

## ¶1-192 Hong Kong Securities Institute (HKSI)

### Structure and Responsibilities

Hong Kong Securities Institute received initial funding from the Hong Kong Securities and Futures Commission, and has the full support of Hong Kong Exchanges and Clearing Ltd. And the financial services industry. HKSI's mission is to set professional standards for securities and investment practitioners in Hong Kong.

### Enquiry

Room 2403-08, 24/F., Wing On Centre,  
111 Connaught Road Central,  
Hong Kong.  
Tel: 3120-6100  
Fax: 2899-2611  
E-mail: [info@hksi.org](mailto:info@hksi.org)  
Website: <http://www.hksi.org>

## ¶1-193 HSI Services Limited

### Structure and Responsibilities

HSI Services Limited is a wholly-owned subsidiary of Hang Seng Bank and is responsible for compiling, publishing and managing the Hang Seng Index and a range of other stock indexes.

### Enquiry

83 Des Voeux Road Central  
Hong Kong  
Tel: 2877-0704  
Fax: 2845-8919  
Website: <http://www.hsi.com.hk>

## Inland Revenue Department (IRD)

### ¶1-200 IRD directory

#### Enquiry

Revenue Tower  
5 Gloucester Road  
Wanchai, Hong Kong  
G.P.O. Box 132, Hong Kong  
Tel: 187-8088  
Fax: 2519-9316  
E-mail: [taxinfo@ird.gov.hk](mailto:taxinfo@ird.gov.hk)

#### General Enquiries

Enquiries Service	Telephone
General Matters	187-8088
Deductions Matters	187-8011
Tax Matters for Individuals	187-8022
Tax Payments Matters	187-8033
Property Tax Matters	187-8055

#### Enquiries over the counter

Office	Address
Central Enquiry Counter	1/F, Revenue Tower 5 Gloucester Road Wanchai, Hong Kong
Kowloon Sub-office	1/F, Mongkok Government Offices 30 Luen Wan Street, Mong Kok Kowloon (adjacent to KCRC Mong Kok Railway Station)
Tsuen Wan Sub-office	1/F, Tsuen Wan Station Multi-storey Car Park Building 174-208 Castle Peak Road Tsuen Wan, N.T.

## ¶15-250 Registering a business name

### Checklist

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

- Has a meeting of directors, as evidenced by minutes of the meeting or a resolution of directors, approved an application to register a business name, and to appoint a resident agent (if applicable)?
- Has consent in writing been obtained by a person or body corporate to appointment as a resident agent (if applicable)?
- Has a notice of authorisation been prepared by the company to authorise the resident agent to accept service of any notices and of any process (if applicable)?
- Do you have on file the information necessary to complete an application for registration of a business name with the Company Registry? This information includes:
  - (a) the proposed business name or names;
  - (b) the principal place of business;
  - (c) all other addresses at which business is carried on;
  - (d) the nature of the business;
  - (e) the date of commencement of the business. The name cannot be registered more than two months prior to the commencement date;
  - (f) the full names and addresses of all persons carrying on the business. For individual applicants, their residential address and date of birth will be required (and place of birth in some jurisdictions). Corporate applicants need to provide the corporation name and registered office; and
  - (g) the existing business name if the application is for the alteration of an existing registered name.

- Prepare and lodge the prescribed form or forms with the Company Registry:
- Contact details for the Company Registry are available from the website: <http://www.info.gov.hk/cr/>.

#### Notes:

## ¶15-260 Registering a business name

Registration is required of every registrable business name under which the person, persons or corporation are carrying on business.

A company may register with its name expressed either in the English language, or the Chinese language or both languages. A company limited by shares or guarantee which expresses its name in the English language, the word "Limited" must be the last word of the name.

Every company incorporated in Hong Kong or to which Part XI of the Companies Ordinance applies is deemed to be a person carrying on business and is liable to be registered under the Business Registration Ordinance whether or not it carries on business in Hong Kong.

- Has the printing of notices been organised?
- Has the annual report been delivered to members at least 21 days before the meeting?
- Has the notice of the meeting been received by members at least 21 days before the meeting? While this period of notice cannot be reduced, a company may have a longer period of notice if provided for in its own constitution. Notice can be given by:
  - (a) handing it to the member personally;
  - (b) sending it by post to the address of the member as set out in the register of members;
  - (c) sending it to a fax number or electronic address nominated by the member; or
  - (d) using any other means that have been set out in the constitution of the company
- Has the notice been sent to:
  - (a) all members entitled to attend and vote;
  - (b) all directors;
  - (c) the company's auditor; and
  - (d) the stock exchange (listed companies only)?

Notes:

### ¶15-100 Organising an AGM pro-forma

#### Resolution to hold AGM pro-forma

Directors through a directors' meeting (see ¶16-450), initiate an AGM. At such a meeting the directors pass a resolution to hold an AGM. The resolution may be worded in the minutes of the meeting as follows:

"That the Annual General Meeting of the company be held on \_\_\_\_\_ at \_\_\_\_\_.  
The business of the meeting will be \_\_\_\_\_  
The Company Secretary will prepare and issue the notice of meeting."

¶15-100

### ¶15-150 Preparing a notice for an AGM

#### Checklist

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

- Does the notice contain the date, time and place for the meeting (see ¶15-200 for an example Notice of AGM)?
- If the notice to hold an AGM is to be sent out to members with less than the prescribed 21 days' notice of the meeting, will it satisfy the requirements for a short notice (see ¶15-250)?
- Does the notice refer to all resolutions to be put to the meeting?
- Does the notice give a fair and reasonable indication of the general nature of the business to be transacted at the meeting? For example, where proposing a resolution, the purpose of the resolution and the consequences of passing it should be detailed. If it is intended that a resolution will be proposed as a special resolution then the notice should set out the text of the proposed special resolution.

Does the notice specify the arrangements made to cater for the use of technology if the meeting is to be held in more than one place?

Has proxy information been provided to members?

Does a form of proxy accompany the notice (see ¶15-200, appointment of proxy form)?

Notes:

## ¶15-650 Ordinary resolutions

*Checklist*

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			
<p><input type="checkbox"/> Unless a contrary intention appears in the <i>Companies Ordinance</i> or the company's Memorandum and Articles of Association, motions before a general meeting of members may be adopted by a simple majority of votes provided that a quorum is present. These types of resolutions are known as ordinary resolutions.</p> <p><input type="checkbox"/> The issues resolved through ordinary resolutions are procedural matters and day-to-day issues that are not significant in the course of the company's activities.</p> <p><input type="checkbox"/> Examples of ordinary resolutions are:</p> <ul style="list-style-type: none"> <li>(a) appointment of auditor;</li> <li>(b) acceptance of reports at the AGM;</li> <li>(c) strategic, commercial resolutions;</li> <li>(d) rights attached to shares issued;</li> <li>(e) terms for issue of preference shares;</li> <li>(f) increase, consolidate and divide, subdivide and cancel shares and share capital;</li> <li>(g) increase or reduce the number of directors;</li> <li>(h) election of directors;</li> <li>(i) removal of directors;</li> <li>(j) declaration of dividends; and</li> <li>(k) capitalisation of profits.</li> </ul> <p><b>Notes:</b></p>			

## ¶15-700 Special resolutions

*Checklist*

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			
<p><input type="checkbox"/> Special resolutions are matters which are deemed by their nature to be very important to the continued operations of the company. A resolution becomes a special resolution when it is specified as such in either the <i>Companies Ordinance</i> or the company's Memorandum and Articles of Association.</p> <p><input type="checkbox"/> For a special resolution to pass there must be the agreement of at least 75% of members who are entitled to vote, and do vote at the meeting either in person or by proxy.</p> <p>Special resolutions are required for the following matters:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> To change the company's name;</li> <li><input type="checkbox"/> To change the liabilities of a company;</li> <li><input type="checkbox"/> To alter the company's Memorandum and Articles of Association;</li> <li><input type="checkbox"/> For a voluntary winding up by members;</li> <li><input type="checkbox"/> <input type="checkbox"/> For a voluntary winding up by creditors;</li> <li><input type="checkbox"/> For a winding up by the court;</li> <li><input type="checkbox"/> For the powers and duties of the liquidator;</li> <li><input type="checkbox"/> For the company's arrangement with the liquidator;</li> <li><input type="checkbox"/> To bind arrangement on the company/creditors;</li> <li><input type="checkbox"/> To remove director; and</li> <li><input type="checkbox"/> To remove auditors.</li> </ul> <p>On passing a special resolution as listed in the checklist above, the company should lodge a copy of the same with the Companies Registry.</p> <p><b>Notes:</b></p>			

## ¶20-400 Incoming secretaries

Checklist

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

- Have you given written consent to act as a secretary prior to appointment?
- Are you aware that, unless the contrary can be proved, the *Companies Ordinance* deems a company secretary to be knowingly concerned in, and party to, any failure by the company to comply with the following matters:
- maintaining a registered office;
  - if the company is a public company, keeping its registered office open and accessible to the public within the prescribed hours (not less than three hours) between 9 am and 5 pm weekdays;
  - notifying the Companies Registry within 14 days of any new appointment, change in personal details, or resignation or removal of a company director or secretary; and
  - lodging the annual return by the deadline, and ensuring that all returns and financial reports required to be lodged with the Companies Registry are prepared and filed within the required time.

Notes:

## ¶20-450 Duties of secretaries

Checklist

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

- To be present at the registered office of the company at the times during which it is required to be open to the public.
- To ensure that all registers required to be kept under the *Companies Ordinance* are properly maintained.
- To ensure that all returns required to be lodged with the Companies Registry are prepared and filed within the required time.
- To organise and attend meetings of the shareholders and directors and provide advice to the chairperson about meeting procedure if required.
- To ensure that accounting records are kept and annual accounts prepared and audited in accordance with the *Companies Ordinance*.
- To act honestly.
- To exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise.
- Do not misuse company information or their position.

Notes:

## ¶25-100 Location of shares

*Checklist*

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

- A company's shares are taken to be located at the place the register of members is kept.
- The register must be kept at:
  - (a) the company's registered office;
  - (b) a place in Hong Kong where the work involved in maintaining the register is done.
- The company must lodge with the Companies Registry a notice of the address at which the register is kept within 14 days after the register is:
  - (a) established at an office that is not the registered office of the company; or
  - (b) moved from one place to another.
- Notice is not required for moving the register between the old and new registered office.

**Notes:**

## ¶25-150 Application for shares

*Checklist*

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

The normal way for a person to become a shareholder of a company, apart from subscribing for shares on the initial registration of the company or having shares transferred from an existing shareholder, is by applying to take up a particular number of shares. This constitutes an offer which, once accepted by the company, amounts to a contract. A company normally notifies the applicant of the company's acceptance by a letter of allotment.

**Application for shares**

- An application for shares should generally contain the following details:
  - (a) full name and address of the applicant;
  - (b) number, class and type of shares applied for;
  - (c) amount paid, or taken to be paid, in respect of each share; and
  - (d) a statement that the applicant agrees to be bound by the memorandum and articles of association of the company.
- The application should be signed and dated by the applicant.
- The completed application should be accompanied by payment for the shares applied for where they are to be allotted for cash. If the consideration is for other than cash, the application should state this.

**Notes:**

**Income excluded from charge**

The following are the major types of income/benefit specifically excluded from the scope of charge of salaries tax:

- Any income that is derived by a person who renders all of the services for his employment outside Hong Kong is specifically excluded from salaries tax.
- When a person renders services in Hong Kong during visits not exceeding a total of 60 days in a tax year, he will not have liability to salaries tax on the income he received for that services.
- A person's employment income is also excluded from Hong Kong salaries tax when:
  - (a) it was derived by a person from services rendered in any territory outside Hong Kong;
  - (b) it is chargeable to tax of substantially the same nature as salaries tax in that territory; and
  - (c) the Commissioner is satisfied that the person has, by deduction or otherwise, paid the tax.
- Holiday warrant — The value of any holiday warrant or passage granted by the employer to an employee in so far as it is used for travel will be exempt from salaries tax.

**Income included as assessable income**

- Income from office or employment may include:
  - wages;
  - salaries;
  - leave pay;
  - fees;
  - commissions;
  - bonuses;
  - gratuities;
  - perquisites; and
  - allowances.
- Taxable fringe benefits
  - If an employer makes a payment to a third party which discharges an employee's personal debt, the benefiting employee is chargeable to tax on that payment.

- If an employer makes a payment to a third party for which the employer itself was solely and primarily liable, then the benefiting employee is not subject to salaries tax on the benefit, unless the benefit can be converted into cash or money's worth.

Examples are food allowances, travelling allowances, etc.

- Education benefit
  - Education benefit paid directly or indirectly by the employer in connection with the education of a child of an employee is subject to Hong Kong salaries tax.
- Housing benefits
  - If a place of residence is provided by a taxpayer's employer or an associated corporation, the "rental value" or the excess of "rental value" over the rent, if any, paid by the employee of the residence is regarded as income of the taxpayer which is chargeable to salaries tax.
  - The "rental value" is normally deemed to be 10% of the total assessable income which the taxpayer derives from that employer providing the place of residence, or if the employee elects, the rateable value.
  - If the place of residence is a hotel, hostel or boarding house, the rental value is 8% (for two rooms) or 4% (for one room) of the total assessable income.
- Share and stock option benefits
  - A taxpayer is liable to salaries tax for any gain realised by the exercise of, or by the assignment or release of, a right to acquire shares or stock in a corporation obtained by a person as the holder of an office in or an employee of that corporation and the associate of that corporation.
  - The gain realised by the exercise of a right to acquire shares or stock is the difference between the amount a person could reasonably expect to obtain from a sale of those shares or stock in the open market and the consideration actually given.
  - The IRD has issued Departmental Interpretation and Practice Notes No. 38 – Employee Share Option Benefits to provide guidelines on the assessing practice followed by the IRD in relation to benefits obtained from share option schemes by employees and office holders.

**Payments received from Occupational Retirement Schemes**

- Unrecognised scheme*: so much of any amount received as represents the employer's contributions.

## ¶30-750 Obtaining further information

*Checklist*

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

**Power to obtain Information**

- Under the Ordinance, the assessor or inspector may give notice in writing to a person requiring him within reasonable time to furnish all information in his possession and produce any documents such as deeds, plans, instruments, books, accounts, trade lists, stock lists, vouchers, bank statements, etc. for examination.
- In addition, the Assistant Commissioner may give notice in writing to a person requiring him to attend an interview for the purpose of examination.

**Right of access, search and seizure**

- When the Commissioner (or a deputy commissioner) is of the opinion that a taxpayer has understated his or her income or profits by making an incorrect return or supplying false information, the Commissioner may give notice in writing to such person requiring him to furnish a Statement of Assets and Liabilities.
- Under a search warrant granted by a magistrate, the Commissioner may enter any places where he suspects there to be books, records, accounts or documents which could afford evidence in assessing the tax liability of a defaulting person. The Commissioner is also empowered to search for and to examine the evidence.
- Under a search warrant granted by a magistrate, the Commissioner may take possession of books, records, accounts or documents which are found during a search and which afford evidence of a defaulting person's tax liability.

Notes:

## ¶30-800 Legal professional privilege

*Checklist*

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

**Legal professional privilege**

- Legal professional privilege and government statutory secrecy are the only forms of privilege which constitute acceptable excuses for the non-disclosure of information.
- Counsel and solicitors are not required to disclose privileged information or communications which they have acquired in their professional legal capacity.
- When the Commissioner requires a government officer to furnish information to the IRD, that officer is not obliged to disclose particulars which he or she is expressly obliged by statute to keep secret.

**Access to accountants' working papers**

- Although the doctrine of legal professional privilege does not apply to communications between accountants and their clients, IRD inspectors will not seek access to working papers prepared by an accountant solely for the purpose of expressing an accountant's opinion or a tax matter.
- Other documents prepared solely for the purpose of advising on tax-related matters will only be sought in "exceptional circumstances" and with the written approval of the relevant Deputy Commissioner.
- IRD inspectors will continue to seek full access to all documents which record a transaction or arrangement entered into by taxpayers.

Notes:

## ¶40-600 Retirement benefits for employees

Checklist

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

- As from December 2000, employers are required to arrange for employees to be covered by a Mandatory Provident Fund scheme and make mandatory contributions to the scheme for the employees' benefit under the *Mandatory Provident Fund Scheme Ordinance*.
- For further details, please refer to the Mandatory Provident Fund chapter of this Guide.

**Notes:**

## ¶40-650 Reporting employee status to Inland Revenue Department

Checklist

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

- For taxation purpose, employers have the responsibility to report the employee status to Inland Revenue Department.
- For new employment, Form 56E should be used to report within three months from the commencing date.
- For the employees taxable income reporting, Form 56B should be used to report by the end of April of each fiscal year.
- For termination cases, Form 56F should be used to report within one month after the employment termination date.
- For employees who is leaving Hong Kong, Form 56G should be used to report before the employees departing Hong Kong.

**Notes:**

is eligible for a pro rata end of year payment. Any probation period, subject to a maximum of three months, is excluded from the calculation of the qualifying service for pro rata end of year payment.

**Notes:**

### ¶45-550 Severance payment

#### *Checklist*

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

- An employee is eligible for severance payment if he has been employed under a continuous contract for not less than 24 months and is dismissed by reason of redundancy or is laid off.
- An employee is taken to be dismissed by reason of redundancy if the dismissal is due to the fact that:
  - (i) the employer closes or intends to close his business;
  - (ii) the employer has ceased, or intends to cease, the business in the place where the employee was employed; or
  - (iii) the requirement of the business for employees to carry out work of a particular kind, or for the employee to carry out work of a particular kind in the place where the employee was employed, ceases or diminishes or is expected to cease or diminish.
- An employee is taken to be laid off if he is not provided with work and not paid for more than half of the total number of normal working days in any four consecutive weeks; or he is not provided with work and not paid for more than one-third of the total number of working days in any 26 consecutive weeks. The days of lock-out, rest days, annual leave and statutory holidays should not be counted as normal working days during the above periods.
- For monthly paid employee, calculation of severance payment =  
 $(\text{monthly wages} \times 2/3) \times \text{reckonable years of service}$

Service of an incomplete year should be calculated on a pro rata basis.

\* the sum should not exceed 2/3 of \$22,500. An employee may elect to use his last month's wages or his average wages in the last 12 months for the calculation of severance payment.

## ¶55-050 MPF Implementation Schedule

*Checklist*

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

The MPF Implementation Schedule is listed below:

Date	Item
1999	
August — December	Schemes registration Approving trustees and investment products
End of 1999	Completing registration and approval for service providers
2000	
3 January — 3 May	Processing exemption application for existing ORSO Schemes
3 January — 30 November	MPF Schemes available on the market Employers arranging for employees to join the Schemes
December 1	Target implementation date for contributions

Notes:

## ¶55-100 Three types of scheme

*Checklist*

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

There are three types of Mandatory Provident Fund Scheme:

## (a) Employer Sponsored Scheme

This type of scheme has its own individual trustee, administrator and investment manager, and is set up solely for employees from one company. This is suitable for companies with a large number of employees and substantial annual contributions due to higher cost.

## (b) Master Trust Scheme

It is an arrangement wherein two or more separate MPF schemes share cost and administration. All MPF schemes have a common set of trustee, administrator and investment manager and scheme investment will be pooled. This is a cost effective option for small to medium sized companies.

## (c) Industry Scheme

This is suitable for certain industries characterised by daily pay system or high job mobility, such as construction or catering sectors.

Notes:

## ¶65-050 Which type of registration?

*Checklist*

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

- There is a degree of overlap between different categories of intellectual property. Often a choice will have to be made on which is the most appropriate form of protection.

**Patents**

- Generally any new or improved process, machine, product, manufacturing method or synthetic compound is patentable.
- Standard patent protection lasts for a maximum of 20 years and short-term patents protection lasts for four years.
- A standard patent application is normally examined between one and two years after you file a complete application. Patents are normally registered between two and three years after the filing of a complete application.
- Artistic creations, discoveries, scientific theory or mathematical method; a scheme, a rule or method for performing a mental act, playing a game or doing business; or a program for a computer and the presentation of information or ideas cannot be patented. If an artistic element is to be protected, copyrights, trade marks or designs must be used.
- To be patentable, an invention must be new, inventive and useful.
- A filing fee and an advertisement fee have to be paid. No application fee will be charged.

**Trade marks**

- A trade mark can include the name, logo, packaging or label of a product.
- Registration will be valid for an initial period of seven years and can be renewed for 14-year periods.

- It should be noted that the earliest date a certificate of registration can be issued is 18 months to two years after an application is filed.
- Trade marks may be removed through disuse for a continuous period of five years or more or if they become generic descriptions of products. Thus, if you do not intend to commercially exploit your sign, trade mark protection is not appropriate.
- Where a design is for the shape or appearance of goods or containers of goods, it is possibly registrable as a trade mark, as signs that can be registered include aspects of packaging, shapes and colours.
- To register a trade mark for a single class of goods there is a \$1,400 application fee. In addition there will normally be attorney fees.

**Business names**

- Registration of a business name (see ¶13-300) serves mainly to identify the holders of the business name and is compulsory if you are trading under a name other than your registered company name.
- Many people are under the misapprehension that business name registration confers proprietary rights in the name on the holder. This is not so. Trade mark registration is necessary to confer proprietary rights in a name.

**Designs**

- Registered designs are concerned with the protection of the artistic elements of manufactured products. For example, a particular shape or style of chair.
- A design does not include a method or principle of construction. A method of construction should be protected by patent.
- Registration lasts up to a maximum of 25 years.
- Registration normally occurs within a year of lodging the application.
- A design must be new or original to be registrable.

**Copyright**

- There is no registration procedure for copyright. Original works are afforded protection without the need for formal registration.
- Copyright protection normally lasts for the life of the author plus 50 years, or 50 years after publication or the event giving rise to the copyright material. Copyright in a typographical arrangement of a published edition lasts for 25 years from first publication of the edition.

**Notes:**

## ¶65-360 Registering a design

## Owner of design

Only the owner of a design is entitled to make an application for registration. The general rule is that the author of an unregistered design is its owner. However the author may not be the owner if the:

- design was created in the course of employment;
- design was created under a commission; or
- ownership of the design passed to another person through assignment.

An owner may be a body corporate as well as an individual. The Designs Office will not, however, recognise a non-corporate body as the owner of a design.

## ¶65-400 Renewal of registration

*Checklist*

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			
<input type="checkbox"/> Have you advised IP Hong Kong if: <ol style="list-style-type: none"> <li>(a) the owner of the patent, trade mark or design changes name or address;</li> <li>(b) the ownership of the patent, trade mark or design changes;</li> <li>(c) you license your rights to someone else; or</li> <li>(d) there has been any other amendment or change in the details of your registration?</li> </ol>			
<b>Patents</b>			
<input type="checkbox"/> The term of a short-term patent is four years, but protection can be extended to a maximum of eight years.			
<input type="checkbox"/> Have you paid the required fee with the application for an extension of term?			
<input type="checkbox"/> For a standard patent, have you paid any maintenance fees required? These are payable every year from the third anniversary of the filing date.			
<b>Trade marks</b>			
<input type="checkbox"/> The initial registration for a trade mark is for a period of ten years from the date the application was filed.			
<input type="checkbox"/> Registration can be renewed the requisite period of time before the expiry date.			
<input type="checkbox"/> Once the renewal fee is paid, the Registrar will renew the trade mark for a further seven years.			
<b>Designs</b>			
<input type="checkbox"/> The initial registration for a design is for a period of 5 years from the date of lodgment.			

		IAS Equivalent (& SIC)
SSAP 10	(Revised 2001) Accounting for Investments in Associates	28 (1989) & SIC-3 & SIC-20
SSAP 11	(Reviewed 1986) Foreign Currency Translation – will be superseded by SSAP 11 (Revised 2001) Foreign Currency Translation	21 (Revised)
SSAP 12	(Issued 1987) Accounting for Deferred Tax	12 (1981)
SSAP 13	(Revised 2000) Accounting for Investment Properties	40 (2000)
SSAP 14	(Revised 2000) Leases	17 (Revised) & SIC-15
SSAP 15	(Issued 1992) Cash Flow Statements – will be superseded by SSAP 15 (Revised 2001) Cash Flow Statements	7 (Revised)
SSAP 16	(Superseded) by SSAP 29	—
SSAP 17	(Revised 2001) Property, Plant and Equipment	16 (Revised) & SIC-14 & SIC-23
SSAP 18	(Issued 1995) Revenue	18 (Revised)
SSAP 19	(Issued 1996) Borrowing Costs	23 (Revised)
SSAP 20	(Issued 1997) Related Party Disclosures	24 (1986)
SSAP 21	(Revised 2001) Accounting for Interests in Joint Ventures	31 (1992) & SIC-13
SSAP 22	(Issued 1998) Inventories	2 (Revised)
SSAP 23	(Issued 1998) Construction Contracts	11 (Revised)
SSAP 24	(Issued 1999) Accounting for Investments in Securities	32 (1995) * & 39 (1999)*
SSAP 25	(Revised 2001) Interim Financial Reporting	34 (1998)
SSAP 26	(Revised 2001) Segment Reporting	14 (Revised)
SSAP 27	(Revised 2001) Accounting for Group Reconstructions	—

		IAS Equivalent (& SIC)
SSAP 28	(Issued 2001) Provisions, Contingent Liabilities and Contingent Assets	37 (1998)
SSAP 29	(Issued 2001) Intangible Assets	38 (1998)
SSAP 30	(Issued 2001) Business Combinations	22 (Revised)
SSAP 31	(Issued 2001) Impairment of Assets	36 (1998)
SSAP 32	(Issued 2001) Consolidated Financial Statements and Accounting for Investments in Subsidiaries	27 & SIC-12
SSAP 33	(Issued 2001) Discontinuing Operations	35 (1998)
SSAP 34	(Issued 2001) Employee Benefits	19 (Revised 1998)
SSAP 35	(Issued 2002) Accounting for Government Grants and Disclosure of Government Assistance	20 (1994)

## Notes:

\*IAS 32 (1995), "Financial Instruments: Disclosures and Presentation", and IAS 39 (1999), "Financial Instruments: Recognition and Measurement", are more extensive in scope than SSAP 24. Compliance with SSAP 24 does not ensure full compliance with IAS 32 and IAS 39.

## ED/SSAP as at 31 March 2002

ED/SSAP		IAS Equivalent
12	Income Taxes	12
32	Financial Instruments: Disclosure and Presentation	32 (1995)
39	Financial Instruments: Recognition and Measurement*/ Financial Instruments: Recognition and Measurement, Implementation Guidance	39 (1999) & Implementation Guidance
41	Agriculture	41 (2001)

## ¶75-050 Financial records

*Checklist*

CLIENT	PREPARED (initials and date)	REVIEWED (initials and date)	FILING INSTRUCTIONS
SUBJECT			

**What records must be kept?**

- Every company is required under sec 121 to keep proper books of account with respect to:
- all sums of money received and expended and the matters in respect of which the receipt and expenditure takes place;
  - all sales and purchase of goods; and
  - the assets and liabilities.
- All Hong Kong incorporated companies should prepare proper accounting records which should include the following:
- a double-entry general ledger;
  - proper sub-ledgers such as accounts receivable and accounts payable sub-ledgers which agree with the control accounts in the general ledger;
  - a balance sheet as of company year end date which shows the financial position of the company; and
  - a profit and loss account for the period ending on the balance sheet date which shows all the revenues and expenses of the company for that period.
- The IRD's guide to keeping business records gives examples of the types of business records that should be kept (in the English or Chinese language):

*Sales*

- receipt book;
- invoiced issued;
- credit note for returned goods; and
- daily record of money received.

*Purchases/expenses*

- receipts obtained;
- cheque butts;
- invoices received;
- daily expenses records; and
- petty cash book.

*Bank account*

- deposit slips;
- cheque butts; and
- monthly statements.

*Assets*

- contract of purchase and sale;
- invoices and receipts of related expenses (commission, legal fees, stamp duty); and
- costs of improvements.

*Cash received and expended*

- daily records.

*At year end*

- statement of closing trading stock (quantity and values); and
- list of debtors and creditors.

**Where must the records be kept?**

- The records must be kept at the company's registered office.
- The directors can determine where the records are to be kept, if they are not held at the registered office.
- If the books of account are kept at a place outside Hong Kong, returns which are sufficient to disclose the financial position of the company with reasonable accuracy must be sent and kept at a place in Hong Kong at intervals of not more than six months. They must also be sufficient to enable the company's accounts to be prepared.