

may be demanded for inspection by officials. Business registration does not relieve the holder of obligations for complying with any other regulations applying to that business or profession.

Applications are submitted to the Business Registration Office, and must include copies of the HKSAR identity cards or passports of the proprietor or all of the partners. If the applicant is not a resident of the HKSAR, an agent who is a resident must be appointed. The appointment letter, along with a copy of the agent's HKSAR identity card, must accompany the application. The agent must sign the application.

Foreigners may create corporations with relatively little bureaucracy. Many Hong Kong accounting firms provide "shelf companies" that have been pre-incorporated and can be activated very quickly. So-called "overseas corporations" owned by non-residents must have an agent in the HKSAR, and there are many companies that offer secretariat services for this purpose. A company can register under the Business Registration Ordinance while the paperwork for incorporation is still pending.

Taxation

Under the Basic Law, the HKSAR maintains its own tax regime independent of the system in other parts of the People's Republic of China (PRC). The HKSAR is specifically authorized to enter into independent tax arrangements with foreign governments under the name Hong Kong, China. The Basic Law further provides that the PRC will not enact tax legislation affecting the HKSAR. As a result, PRC tax treaties with other countries that prevent double taxation do not apply in Hong Kong, which is not party to any tax conventions. There are provisions, however, for relief from Hong Kong taxes where another country taxes Hong Kong-source income received for work performed abroad.

The HKSAR levies two taxes on income, a profits tax and a salaries tax. There is a stamp duty, a property tax and an estate tax, but there are no social security or capital gains taxes.