

# HONG KONG COMPANY REPORTS

Detailed Summary of Data, Sources & FAQs



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## OUR DATA SOURCES

Please find below the main original sources of information (e.g., Chambers of commerce, local courts, etc). This should apply to registered companies and sole traders/non-registered companies.

**Financial data:** HKEX; Direct interview with subject; Audit report from Companies Registry; Website/ News; Annual reports.

**Negative data:** Direct interview with subject; local litigation record; News; Rumours; Subject's group announcement.

**Demographic data:** Statistic Department.

**Payment Data:** Direct interview with subject.

**Collection data:** Debt collection database; direct interview with subject.

**Shareholder's data:** Companies Registry; Annual reports of listed companies/groups.

**Group Structure/Corporate hierarchy:** Subject's group official website; Annual reports; direct interview with subject.

**Other key information:**

**How often the above data is updated e.g., daily, weekly etc.?** We will get the most updated information during fresh investigation triggered by client's orders.

**Do you contact companies via a telephone interview or site visits at regular intervals e.g., once a year?**

No, we may contact companies via telephone interviews or site visits for new order received but not regularly.

## NEGATIVE DATA

**What type of negative data is available?**

**Bankruptcies/Insolvencies:** Liquidated / dissolved companies.

**Court Cases/ Actions:** Local litigation record database.

**Debt Collection cases:** Supplier's debt collection record.

**How often is this negative data updated?** Daily update for litigation and debt collection database.



## CREDIT SCORES & LIMITS

### **Do you give a credit score & limit on all companies?**

We do provide a credit rating and limit for Hong Kong companies.

### **Are there any exceptions?**

### **What is the credit score intended to predict?**

The rating score indicates the statistical probability of default (PD) for a company over the next 12 months.

### **Is payment data included in your credit scoring model?**

Payment data/payment behaviour is included in our credit scoring model.

### **What does the credit limit represent?**

Maximum Credit is to be understood as the highest possible engagement for a supplier delivering goods or rendering services on open terms with an average respite of 60 days. (It is assumed that, on the average, the company in question has 5 suppliers, who deliver goods or render services at the same time.)

### **How is the credit limit calculated?**

### **What other company ratings are available?**



## LOCAL ACTIVITY CODES & VAT NUMBERS

**What version of activity codes are used in the reports?**

NACE Rev 2.

**What company ID numbers are available? (e.g., the local registration number, VAT number, etc.)**

Hong Kong Companies Registry Number & Business Registration Number.

**How are the company ID numbers formatted?**

CR#	Companies Registry	0037272	7 digit
BR#	Business Registry	04304240	8 digit

**Are companies obliged to file a VAT number?**

There is no VAT number in Hong Kong.

**How is the VAT Number derived?**

**If they are not obliged to file and you have this data where has this data come from?**

**How often is the VAT number updated?**

## LOCAL BUSINESS CLASSIFICATIONS



## FINANCIAL DATA & FILING REQUIREMENTS

### Which types of company must file financial data?

Listed Companies, Public Companies (Public released).

Unlimited Companies (Sole Proprietorship/ Partnership), Private Limited Companies (needs not to release its information to public).

### Are there any filing exemptions and thresholds?

For corporations, audited financial statements should be submitted with the returns in all cases except: -

(a) For small corporations as defined in the "Notes and Instructions" to return.

Small corporation needed to fulfil all the following condition in the relevant year:

Gross income for the basis period does not exceed HK\$2,000,000.

Have not paid or accrued to a non-resident person any sum for the use of intellectual property during the basis period for the relevant year.

Do not have any deemed assessable profits pursuant for the relevant year.

Assessable profits / adjusted loss for the relevant year does not include any interest, profit / loss arising from "Short term debt instruments" or "medium term debt instruments".

Do not claim tax relief for the relevant year pursuant to an arrangement for avoidance of double taxation.

Have not obtained an advance ruling on any of your tax matter in relation to the relevant year.

Do not claim debt treatment for an arrangement for this year of assessment as "an originator" or "a bond issuer" of a specified alternative bond scheme.

(b) For dormant companies within the terms of the Companies Ordinance.

The companies do not have accounting transaction in the relevant year, companies can apply to become Dormant.

Private company may pass and deliver to the Registrar of Companies for registration a special resolution (Specimen in pdf Format) declaring that the company will become dormant.

If a company passed a special resolution (specimen in pdf Format) declaring that the company will become dormant, the company is a dormant company as from:

The date of delivery of the special resolution to the Registrar of Companies, or any later date that is specified in the special resolution.

(c) For companies incorporated in a jurisdiction whose laws do not require financial statements to be audited.

(d) For Hong Kong branch of a foreign company provided that the following information is supplied together with the return: the place of incorporation of the foreign company.

whether the laws of that country require a statutory audit of the world-wide financial statements of the company.

Whether that audit has been conducted, and A summary of the financial and accounting records maintained by the Hong Kong branch.

**How long after the financial year end do companies have to file financials?**

Main board listed companies— Annual report no later than 4 months after financial year end; Interim reports no later than 3 months after financial year end.

Private companies are required by law to prepare annual financial statements and present these financial statements to the company's shareholders on an annual basis. These financial statements are also generally required to be submitted to the Inland Revenue Department as part of a company's tax filing. In general, for private companies, the financial statement is required to be filed to IRD no later than 15th August or 15th November depending on its financial ended date.

**What is the penalty for not filing the financial data, and is it likely a company would prefer the penalty rather than filing them?**

Generally, if the company fails to prepare financial statement, the director commits an offence and is liable to a fine of HKD 300,000.

**How did you collect the accounts?****What is the number of companies that must publish accounts?****What is the number of companies that can decide to publish or not publish accounts?****Are the accounts free in this country?**



## REGISTERED & LAW INFORMATION

Source: <https://www.hkcg.gov.hk/files/page/80/2019%20CGQP%20-%20Hong%20Kong%20Company%20Law.pdf>

## FAQS REGARDING UNAVAILABLE INFORMATION

**Why does the local score show as inactive, however the report status shows as active?**

**Why are the headquarters of companies not rated?**

**Why is there no shareholders information?**

**Why are some reports not available instantly on-line?**





## COUNTRY POPULATION & TRADE DATA

### Population

7,594,969

Source - <https://www.worldometers.info/world-population/china-hong-kong-sar-population/>

### GDP


Hong Kong is holding the 37 positions by nominal GDP. Its national debt in 2020 was (3,509 million of dollars), (0.99% debt-to-GDP ratio) and its public debt per capita is \$472 dollars per inhabitant. In terms of the human development index (HDI) of Hong Kong, which is the index used by the United Nations to measure the progress of a country, was 0.949 points in 2019, leaving it in 4th place in the table of 189 countries published.

Source - <https://countryeconomy.com/countries/hong-kong>

The Gross Domestic Product (GDP) in Hong Kong was worth 346.59 billion US dollars in 2020, according to official data from the World Bank. The GDP value of Hong Kong represents 0.31 percent of the world economy.

Source: <https://tradingeconomics.com/hong-kong/gdp>

### Import / Export

<b>Export goods</b>	electrical machinery and appliances, textiles, apparel, watches and clocks, toys, jewelry, goldsmiths' and silversmiths' wares, and other articles of precious or semi-precious materials <sup>[6]</sup>	<b>Import goods</b>	raw materials and semi-manufactures, consumer goods, capital goods, foodstuffs, fuel (most is reexported) <sup>[6]</sup>
<b>Main export partners</b>	 Mainland China 54.1%  United States 7.7% (2017 est.) <sup>[12]</sup>	<b>Main import partners</b>	 Mainland China 44.6%  Singapore 6.4%  Japan 6.1%  South Korea 5.5%  United States 5.2% (2017 est.) <sup>[13]</sup>

Source - [https://en.wikipedia.org/wiki/Economy\\_of\\_Hong\\_Kong](https://en.wikipedia.org/wiki/Economy_of_Hong_Kong)

### IMF Economy and Response to COVID-19

Source - <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#HongKong>