

Profit Tax Return Guide - Hong Kong Limited Company

This guide will help you better understand the tax filing process.

All Hong Kong companies are required to file an annual return with Companies Registry.

Time for filing

“NIL” Profit Tax Return

Offshore Tax Exemption Claim

Time for filing

The first Profit Tax Return ("PTR") is issued by Inland Revenue Department ("IRD"), Hong Kong Tax Authority within 1-2 months before the 2nd anniversary of the company's date of incorporation. Once the PTR has been issued Startupr will send you an email notification advising you to submit the PTR within 3 months. Profit tax return must be filed for not more than 18 months after the date of company's incorporation.

1. Determine the date for the company's financial year end

2. If your company has commenced business you will need to prepare the following documents:

- All bank statements
- All invoices
- All expense receipts
- General ledger and management account (Balance sheet, Trial balance, income statement)

3. Submit the PTR to IRD

The submission deadline of the annual PTR together with the audited financial statements for second PTR and thereafter is as follow: (example)

Financial year end as at	Tax filing date	Documents ready for audit
1) 31st of March 2015	15th of Nov 2015	Not later than 1st of Sept 2015
2) 31st of December 2014	15th of August 2015	Not later than 1st of Sept 2015
3) Other dates than (1) or (2) e.g. 30th of June 2014	30th April 2015	Not later than mid of Feb 2015

The profit tax rate applied is 16.5% for corporations.

“NIL” Profit Tax Return

If the company has not commenced business yet, a “NIL” PTR may be filed to Inland Revenue Department. The company must provide a declaration of not yet commence business by the company director or company secretary. Even though the business has not been commenced the company is still required to prepare annual audited financial statements.

Offshore Tax Exemption Claim

If all company's income comes from outside Hong Kong you may make an offshore claim and your company will not be a subject to Hong Kong taxes.

- The company submits the PTR and financial statements
- The company make an offshore claim
- IRD issue an offshore claim queries letter as a proof

- The company is required to provide IRD with passports of all company directors and/or all company sales representatives, company invoices, contracts, arrangements, shipping documents etc.
- IRD confirms that your company is not required to pay tax in Hong Kong
- The offshore claim status would effective for approximate 5 years

Contact:

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