

## Client Alert

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## Commencement of Operation of the Non-Hong Kong Companies Disclosure Regulation (Cap. 622M) on 1 August 2019

For further information, please contact:

Tracy Wut  
Partner  
+852 2846 1619  
tracy.wut@bakermckenzie.com

Liza Murray  
Partner  
+852 2846 1091  
liza.murray@bakermckenzie.com

Wendy Lee  
Senior Manager  
+852 2846 1063  
wendy.lee@bakermckenzie.com

Mesa Ho  
Manager  
+852 2846 1811  
mesa.ho@bakermckenzie.com

Nancy Lee  
Manager  
+852 2846 1059  
nancy.lee@bakermckenzie.com

Jannie Mak  
Manager  
+852 2846 2345  
jannie.mak@bakermckenzie.com

### Background

The [Companies \(Amendment\) \(No. 2\) Ordinance 2018](#) ("**the Amendment Ordinance**") came into force on 1 February 2019 except for two provisions. These two provisions repeal section 792 and item 7 of Schedule 7 of the new Companies Ordinance (Cap 622) ("**the New CO**") that relate to the disclosure requirements of non-Hong Kong companies and the related offence. The Amendment Ordinance also added new provisions to the New CO to empower the Financial Secretary to make regulations to require non-Hong Kong companies to disclose prescribed information and to set out the criminal consequences of failure to make such disclosures (the new sections 805A and B of the New CO).

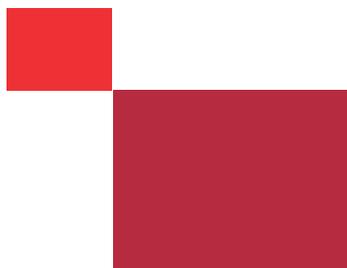
Under section 805A of the New CO, the Financial Secretary has introduced the [Non-Hong Kong Companies \(Disclosure of Company Name, Place of Incorporation and Members' Limited Liability\) Regulation](#) ("**the Regulation**"). The Regulation was published in the Gazette on 15 March 2019 and will come into operation on 1 August 2019. The [circular](#) from the Companies Registry (No. 2/2019) serves as a reminder that the Regulation will come into force soon.

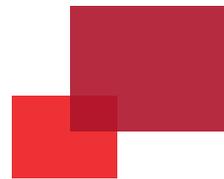
### The Regulation

The Regulation provides for, in relation to a non-Hong Kong company, the requirements on the display of company name and place of incorporation, and the disclosure of members' limited liability. The Regulation also re-enacts the existing provisions in section 792 of the New CO concerning compliance with such requirements when a non-Hong Kong company is in liquidation and aligns the disclosure obligations of non-Hong Kong companies with those of Hong Kong companies. Section 792 of the New CO will be repealed when the Regulation comes into effect.

### What does it mean to a company?

Effectively, the Regulation moves the provisions which used to be found in the New CO to a subsidiary legislation and aligns the detailed requirements with those for Hong Kong companies. Save for the changes in the table below, there are no major changes in the requirements for non-Hong Kong companies to display the company name, place of incorporation and members' limited liability.





Obligation	Existing s. 792	New Regulation	Comment
1. Disclose its name, place of incorporation and members' limited liability.	In its every "bill-head, letter paper, notice and other official publication" in Hong Kong.	In its every: "communication document" in Hong Kong, meaning a business letter, notice or other official publication of the company.  "transaction instrument" in Hong Kong, meaning: (a) a contract or deed purporting to be signed by or on behalf of the company; (b) a bill of exchange, promissory note or endorsement purporting to be signed by or on behalf of the company; (c) a cheque or order for money or goods purporting to be signed by or on behalf of the company; or (d) a consignment note, invoice, receipt or letter of credit of the company.	Obligation is expanded mainly to cover transaction instruments.
2. Display its name, place of incorporation and members' limited liability.	At "every place where it carries on business in Hong Kong".	At every "business venue", meaning: (a) an office or a place in Hong Kong where the company carries on its business and that is open to the public; or (b) the principal place of business of the company in Hong Kong.	Obligation is relaxed.

**www.bakermckenzie.com**

Suite 3401, China World Tower 2  
1 Jianguomenwai Dajie  
Beijing 100004, China  
Tel: +86 10 6535 3800  
Fax: +86 10 6505 2309

14th Floor, One Taikoo Place  
979 King's Road, Quarry Bay  
Hong Kong SAR, China  
Tel: +852 2846 1888  
Fax: +852 2845 0476

Unit 1601, Jin Mao Tower  
88 Century Avenue, Pudong  
Shanghai 200121, China  
Tel: +86 21 6105 8558  
Fax: +86 21 5047 0020

Non-Hong Kong companies are reminded to disclose their respective names, places of incorporation and members' limited liability (if applicable) in the said communication document and transaction instrument.

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