

**Press Release**  
**LCQ13: Processing company registration applications by**  
**Companies Registry**

Wednesday, November 2, 2016

Following is a question by the Hon Kenneth Leung and a written reply by the Acting Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (November 2):

Question:

It has been reported that an organisation submitted to the Companies Registry (CR) in March this year an application for registration as a limited company, but the vetting and approval of the application have not been completed so far. In this connection, will the Government inform this Council:

(1) how the time CR generally takes at present to process an application for incorporation of a local limited company compares to that taken in the United Kingdom and Singapore for processing such kind of applications;

(2) of (i) the respective numbers of applications for registration of limited companies received, approved and rejected by CR in each of the past three years, and (ii) among those applications the vetting and approval of which have been completed, the respective numbers of applications which took one month or less and more than one month to complete; and

(3) of the factors considered by CR in vetting and approving applications for registration of limited companies; the reasons why some applications were rejected or have remained outstanding for several months, and whether CR will inform the applicants of the relevant reasons; if CR will, of the details; if not, the reasons for that?

Reply:

President,

My reply to the three parts of the question raised by the Hon Leung is set out below:

(1) and (2) The numbers of applications for incorporation of local limited companies received by the Companies Registry (CR) over the past three years are as follows:

| Year | Number of applications for incorporation of local limited companies |
|------|---|
| 2013 | 176,149   |
| 2014 | 168,478   |
| 2015 | 140,673   |

Applicants who wish to apply for incorporation of a local limited company may either deliver the required documents in hard copy form together with the fees or do so electronically through the "e-Registry" portal of the CR. Over the past three years, the percentage of incorporation applications delivered in hard copy form that could complete the registration procedures within four working days averaged at 97.4 per cent, whereas the percentage of applications delivered electronically that could complete the registration procedures within one hour averaged at 99.7 per cent.

The CR does not maintain statistics on the number of applications rejected.

According to the websites of relevant authorities in the United Kingdom and Singapore, for straight-forward incorporation applications, the United Kingdom will normally complete the processing procedures within five days for applications delivered in hard copy form and within 24 hours for applications delivered electronically. In Singapore where all incorporation applications must be delivered electronically, the average processing time is less than one day.

(3) All applications for incorporation of companies are processed pursuant to the provisions of the Companies Ordinance, Cap. 622 (the Ordinance). The CR will consider a company name according to the statutory requirements as stipulated in section 100 of the Ordinance and will examine if the particulars and statements relating to a company (such as those on the registered office address, capital and shareholdings) as contained in the incorporation form meet the requirements specified in Schedule 2 of the Ordinance. According to

section 67(2) of the Ordinance, a company may only be formed for a lawful purpose. In deciding whether a company has met the requirements relating to company formation under the Ordinance, the CR will examine the objects stated in the company's articles of association and if necessary request the applicant to provide information on the nature of business and activities to be conducted by the proposed company. In general, if there is a need to obtain further information from the applicant or if the case involves complicated legal issues, more time would be needed by the CR to process the application. The CR will maintain contact with the applicants and follow up on their applications as appropriate. In case an application is not accepted, the CR will inform the applicant of the legal basis and reasons for its refusal.

Ends