GUIDE

Your company's first year in Hong Kong: what, when and how much

The company is incorporated — what next? All the deadlines of the first 12–18 months, government fees and the cost of being late. So that you don't learn about penalties from letters from the Registry and the tax authority.

1 month
to notify the IRD that the company has commenced business

42 days
to file the annual return after the company's anniversary: HK$105 on time — up to HK$3,480 if late

up to 18 months
is the length of the first financial year — you choose the year-end date

~18 months
after incorporation the IRD sends the first profits tax return

The key point. Almost all deadlines are counted from two dates of your company: **the date of incorporation** and **the financial year-end**. Write both down — and your calendar for the year is ready.

An audit is mandatory for every Hong Kong company, even if there were no transactions.



The year on one page

Day 0 company incorporated

Start

- Keep the registers of members, directors and significant controllers from day one — they are kept at the company's address.
- Choose the financial year-end date (most often 31 March or 31 December).

1 month from commencement

Notify the IRD of commencement of business

The first invoice, the first contract or the first sale is the start of business. You have one month to notify.

Hired an employee

If you have employees

- Employees' compensation insurance — from day one.
- MPF pension scheme — enrol within 60 days, contributions monthly.
- Notify the IRD of the new employee — within 3 months.

12 months anniversary

The company's anniversary

- Renewal of business registration with the IRD — HK$2,350 for a year.
- Annual return to the Companies Registry — within 42 days, HK$105.

up to 18 mo. end of 1st FY

End of the first financial year

We close the books, prepare financial statements under Hong Kong standards and hand them to the auditor.

~18 mo. from incorporation

First profits tax return

The IRD sends the profits tax return. A new company files its first return within 3 months of the date it is sent — no extension is needed. Later returns are usually due within 1 month. The audited financial statements and the tax computation are filed with the return.

9 mo. after FY end

Financial statements — to members

The audited financial statements are approved and sent to members; an annual general meeting or a written resolution.

Every month: bookkeeping and reconciliation with the account. The law does not require this monthly, but then the accounts are ready for audit by the year-end. Records are kept for 7 years.

What the year costs — and what being late costs

Government fees in the first year	HK$
Business registration renewal for a year (from 01.04.2026)	2,350
Annual return — within 42 days after the anniversary	105
...late by up to 3 months	870
...3 to 6 months	1,740
...6 to 9 months	2,610
...more than 9 months	3,480

Companies Registry and IRD fees as of November 2026. Company secretary, accounting and audit services are not included.

Profits tax

- 8.25% on the first HK$2 million of profit, 16.5% above.
- Profits with a Hong Kong source are taxed.
- Late return — a penalty of up to HK$10,000 plus additional assessments (s. 80 of the Inland Revenue Ordinance, Cap. 112).

No audit — no tax return

- A return without audited financial statements is treated as not filed.
- The auditor will not sign the report if the business registration has not been renewed and the annual return has not been filed.

Changes during the year

15 days — **Director or secretary**
Appointment, resignation, changed particulars — notify the Companies Registry.

15 days — **Registered office**
Change of the company's address — notify the Companies Registry.

7 days — **Significant controllers**
Update the internal register after becoming aware of a change.

1 month — **New shares**
Allotment of shares — notify the Companies Registry.

First-year checklist

- ✓ The date of incorporation and the financial year-end are written down
- ✓ The significant controllers register is kept and up to date
- ✓ Employees: insurance, MPF, IRD notification
- ✓ Annual return filed within 42 days
- ✓ Accounts and audit ready before the tax return arrives
- ✓ The IRD knows the company has commenced business
- ✓ Records and documents for transactions are collected every month
- ✓ Business registration renewed by the anniversary
- ✓ Auditor chosen in advance, before the financial year-end
- ✓ Tax return filed on time together with the tax computation

How not to keep all this in your head. A company secretary tracks the company's deadlines and reminds you in advance, and an accountant keeps the books so that everything is ready for audit by the year-end.

Launching a company in Hong Kong?

We take care of the first-year deadlines: company secretary, registered address, reminders, bookkeeping and audit support.

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Launch in Hong Kong

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