

Hong Kong: Proposed re-domiciliation regime

23 Jan 2025 • 7 minute read

Re-domiciliation

In brief

On 20 December 2024, the Hong Kong government gazetted the Companies (Amendment) (No.2) Bill 2024 ("**Bill**") which introduces Hong Kong's long awaited inward re-domiciliation regime. The Bill was introduced to the Legislative Council on 8 January 2025 and once enacted, will enable non-Hong Kong incorporated companies to relocate their domicile to Hong Kong, while maintaining their legal identity and business continuity.

Scope of the proposed re-domiciliation regime

The proposed re-domiciliation regime, which allows for inward re-domiciliation only, provides a mechanism for non-Hong Kong incorporated companies to re-domicile to Hong Kong. It applies to the following types of companies currently specified in the Companies Ordinance (CO) (or their comparable types in the original domicile):

- Private companies limited by shares
- Public companies limited by shares
- Private unlimited companies with a share capital
- Public unlimited companies with a share capital

Companies limited by guarantee without a share capital and other types of companies not specified in the CO are excluded.

Eligibility requirements

The proposed re-domiciliation regime in Hong Kong is more flexible than comparative jurisdictions such as Singapore as it: (1) does not impose an economic substance test for foreign companies to be eligible for the proposed regime (e.g., in terms of the total value of assets, amount of revenue or number of employees); and (2) is not limited to companies limited by shares.

An applicant must comply with the following requirements to re-domicile to Hong Kong:

	Key requirements	Key supporting documents / information
1.	<p>Compliance with laws of its jurisdiction of incorporation</p> <p>i. The law of the applicant's original place of incorporation must allow for outward re-domiciliation</p>	<ul style="list-style-type: none"> • Legal opinion of a legal practitioner who practises the law of the place of incorporation of the applicant ("Legal Opinion") on (i) and (ii)

	<p>to other jurisdictions and the applicant must comply with the applicable legal requirements.</p> <p>ii. The company type under the law of the original domicile must be the same or substantially the same as that of the intended company type under the CO.</p>	<ul style="list-style-type: none"> • Confirmation in the re-domiciliation form on (i) and (ii) • Director's certificate
2.	<p>Minimum period of incorporation</p> <p>The applicant must have been incorporated for at least one financial year as at the date of application.</p>	<ul style="list-style-type: none"> • Certified copy of the certificate of incorporation • Legal Opinion • Director's certificate
3.	<p>Integrity</p> <p>There must be no intention to use the re-domiciled company for unlawful purposes, or for engaging in activities that are against the public interest or would endanger national security in Hong Kong.</p>	<ul style="list-style-type: none"> • Confirmation in the re-domiciliation form
4.	<p>Solvency</p> <p>i. The applicant will be solvent (i.e., able to pay its debts within the period of 12 months beginning on the application date).</p> <p>ii. The applicant is not in liquidation or being wound up and no such proceeding is ongoing or pending.</p>	<ul style="list-style-type: none"> • Audited / non-audited financial statements as at a date no earlier than 12 months prior to the application date • Legal Opinion on (ii) • Director's certificate on (i) and (ii)
5.	<p>Protection of creditors and shareholders' consent</p> <p>i. The re-domiciliation application must be made in good faith and not be intended to defraud the company's existing creditor(s).</p> <p>ii. The shareholders must consent to the re-domiciliation either (a) as required under the law of the original domicile or the applicant's constitutional document(s); or (b) by a resolution duly passed by at least 75% of the eligible shareholders.</p>	<ul style="list-style-type: none"> • Certified copies of the constitutional documents and the resolution duly passed (where applicable). • Confirmation in the re-domiciliation form on (i) and (ii) • Legal Opinion on (ii) • Director's certificate on (i) and (ii)

Application process

The Registrar of Companies ("**Registrar**") will be responsible for administering and approving applications for re-domiciling to Hong Kong. The government has indicated that approvals will generally be granted within two weeks of receiving all required information and documents.

Upon successful application, the applicant will be registered in the Companies Register and available for public inspection. The Registrar will issue a certificate of re-domiciliation to the applicant, from which date the re-domiciliation will take effect.

The re-domiciled company will be required to provide evidence of deregistration in their original place of domicile to the Registrar within 120 days from the date of re-domiciliation. Failure to do so within the specified time may result in the registration in Hong Kong being revoked.

Effect of re-domiciliation

Legal effect

For the purposes of the laws of Hong Kong, a re-domiciled company will be regarded as a company incorporated in Hong Kong with effect from its re-domiciliation date. A re-domiciled company would have the same rights and obligations as any other Hong Kong incorporated company of its kind and be required to comply with the relevant requirements under the CO.

No new legal entity is created by the re-domiciliation (i.e., the re-domiciled company will retain its original legal identity as a body corporate and thereby its continuity as a legal entity). It will not affect the property, rights, obligations and liabilities nor contractual or legal processes (including any legal proceedings by or against the foreign company) of the re-domiciled company.

Tax implications

The proposed re-domiciliation regime will not change the general tax principle that Hong Kong profits tax is generally only chargeable on Hong Kong sourced profits arising in or derived from a business carried on in Hong Kong.

Although the Inland Revenue Ordinance will be amended to deem a re-domiciled company to be a Hong Kong incorporated company for tax purposes, the re-domiciled company will only assume Hong Kong related tax obligations if it also carries on a business in Hong Kong.

To provide greater certainty over the expected Hong Kong tax implications once a re-domiciled company begins to carry on a business in Hong Kong after the re-domiciliation, new rules will also be introduced to codify the determination of allowable deductions for trading stock, specified types of expenditures, and depreciation allowances where the acquisition took place before the re-domiciliation. To the extent that the re-domiciled companies are liable to pay foreign income or profits tax on any deemed gain or profit in its original home jurisdiction due to the re-domiciliation, tax credits will also be permitted (subject to specific conditions) to prevent double taxation when the gain or profit is subject to Hong Kong profits tax at a future disposal or transfer after the re-domiciliation.

In regard to stamp duty, since the re-domiciliation process will not involve any transfer of assets or change in the beneficial ownership of assets, it should not give rise to a charge to Hong Kong stamp duty.

Insurance companies and authorized institutions

The proposed re-domiciliation regime may be particularly attractive to authorized insurers in the insurance sector and authorized institutions (AIs) in the banking sector which were initially incorporated outside of Hong Kong for regulatory reasons.

Under the proposed regime, the Insurance Ordinance and the Banking Ordinance will be amended to the effect that a re-domiciled authorized insurer or an AI which has fulfilled its obligations of deregistration from its original domicile will be treated as if it were incorporated in Hong Kong and regulated as such.

Insurers and AIs (as well as AI holding companies and approved money brokers) planning to re-domicile to Hong Kong are required to approach their respective regulators (i.e., the Insurance Authority and the Hong Kong Monetary Authority (HKMA) respectively) in Hong Kong to obtain their non-objection (in the case of insurers) and their approval (in the case of HKMA-regulated entities) before making a re-domiciliation application.

In addition to the Insurance Ordinance and the Banking Ordinance, the Bill also provides for consequential amendments to various other financial services-related legislation such as, for example, the Securities and Futures Ordinance, the Payment Systems and Stored Value Facilities Ordinance, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance, and the Financial Institutions (Resolution) Ordinance.

Concluding remarks

Business groups looking to re-domicile to Hong Kong should plan ahead and seek professional support to fully understand the legal and tax implications to the company, the business and its directors and employees, and for a seamless transition with minimal disruption to the business operations.

We have offices globally to help you take advantage of Hong Kong's robust regulatory framework, strong financial infrastructure, simple tax regime and nexus to Greater China.

- **Corporate:** Reorganization and office relocation including compliance on transfer of assets and liabilities
- **Regulatory:** Compliance with requirements of (among others) the Insurance Authority, the HKMA, Securities and Futures Commission or the Hong Kong Listing Rules
- **Tax:** Tax planning to mitigate and avoid tax leakages arising from exiting the originating jurisdiction and entering Hong Kong upon re-domiciliation.
- **Employment:** Relocation of employees and any employment and immigration issues
- **Intellectual Property:** Registration and maintenance of IP rights; address data privacy and cross-border data transfer concerns

Contact Information

Grace Tso

Partner

Hong Kong

[Read my Bio](#)

grace.tso@bakermckenzie.com

Martin Tam

Partner

Hong Kong

[Read my Bio](#)

martin.tam@bakermckenzie.com

Carrie Lui

Special Counsel

Hong Kong

[Read my Bio](#)

carrie.lui@bakermckenzie.com

Frank Meier

Special Counsel

Hong Kong

[Read my Bio](#)

frank.meier@bakermckenzie.com

Bryan Wan

Associate

Hong Kong

[Read my Bio](#)

bryan.wan@bakermckenzie.com

Copyright © 2025 Baker & McKenzie. All rights reserved. **Ownership:** This documentation and content (Content) is a proprietary resource owned exclusively by Baker McKenzie (meaning Baker & McKenzie International and its member firms). The Content is protected under international copyright conventions. Use of this Content does not of itself create a contractual relationship, nor any attorney/client relationship, between Baker McKenzie and any person. **Non-reliance and exclusion:** All Content is for informational purposes only and may not reflect the most current legal and regulatory developments. All summaries of the laws, regulations and practice are subject to change. The Content is not offered as legal or professional advice for any specific matter. It is not intended to be a substitute for reference to (and compliance with) the detailed provisions of applicable laws, rules, regulations or forms. Legal advice should always be sought before taking any action or refraining from taking any action based on any Content. Baker McKenzie and the editors and the contributing authors do not guarantee the accuracy of the Content and expressly disclaim any and all liability to any person in respect of

the consequences of anything done or permitted to be done or omitted to be done wholly or partly in reliance upon the whole or any part of the Content. The Content may contain links to external websites and external websites may link to the Content. Baker McKenzie is not responsible for the content or operation of any such external sites and disclaims all liability, howsoever occurring, in respect of the content or operation of any such external websites. **Attorney Advertising:** This Content may qualify as "Attorney Advertising" requiring notice in some jurisdictions. To the extent that this Content may qualify as Attorney Advertising, PRIOR RESULTS DO NOT GUARANTEE A SIMILAR OUTCOME. **Reproduction:** Reproduction of reasonable portions of the Content is permitted provided that (i) such reproductions are made available free of charge and for non-commercial purposes, (ii) such reproductions are properly attributed to Baker McKenzie, (iii) the portion of the Content being reproduced is not altered or made available in a manner that modifies the Content or presents the Content being reproduced in a false light and (iv) notice is made to the disclaimers included on the Content. The permission to re-copy does not allow for incorporation of any substantial portion of the Content in any work or publication, whether in hard copy, electronic or any other form or for commercial purposes.