6</sup> The maximum sum will be correspondingly reduced to \$925 for applications delivered in electronic form.

<sup>7</sup> Items 1 (in relation to section 777(4)(a)) and 2 in Part 3 of Schedule 1 to Cap. 622K.