



Data Partner FAQ Hong Kong



Russell Whittleston

Data Sources

What are the main original sources of information? E.g. Chambers of commerce, local courts, yellow pages etc

NOTE - This should apply to, registered companies and sole traders/none 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
Shareholders 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: N/A

How often the above data is updated e.g. daily, weekly etc.?

We will get the most updated information during fresh investigation triggered by clients' 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.

Regulations/ Legal requirements

Which types of company have to file financial data e.g. registered companies, public companies only etc.?

Listed Companies, Public Companies (Public released)

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

List any filing exemptions and thresholds (e.g. companies of certain size may only have to file a balance sheet, large companies have to file a Profit & loss etc.)

Please refer to the attached Appendix 1.

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 are 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? 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.

Negative Data

What type of negative data is available in your country e.g.

Bankruptcies/insolvencies: Liquidated / dissolved companies

Court cases/actions: Local litigation record database

Debt collection cases Suppliers debt collection record

Any other negative data specific to your country: N/A

How often is this negative data updated?

Daily update for litigation and debt collection database

Credit Rating & Limit

Do you give a credit rating & limit on all companies?

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

If not, what are the exceptions? N/A

What is the credit rating intended to predict? E.g. insolvency, ability to pay etc
The probability of companies defaulting within one year

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 mean? E.g. amount of credit you can extend in a 30 day period etc?

Recommended credit amount for a certain period. Will specify in the report respectively.

General

What version of activity codes are used in the reports?

NACE

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

Hong Kong Companies Registry Number & Business Registration Number

Appendix 1

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 does 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; and
- (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 brief summary of the financial and accounting records maintained by the Hong Kong branch.

| | | Hong Kong |
|------------------------|------------------------|------------------|
| <u>Report Details</u> | Reports Available | 230,000 |
| | Risk Tracker Available | No |
| | Risk Indicator | Yes |
| | Limit Recommendation | Yes |
| | Payment Information | Yes |
| <u>Country Details</u> | Population | 7,378,888 |
| | Number of Companies | 1,340,000 |
| | GDP - USD Billion | 309,23 |
| | Currency | Hong Kong dollar |