



公 司 註 冊 處  
COMPANIES REGISTRY

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## **Companies Registry External Circular No. 3/2012**

### **Companies Ordinance (Amendment of Eighth Schedule) Order 2012 Abolition of Capital Duty**

This circular is to announce that, **with effect from 1 June 2012**, the Companies Ordinance (Amendment of Eighth Schedule) Order 2012 (“the Order”) for the abolition of capital duty currently levied on local companies that have a share capital will come into operation. The Order was gazetted on 16 March 2012 (L.N. 39 of 2012).

#### **Background**

2. Section 304(1) of the Companies Ordinance (“CO”) enables the Registrar of Companies (“the Registrar”) to collect fees as set out in the Eighth Schedule to the CO. Under the Eighth Schedule, a local company having a share capital has to pay an *ad valorem* fee (generally referred to as “capital duty”) at a rate of \$1 for every \$1,000 or part thereof (but subject to a cap of \$30,000 per case) on –

- (a) the amount of its nominal share capital for its registration as a company;
- (b) the increase in the amount of its nominal share capital after its incorporation; and
- (c) the amount of premiums if its shares are issued at a premium.

3. The Financial Secretary announced in the 2012-13 Budget Speech on 1 February 2012 a proposal to abolish capital duty levied on local companies. This is to encourage investors to set up companies in Hong Kong to raise capital and expand their business, thereby enhancing Hong Kong’s attractiveness as a corporate domicile and its competitiveness as an international business centre.

#### **The Order**

4. In order to effect the proposal, the Secretary for Financial Services and the Treasury has made the Companies Ordinance (Amendment of Eighth Schedule) Order 2012 under section 360(3A) of the CO to amend the table of fees in the Eighth Schedule to reduce capital duty to \$0 with effect from 1 June 2012.

5. Under section 5 of the Order, the amendments will be applicable to companies which lodge the relevant documents with the Registrar **on or after 1 June 2012** for registration of a company, an increase in the nominal share capital after incorporation or an issue of shares at a premium. The documents include the following specified forms:

- Form NC1 - Incorporation Form (Company limited by shares)
- Form SC4 - Notification of Increase in Nominal Share Capital  
(To be filed within 15 days after the effective date of the increase.)
- Form SC1 - Return of Allotments (where shares are allotted at a premium)  
(To be filed within 1 month after the first date of allotment.)

6. Companies are reminded to observe the prescribed time periods for the filing of Form SC4 and Form SC1 as stated above. Any delay in filing beyond the prescribed time periods may render the company and every officer liable to prosecution.

### **Enquiries**

7. Enquiries concerning this circular should be directed to:-

Relating to the abolition of capital duty on the amount of nominal share capital for registration as a company (Form NC1)

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- Relating to the abolition of capital duty on
- (a) an increase in the amount of nominal share capital after incorporation (Form SC4); and
- (b) the amount of premiums if shares are issued at a premium (Form SC1).

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**Ms Ada LL CHUNG**  
**Registrar of Companies**

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