

## Regulatory Framework for Opening, Operating and Closing a Business

Disclaimer: Any information rendered in this document is for general references only and should not be considered as legal advice. Users are strongly advised to seek independent legal advice if they are in doubt of their legal position.

### Taxation

No.	Regulatory Framework	Link
<b><i>Clarity and Transparency</i></b>		
1.	The tax administration issues tax guides that are available to the public	➤ <a href="#">A Brief Guide to Taxes</a>
2.	The tax administration issues tax notices that are available to the public	➤ Section 59(1), <a href="#">Cap. 112 Inland Revenue Ordinance</a>
3.	The tax administration issues factsheets that are available to the public	➤ <a href="#">Pamphlets</a>
4.	General tax guidance documents are kept up-to-date	➤ <a href="#">Tax Information</a>
5.	General tax guidance documents are available online	➤ <a href="#">Tax Information</a>
6.	The tax administration issues revenue procedures that are accessible to the public	➤ <a href="#">Departmental Interpretation and Practice Notes</a>
7.	The tax administration issues internal revenue manuals that are accessible to the public	➤ <a href="#">Departmental Interpretation and Practice Notes</a>
8.	The tax administration issues technical advice memorandums that are accessible to the public	➤ <a href="#">Minutes for meeting between Inland Revenue Department (IRD) and The Hong Kong Institute of Certified Public Accountants</a>
9.	Internal tax guidance documents are kept up-to-date	➤ <a href="#">Departmental Interpretation and Practice Notes</a>
10.	Internal tax guidance documents are available online	➤ <a href="#">Departmental Interpretation and Practice Notes</a>

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11.	The tax administration in Hong Kong SAR, China issues private binding rulings for tax residents	➤ Section 88A, <a href="#">Cap. 112 Inland Revenue Ordinance</a>
12.	Private binding rulings are published online. This includes publication of the edited version of the rulings, without any personal or identifying private information to protect the privacy of the applicant	➤ <a href="#">Advance Ruling Cases</a>
13.	The tax administration in Hong Kong SAR, China issues public binding rulings	➤ <a href="#">Profits Tax Return - Fair Value Accounting</a>
14.	The tax dispute resolution process is codified in the single legislative act that has uniform application across all core taxes	➤ Part 11 Objections and Appeals, <a href="#">Cap. 112 Inland Revenue Ordinance</a>
15.	The tax audit procedure is codified in the single legislative act that has uniform application across all core taxes	➤ Sections 51, 51A and 51B, <a href="#">Cap. 112 Inland Revenue Ordinance</a>
16.	Ministries/legislative/regulatory agencies in Hong Kong systematically consult with the private sector stakeholders on proposed new tax legislation or changes to it. These consultations can take the form of in-person meetings, online meetings, surveys, and other methods	➤ <a href="#">Minutes for meeting between IRD and The Hong Kong Institute of Certified Public Accountants</a> ➤ <a href="#">Legislative Council of the Hong Kong Special Administrative Region - Meeting papers</a> ➤ <a href="#">A consultation paper on implementation of the global minimum tax and the domestic minimum top-up tax in Hong Kong</a>
17.	The consultations are open to all interested private sector stakeholders or only include selected participants	➤ <a href="#">Minutes for meeting between IRD and The Hong Kong Institute of Certified Public Accountants</a> ➤ <a href="#">Legislative Council of the Hong Kong Special Administrative Region - Meeting papers</a> ➤ <a href="#">A consultation paper on implementation of the global minimum tax and the domestic minimum top-up tax in Hong Kong</a>

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18.	Such consultations take place before the formulation/prioritization of tax legislative proposals for both primary tax laws and subordinate tax laws and regulations	<ul style="list-style-type: none"> <li>➤ <a href="#">Minutes for meeting between IRD and The Hong Kong Institute of Certified Public Accountants</a></li> <li>➤ <a href="#">Legislative Council of the Hong Kong Special Administrative Region - Meeting papers</a></li> <li>➤ <a href="#">A consultation paper on implementation of the global minimum tax and the domestic minimum top-up tax in Hong Kong</a></li> </ul>
19.	Such consultations take place during the drafting of the tax legislative proposals and tax legislations for both primary tax laws and subordinate tax laws and regulations	<ul style="list-style-type: none"> <li>➤ <a href="#">Minutes for meeting between IRD and The Hong Kong Institute of Certified Public Accountants</a></li> <li>➤ <a href="#">Legislative Council of the Hong Kong Special Administrative Region - Meeting papers</a></li> <li>➤ <a href="#">A consultation paper on implementation of the global minimum tax and the domestic minimum top-up tax in Hong Kong</a></li> </ul>
20.	Such consultations take place after the enactment of tax legislation (i.e., private sector provides feedback on practical challenges in the implementation) for both primary tax laws and subordinate tax laws and regulations	<ul style="list-style-type: none"> <li>➤ <a href="#">Minutes for meeting between IRD and The Hong Kong Institute of Certified Public Accountants</a></li> </ul>
21.	The tax administration in Hong Kong SAR, China systematically publishes online future plans for major changes in the tax legislation including, for example, a multi-year strategic (or reform) plan	<ul style="list-style-type: none"> <li>➤ <a href="https://www.legco.gov.hk/yr19-20/english/fc/fc/papers/f20-08e.pdf">https://www.legco.gov.hk/yr19-20/english/fc/fc/papers/f20-08e.pdf</a></li> </ul>
22.	The future plans are published in advance of the period covered by the plans	<ul style="list-style-type: none"> <li>➤ <a href="https://www.legco.gov.hk/yr19-20/english/fc/fc/papers/f20-08e.pdf">https://www.legco.gov.hk/yr19-20/english/fc/fc/papers/f20-08e.pdf</a></li> </ul>
<b>Administrative Procedures</b>		
23.	There is a legal provision that allows corporate taxpayers to keep all tax records online	<ul style="list-style-type: none"> <li>➤ Section 8, <a href="#">Cap. 553 Electronic Transactions Ordinance</a></li> </ul>

No.	Regulatory Framework	Link
24.	There is a legal provision that allows small businesses to use simplified record keeping methods, for example single-entry bookkeeping online	➤ Section 51C, <a href="#">Cap. 112 Inland Revenue Ordinance</a>
25.	There is a legal provision that allows small businesses to use simplified tax reporting, such as reduced filing frequency, elimination of filing requirements, or simplified tax returns	➤ Section 51, <a href="#">Cap. 112 Inland Revenue Ordinance</a>
26.	The information on general tax registration is available online	➤ <a href="#">Application for Supply of Information on the Business Register</a>
27.	The legislation defines all registration fees for all taxes and social contributions that a company must report and pay	➤ <a href="#">Cap. 310 Business Registration Ordinance</a>
28.	The legislation defines the registration timeframe for all taxes and social contributions that a company must report and pay	➤ Sections 5, 5A and 5B, <a href="#">Cap. 310 Business Registration Ordinance</a>
29.	There is a fixed penalty regime for failure to comply with the requirements to notify the tax administration of changes to registration details	➤ Section 15, <a href="#">Cap. 310 Business Registration Ordinance</a>

## Public Services that Facilitate Trade

[Including services provided by government bureaux and departments, and other public organisations]

Disclaimer: There are other digital public services that aim to facilitate business and compliance in Hong Kong. Please refer to the webpages of individual bureaux / departments / public organisations for details.

### Taxation

No.	Public Services	Link
<b><i>Digital Services for Taxpayers</i></b>		
1.	A taxpayer online service portal exists	➤ <a href="https://etax23.ird.gov.hk/ird/login/jsp/LandingPage.jsp?userLang=en&amp;userCountry=US">https://etax23.ird.gov.hk/ird/login/jsp/LandingPage.jsp?userLang=en&amp;userCountry=US</a>
2.	There are no obstacles to using the portal in practice. For example, portal is not fully functional or has frequent glitches, logging in is not easy, requires extreme high speed internet access, etc.	➤ <a href="https://etax23.ird.gov.hk/ird/login/jsp/LON002.jsp">https://etax23.ird.gov.hk/ird/login/jsp/LON002.jsp</a>
3.	The portal covers all taxes reported and/or paid by companies in a single digital space	➤ <a href="#">GovHK: Services Available under eTAX</a>
4.	Taxpayers can make financial transactions (for example, pay taxes and request refunds) on the taxpayer online service portal	➤ <a href="https://etax.ird.gov.hk/ird/login/jsp/GovPage.jsp">https://etax.ird.gov.hk/ird/login/jsp/GovPage.jsp</a>
5.	Taxpayers can communicate with the tax administration via secure channels on the taxpayer online service portal	➤ <a href="https://etax.ird.gov.hk/ird/login/jsp/CNT560NonTPIntro.jsp?userLang=en&amp;userCountry=us">https://etax.ird.gov.hk/ird/login/jsp/CNT560NonTPIntro.jsp?userLang=en&amp;userCountry=us</a>
6.	Taxpayers can access historical files and communication on the taxpayer online service portal	➤ <a href="https://www.gov.hk/en/residents/taxes/etax/etax_account.htm">https://www.gov.hk/en/residents/taxes/etax/etax_account.htm</a>
7.	An electronic payment arrangement on a tax portal is available for all corporate income-based taxes	➤ <a href="http://etax13.ird.gov.hk/ird/login/jsp/GovPage.jsp">http://etax13.ird.gov.hk/ird/login/jsp/GovPage.jsp</a>

No.	Public Services	Link
8.	In practice, when a company is incorporated, separate/ additional interactions are not required to complete registration for all taxes and social contributions with all levels of administrations	➤ Section 51, <a href="#">Cap. 112 Inland Revenue Ordinance</a>
9.	There is a unified taxpayer database	➤ IRD has a unified taxpayer database covering all individuals and companies registered under the Business Registration Ordinance. Business registration of companies is available for public search ( <a href="https://www.gov.hk/en/business/registration/businesscompany/index.htm">https://www.gov.hk/en/business/registration/businesscompany/index.htm</a> ).
10.	The taxpayer database is computerized	➤ IRD has a unified taxpayer database covering all individuals and companies registered under the Business Registration Ordinance. Business registration of companies is available for public search ( <a href="https://www.gov.hk/en/business/registration/businesscompany/index.htm">https://www.gov.hk/en/business/registration/businesscompany/index.htm</a> ).
11.	The taxpayer database has full national coverage	➤ IRD has a unified taxpayer database covering all individuals and companies registered under the Business Registration Ordinance. Business registration of companies is available for public search ( <a href="https://www.gov.hk/en/business/registration/businesscompany/index.htm">https://www.gov.hk/en/business/registration/businesscompany/index.htm</a> ).
12.	The tax authority uses the unified identification number for all of a company's taxes	➤ <a href="#">IRD: Unique Business Identifier</a>
13.	In practice, after a company undergoes termination, and company deregistration is initiated, separate/additional interactions between such company and public authorities are not required to complete deregistration for all taxes and social contributions	➤ <a href="#">Frequently Asked Questions on Request for a Notice of No Objection (NNO) to a Company / Limited Partnership Fund (LPF) Being Deregistered</a>

No.	Public Services	Link
14.	In practice, information is reported by corporate taxpayers crosschecked against third-party information sources (for example, databases of other agencies, publicly available information, etc.)	➤ Section 51(4)(a), <a href="#">Cap. 112 Inland Revenue Ordinance</a>
<b>Transparency</b>		
15.	The recent annual report(s) is outlining the performance of the tax administration available online for both financial performance and the operational performance	➤ <a href="#">IRD: 2023-24 Annual Report</a>
16.	An independent external review body (e.g., a government auditor or independent entity is appointed in accordance with the economy's laws and regulations) perform periodical audits of the tax administration's financial and operational performance	➤ Section 4(5), <a href="#">Cap. 112 Inland Revenue Ordinance</a>
17.	The findings and recommendations of the external review body are available online	➤ <a href="https://www.aud.gov.hk/eng/pubpr_arpt/aud_InlRev.htm">https://www.aud.gov.hk/eng/pubpr_arpt/aud_InlRev.htm</a>
18.	Up-to-date information on the gender composition of the tax authority's senior executives is available online	➤ <a href="https://www.ird.gov.hk/dar/2023-24/table/en/hr.pdf">https://www.ird.gov.hk/dar/2023-24/table/en/hr.pdf</a>
19.	Within the past three years, the tax administration in Hong Kong conduct surveys focused on corporate taxpayers' perception of services and communication with the tax administration. For example, feedback from taxpayer on overall quality of service received from tax administration, ease of use of online services portal, call center assistance quality, features to be added on tax administration website, etc.	➤ <a href="https://www.ird.gov.hk/eng/ese/efile/survey/ctr/sur_ctc.php">https://www.ird.gov.hk/eng/ese/efile/survey/ctr/sur_ctc.php</a>
20.	There is a tax administration's code of ethics and professional conduct is available online	➤ <a href="https://www.ird.gov.hk/eng/abo/tax.htm">https://www.ird.gov.hk/eng/abo/tax.htm</a>
21.	A tax ombudsman or equivalent authority (e.g., taxpayer advocate) investigates unresolved complaints from corporate taxpayers	➤ <a href="#">The Office of Ombudsman</a>

No.	Public Services	Link
	regarding the service and treatment they receive from the tax administration	
22.	There is an anti-corruption agency responsible for investigating allegations of corrupt conduct among tax officials	➤ <a href="#">Independent Commission Against Corruption</a>
<b><i>Tax Audits and Related Disputes</i></b>		
23.	All main types of tax audit exist in Hong Kong SAR, China. For the purpose of this questionnaire, main type of tax audits includes comprehensive (multiple tax and multiple years) audits, single-issue audits, inspections of books and records, examination of Value-Added Tax refund claims (if applicable), and in-depth investigation of suspected tax frauds	➤ Sections 51(4)(a), 51A and 51B, <a href="#">Cap. 112 Inland Revenue Ordinance</a>
24.	Tax audit manuals and guidelines are available online	➤ <a href="https://www.ird.gov.hk/eng/pdf/dipn11.pdf">https://www.ird.gov.hk/eng/pdf/dipn11.pdf</a>
25.	In practice, a taxpayer can appeal a tax audit assessment to an independent complaint review mechanism within a tax administration. For example, this could be a separate unit or a designated review officer within a tax administration that acts independently from the tax administration's audit department	➤ Section 64, <a href="#">Cap. 112 Inland Revenue Ordinance</a>
26.	In practice, Board of Review provides the first avenue of appeal for a taxpayer dissatisfied with the decision of the first instance court of general jurisdiction or administrative court	➤ Section 66, <a href="#">Cap. 112 Inland Revenue Ordinance</a>