

Invest**HK**

7 November 2017

WHERE LEGAL
BUSINESS
GOES TO GROW
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HEART OF ASIA

Invest**HK**



GLOBAL SUPER CONNECTOR

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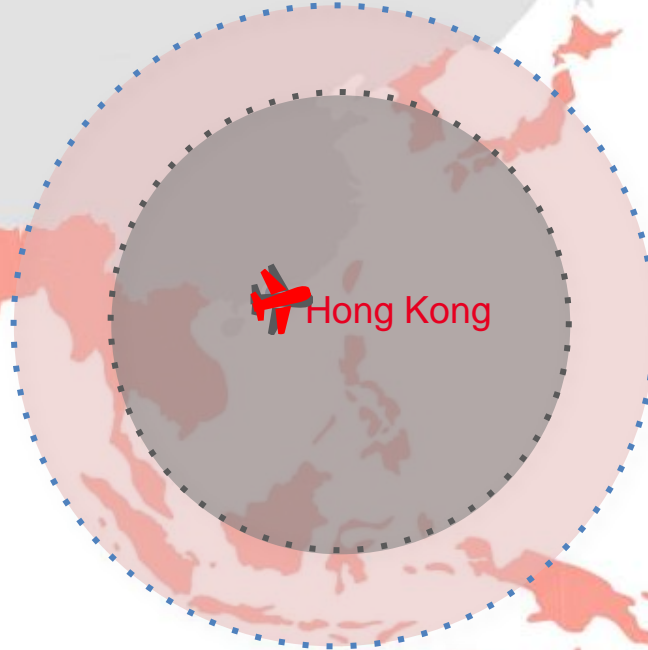
More than **100** airlines operate about **1,100** flights daily, linking the Hong Kong International Airport to **190** destinations worldwide, including **47** Mainland cities

The busiest air cargo airport in the world – **4.52 million tonnes of cargo** handled in 2016

(Airport Authority Hong Kong)



Most of Asia's key markets within four hours' flight time



From half the world's population

ONE COUNTRY TWO SYSTEMS

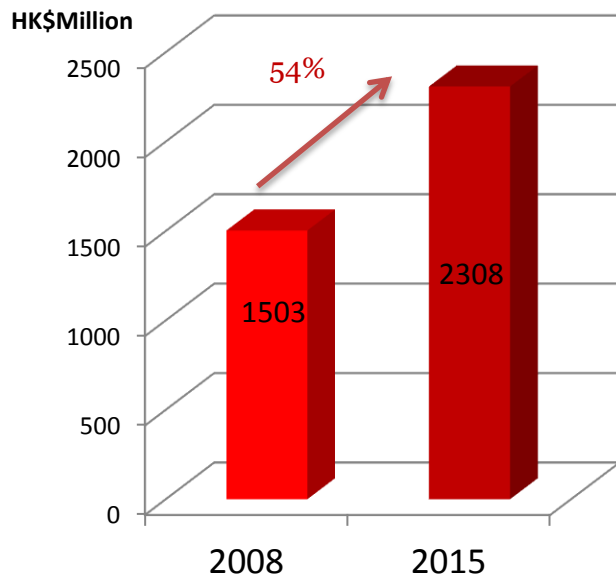
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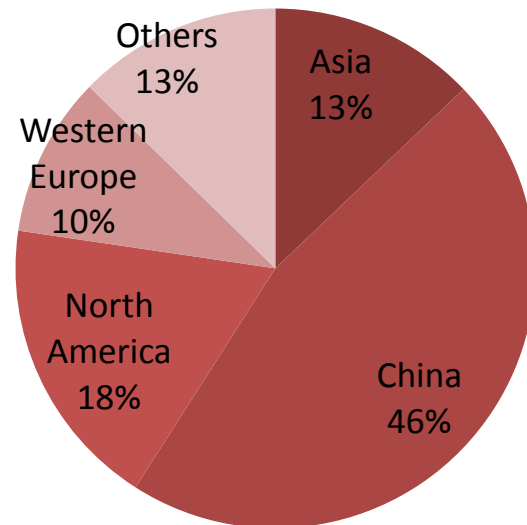
STRONG LEGAL INFRASTRUCTURE

- Low entry barriers to foreign law firms and no foreign ownership restrictions
- World-Class Legal System and Independent Judiciary
- Abundant supply of talented legal professionals
- International visibility of the presence of leading legal related institutes e.g. The establishment of HCCH, CIETAC in Hong Kong, and ICC
- Free flows of capital, information and communication
- A strong global network of treaties and international agreements, Hong Kong is signatory to over 240 multilateral internal conventions as well as having entered double taxation agreements (DTAs) with 38 jurisdictions to date
- Limited Liability Partnership (LLP) for HK law firms has become an option on 1 March 2016

Export of Legal Services from 2008 - 2015



Export of Legal Services by Destination



Source: Census and Statistics Department 2017

Setting up in HK

Procedures & Requirements:

1. Apply for Business Registration Certificate from Inland Revenue Department
2. Registration with the Law Society of Hong Kong (LSHK)
3. Professional Indemnity Insurance
4. Establishment of an office (serviced office is not accepted) in Hong Kong within 2 months after successful registration with LSHK

Options in structures:

Registered Foreign Law Firm

- ❖ Cannot practise Hong Kong law
- ❖ Can only employ Hong Kong solicitors as unqualified staff members

Registered Foreign Law Firm in Association with a Hong Kong Solicitors' Firm

- ❖ Registered Foreign Law Firm cannot practise Hong Kong law
- ❖ May register with LSHK to share fees, profits, premises, management or employees with the Associated Hong Kong Solicitors' Firm

Registered Foreign Law Firm (with or without forming an Association with a Hong Kong Solicitors' Firm) can establish Local Practice

- ❖ Partners/sole principal of the proposed Hong Kong Solicitors' Firm must be Hong Kong Solicitor
- ❖ Number of foreign lawyers cannot be more than number of Hong Kong Solicitors in the proposed Hong Kong Solicitors' Firm
- ❖ Where a Registered Foreign Law Firm is a branch of an overseas firm, the proposed Hong Kong Solicitors' Firm may use the name of the overseas firm if:
 - The Registered Foreign Law Firm has practised in Hong Kong for 3 years;
 - 1 principal of the proposed Hong Kong Solicitors' Firm is a partner of the overseas firm;
 - 1 principal of the proposed Hong Kong Solicitors' Firm had, for at least 3 years during the preceding 5 years, been a partner, consultant or employee of the Registered Foreign Law Firm or the overseas firm

QUOTES FROM OUR CLIENTS

InvestHK

KING & WOOD
MALLESONS

"The next generation of leading clients will come from this part of the world"

Stuart Fuller

*Global Managing Partner
King & Wood Mallesons*

TaylorWessing

"Hong Kong is incredibly professional. The city is an excellent platform for us to serve the region efficiently."

Jakob Riemenschneider

*Attorney-at-Law and Tax Accountant
(Germany)
Taylor Wessing*

HILL DICKINSON

"With its sophisticated and trusted legal system, at the centre of the Asian Pacific region, an expanding international firm such as ours just has to be in Hong Kong."

*Michael Mallin, Partner & Master Mariner
Hill Dickinson Hong Kong LLP*

KIM & CHANG

"Setting up the first overseas office in Hong Kong enables us to understand better the clients' business and the dynamics of the market they are in."

Alex Yang, Partner

Kim & Chang (Hong Kong)

ZhongHao Law Firm

"The Hong Kong branch offers one-stop solutions for cross-border investment and foreign financing."

*Ian Zheng, Partner
Zhong Hao Law Firm*



SOME OF InvestHK CLIENTS

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Mainland



HILL DICKINSON

AWAPATENT

Europe



USA

CLAYTON UTZ



KIM & CHANG

Australasia

Ease of Incorporation in Hong Kong

Low Cost

- No requirement on the minimum amount of a company's paid-up capital
-

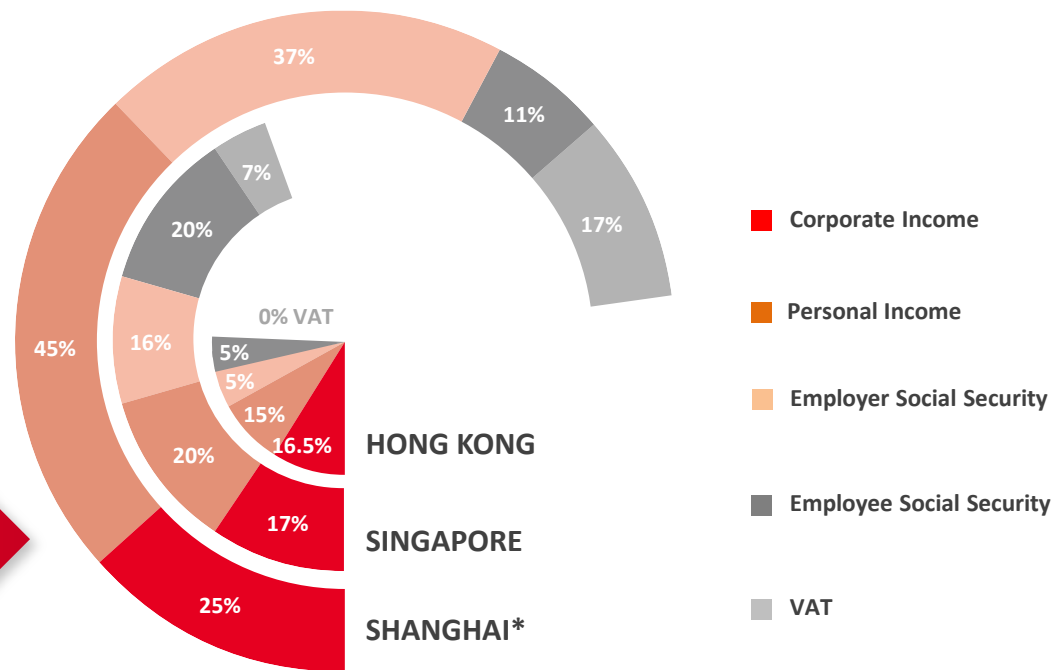
No Barrier

- Shareholders and directors can be overseas residents
 - Minimal requirement of one director, one shareholder and one company secretary (shareholder and director can be the same person)
-

Efficiency

- e-Registry fully launched to enable on-line application for company incorporation and business registration in one go
- Incorporation in one day (for e-applications) or 4 days (for paper applications)

LOW & SIMPLE TAX SYSTEM



* There is no standard rate across the Mainland China. Shanghai is used as an example.



- VAT/GST/Sales tax
- Capital Gains Tax
- Withholding tax on investments
- Estate duty
- Global taxation
- Wine duty



Hong Kong has signed Comprehensive Double Taxation Agreements (CDTAs) with 38 jurisdictions.



Negotiations with 13 jurisdictions are in progress.

(as of Sep 2017)

HONG KONG –

ASIA'S PREMIER LOCATION OF CTCS

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Profits tax concession to qualifying corporate treasury centres

Prevailing profits tax
rate for corporations

**16.5
%**



8.25%

Tax rate on qualifying profits of a
qualifying CTC derived from qualifying
corporate treasury activities

<http://www.ird.gov.hk/eng/ppr/iro.htm>
<http://www.ird.gov.hk/eng/ppr/dip.htm>

HONG KONG –

ASIA'S PREMIER LOCATION OF CTCS

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Only Financial Centre in the world...
with Real time Gross Settlement
(RTGS)



Only place in Asia...
with **NO** withholding tax (WHT) on
interest payment



0%



10%



10%



15% or 17%

GLOBAL OPERATIONS IN HONG KONG

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Markus Kramer
President, Dispersions and
Pigments Division
(Global headquarters)



John Rice
Vice Chairman
(Global operations)



Roland Krüger
President
(Global headquarters)



Darrin Webb
Chief Operating Officer,
Global Enterprise & Services



Jean-Pascal
Tricoire
Global CEO

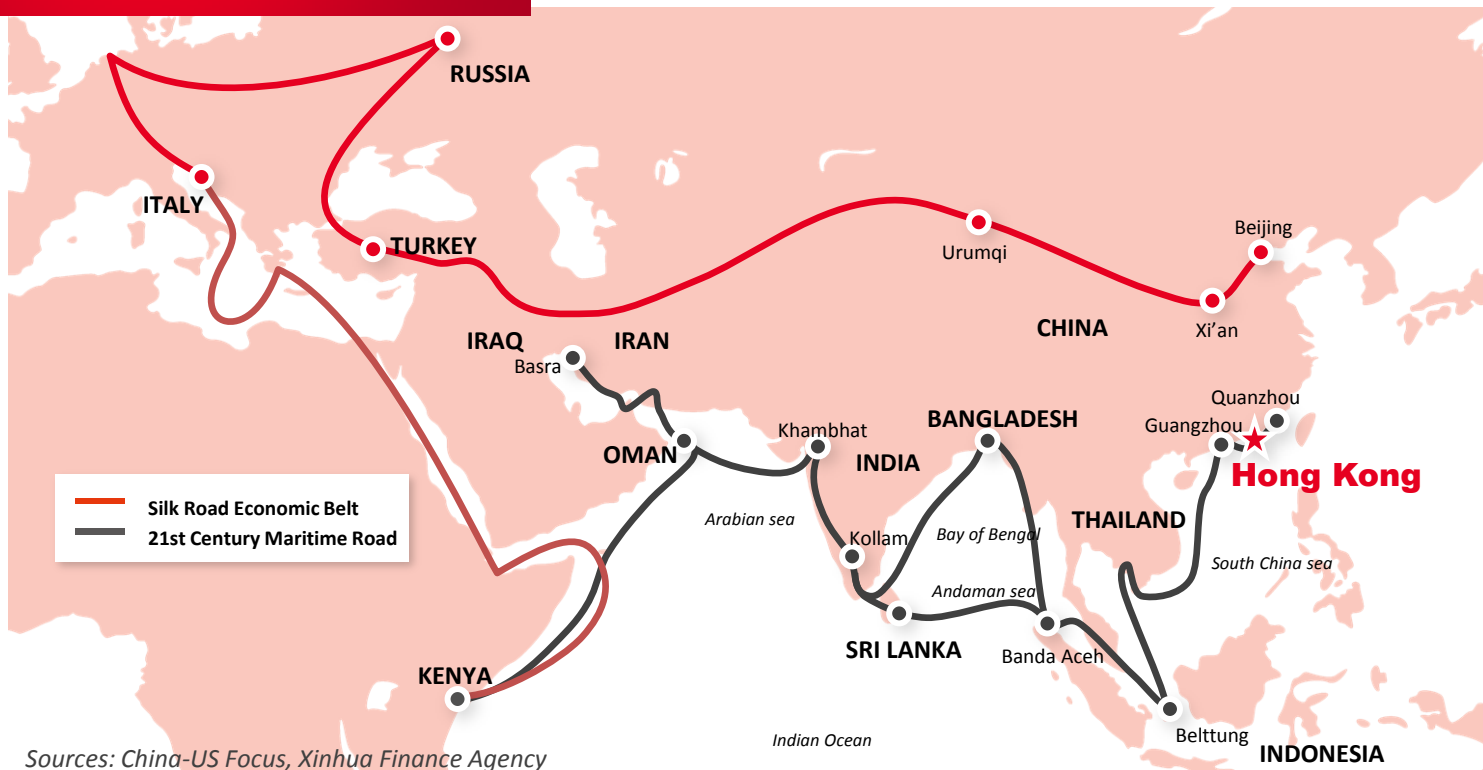
- **Tax Boost for SMEs**
 - Support SMEs by reducing profits tax to 8.25% for first \$2 million (US\$255,000) profits. Remaining profits to be taxed at current rate of 16.5%
- **R &D Incentives**
 - Encourage R&D investment with 300% tax deduction for first \$2 million R&D expenditure, and 200% deduction for remainder
- **Increasing cooperation in global market place**
 - Increase CDTAs to 50 within the next few years
 - Sign and FTA and IPPA with ASEAN in November; and sign a CEPA with Macao this year

BELT & ROAD

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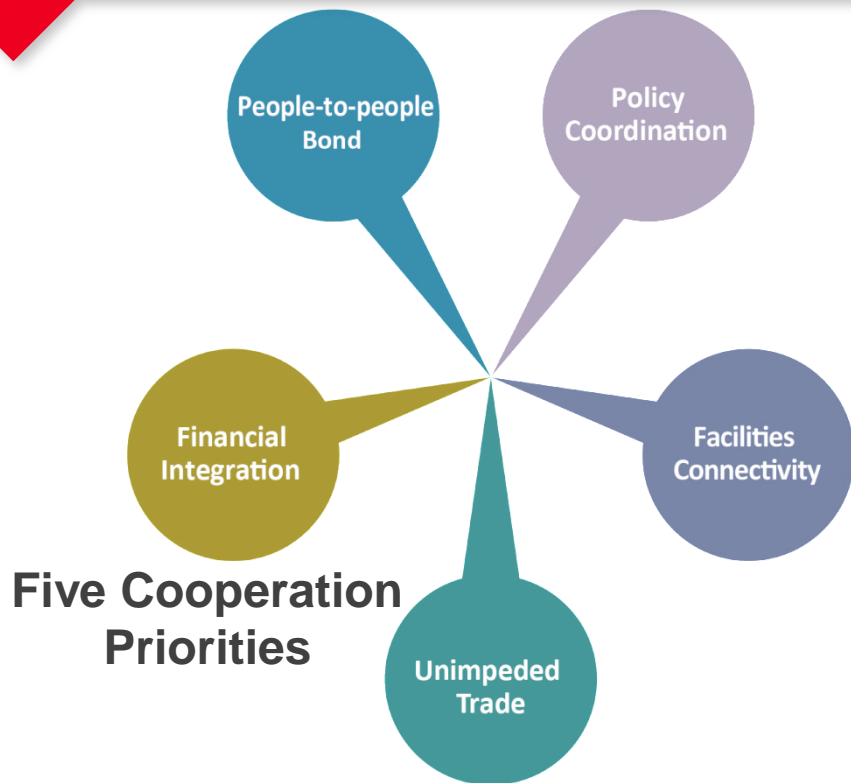
Hong Kong:

the Super-Connector between
Mainland China and the world



The Belt & Road connects China with Central Asia and Europe, covering over 60 countries:

- About **31%** of global GDP in 2016
- About **62%** of the world's population in 2016
- About **33%** of the world's total merchandise trade in 2016



BELT & ROAD HONG KONG'S ADVANTAGES

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High-end Professional Services

- HK's professionals can provide quality services in M&A financing, professional consultancy, legal, construction engineering and management, etc.

International Financial Centre

- HK is a member of the Asian Infrastructure Investment Bank (AIIB)
- Stock Connect and Bond Connect

International Logistics, Shipping and Transport Hub

- HK is one of the world's busiest and most efficient transport hub
- Provides high-end logistics services, including global supply chain management solutions

Innovation and Technology

- Advanced communications and technology facilities
- A sound legal system that protects intellectual property rights
- High quality education and research capabilities

GREATER BAY AREA

- Comprises Hong Kong, Macau and nine Guangdong cities
- To promote economic integration in the area and to develop external links in order to establish a significant position in the global economy

POPULATION

68_{mn}

>UK, Italy, South Africa

LAND AREA

56,000_{km²}

<Ireland, Latvia, Panama,
West Virginia (US)

GDP

US\$1,328_{bn}

>Indonesia, Netherlands, Turkey



KEY COLLABORATION AREAS

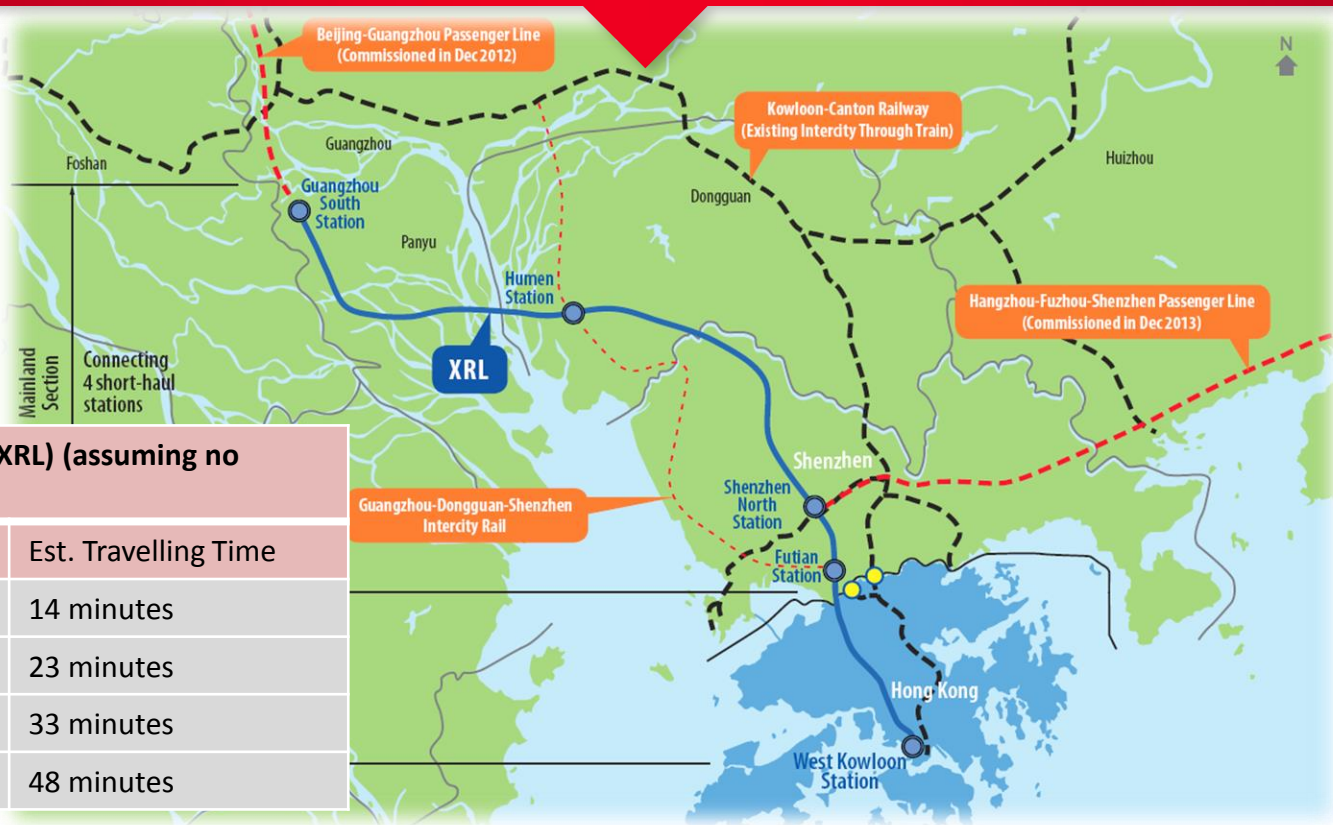
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The "Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation in the Development of the Bay Area" was signed on 1 July 2017, with the aims to:

- promoting infrastructure connectivity
- enhancing the level of market integration
- building a global technology and innovation hub
- building a system of modern industries
- cultivating new strengths in international cooperation



GUANGZHOU-SHENZHEN-HK EXPRESS RAIL LINK



Short-haul services (XRL) (assuming no intermediate stops)

Destination	Est. Travelling Time
Futian	14 minutes
Shenzhen North	23 minutes
Humen	33 minutes
Guangzhou South	48 minutes

HOW WE CAN HELP



**Networking events,
introduction to
service providers**



**Facilitation of visa
applications, schooling**



**PR and marketing
support for launch/
expansion**



**Information to aid
planning and evaluation**

GET IN TOUCH

InvestHK

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