



Non-Hong Kong Companies – new disclosure obligations from 1 August 2019

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**Hogan
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Summary

A new regulation came into effect on 1 August 2019 to align certain disclosure obligations of non-Hong Kong companies to those of local companies. These obligations mainly surround the display of company names and place of incorporation, as well as disclosure of liability status. There are criminal consequences for failing to make the disclosures.

Contents and Manner of Disclosure

Under the Non-Hong Kong Companies (Disclosure of Company Name, Place of Incorporation and Members' Limited Liability) Regulation (Cap. 622M) (the "**Regulation**"), three key types of information will need to be disclosed by a non-Hong Kong company:

1. Name and place of incorporation

This information must be displayed continuously and legibly at every business venue of the non-Hong Kong company and positioned so that they are easily seen by any visitor to that venue. The business venue includes where the non-Hong Kong company carries on its business that is open to the public or its principal place of business in Hong Kong. The same details must also be set out in every communication document¹ and transaction instrument² of the non-Hong Kong company in Hong Kong.

If:

- (i) the business venue is host to more than 6 non-Hong Kong companies, and
- (ii) an electronic device is used to display the required information, then the information must be
 - a. displayed for at least 15 continuous seconds at least once in 4 minutes; **or**

- b. capable of being displayed within 4 minutes upon request through that electronic device.

2. Whether the members have limited liability

If the liability of its members is limited, then the non-Hong Kong company must exhibit and state in legible characters that fact at every business venue and in every communication document and transaction instrument of the company in Hong Kong.

3. If it is in liquidation

A non-Hong Kong company in liquidation must:

- In every advertisement of the company in Hong Kong, state its name and place of incorporation and where applicable, that the liability of its members is limited.
- When displaying its name,
 - For companies name in any language other than Chinese, add the phrase "in liquidation" after the name.
 - For Chinese company names, add the phrase "正進行清盤" after the name.
 - For companies with a name in Chinese and a in a language other than Chinese, add "正進行清盤" after the name in Chinese as well as "in liquidation" after the name in that other language.

Penalties and liabilities

Contravention of this regulation is a criminal offence and the company, every responsible person or agent of the company who authorizes or permits the contravention may be liable to a level 3 fine, currently HKD\$10,000.

What you need to do

An internal compliance check should be conducted to ensure the display and disclosure requirements will be met for the non-Hong Kong company's physical premises as well as its communication and transaction documents. For businesses such as company secretarial

¹ Includes a business letter, notice or other official publication of the non-Hong Kong company in hard copy, electronic or any other form.

² Includes a (i) contract or deed, (ii) bill of exchange, promissory note or endorsement, (iii) cheque or order for money or goods; (iv) a consignment note, invoice, receipt or letter of credit of the non-Hong Kong company, in hard copy, electronic or any other form.

services providers that host more than 6 non-Hong Kong companies and use electronic displays, you should ensure that the electronic device timing requirements can be met.

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