



MARRIOTTS LEGAL SERVICES LIMITED
萬豪法律顧問有限公司

MARRIOTTS LEGAL SERVICES LIMITED

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Marriotts Legal Services Ltd is a one-stop-shop offering corporate services and assistance to clients wishing to set up companies in Hong Kong and the P.R.C.:

- Exploring global business opportunities with a focus on assisting clients in setting up companies in Hong Kong and P.R.C. taking into account of the specific business nature in contemplation.
- Having global connections with potential clients and investors in the Asia Pacific Region, many parts of Europe and the United States and lining them up in business projects which clients are interested in.
- Providing ancillary corporate services for clients such as:
 - strategy planning and consulting
 - market research and analysis
 - drafting business proposals
 - setting up companies in Hong Kong
 - setting up representative offices, joint venture companies or wholly foreign-owned enterprises in the P.R.C.
 - providing company secretarial assistance to companies incorporated in Hong Kong and outsourcing services for clients
 - drafting various types of commercial agreements for clients
 - translation services
 - design and prepare marketing literature and website
 - any other corporate services upon clients' requests

Corporate Values:

- Clients-oriented
- Professionalism
- Organize name changes
- Offer deregistration and voluntary winding-up services



Why us? Establishing a company is always the first step towards conducting a new business, and as well as other things in life the first step is always the most important. After the incorporation, we can provide on-going support on administrative and compliance services, which allows you to focus on your core-business while leaving all troublesome but necessary work done by us. Many of them involve technical compliance issue and in specialized in doing that, we have minimize our time and cost and shift our savings towards our clients.

How can we help you?

- We offer a comprehensive company secretarial services, such as:
 - Drafting and amending Memorandums and Articles of Association
 - Attending and preparing minutes for company's meeting
 - Assisting in opening bank accounts
 - Altering and filing changes of directors and shareholders
 - Organizing name changes
 - Offering deregistration and voluntary winding-up services

- We offer limited company incorporation services in the following jurisdiction:
 - Hong Kong
 - British Virgin Islands
 - China
 - Mauritiusand many others please enquire.



Company Secretarial Services

- **Drafting and amending Memorandum and Articles of Association**

We offer reviewing and drafting amendment to the company's Memorandum and Articles of Association, which in many case are required if company is restructuring, issuing new shares or reorganizing its shareholders structure.

- **We can attend and prepare minutes for company's meeting**

We can arrange our staff to attend company's annual, general or extra-ordinary shareholders and directors meeting and subsequently preparing minutes for the same.

- **Preparing annual return**

The Hong Kong Company Ordinance requires all limited companies to file its annual return within 42 days after the anniversary date of incorporation. We can preparing such return for companies on an annual basis.

- **Altering and filing changes of directors and shareholders**

- **Changes of directors:**

We can assist in the preparation and amendment of changes made to the directors of a company include updating the register of directors and filing such changes with the Company Registry.

- **Changes of shareholders:**

We can assist in the increase or decrease of share capital and allotment and transfer of shares, including completing the necessary documentation and filing the same with the Company Registry.



- **Organize name changes**

Upon completing a name search for the availability of the proposed new name of client, we shall prepare all documentation required to complete the name changes and file the same to the Company Registry.

- **Assist in opening bank account:**

Banking industry in Hong Kong is flourishing and hundreds of major banks around the globe have branches or representative offices here. We can assist client to open bank account either in Hong Kong by introducing client to major bankers and preparation of other necessary documents required.

- **Offer deregistration and winding-up services:**

We provide consultation and provision of deregistration and voluntary winding-up of a Hong Kong limited company.

- Deregistration: A private company can apply to the Company Registrar for deregistration under the Company Ordinance if:

- 1) Unanimous approval is obtained from shareholders,
- 2) The company has either never commenced business or has ceased operation for more than 3 months, and
- 3) No outstanding liability is owed by the company.

Deregistration is a simple method of terminating a limited company. However, within 20 years after the deregistration, any person can make an application to the court to have the company resituated. If a company is resituated, it would be restored to a position as if the company has never been deregistered.



- Voluntary Liquidation: A limited company can also be wound up voluntarily by its members or creditors.

1) Member's voluntary winding-up: if the directors of a company are in the opinion that the company will be able to pay its debts fully within a maximum of 12 months and they have made a full enquiry into the affairs of the company, then can then together issue a certificate of solvency. Afterwards they can resolve the company to wind up voluntarily.

2) Creditors voluntary winding-up: If the company has resolved to wind up voluntarily but unable to satisfy a member's voluntary winding up, a creditor's voluntary winding-up shall be commenced instead.



Background Information

- **Location**

Hong Kong's location is one of its many advantages. Situated at the south-eastern tip of China, the city is ideally positioned at the heart of East Asia.

Local companies have established extensive networks of contacts throughout the region and beyond. The city is also the ideal place for international enterprises to set up regional headquarters to manage businesses in China.

Hong Kong's position also means that it is daytime here when it is nighttime in North America and early in the morning in Europe. This means that companies with offices in both places can actually work twenty-four hours on certain types of projects. This can bring important benefits for companies in information technology and financial services.

- **International Corporate Base**

In 2002, there were 948 regional headquarters of overseas companies in Hong Kong. The United States had the largest number of regional headquarters in Hong Kong (233), followed by Japan (159) and China (96). In addition, there were 2,171 regional offices set up by overseas companies in Hong Kong.

- **Small Government**

Hong Kong has a small and efficient government. Corporate and personal taxes are quite low, and simple to calculate. The Hong Kong government is well known for its efficiency, transparency and fairness. The government is ready to lend a helping hand to business people and companies, but rarely interferes in the marketplace. For the ninth consecutive year, Hong Kong has been rated by the Heritage Foundation of the US as the world's freest economy.



- **Relations with China**

The signing of the Closer Economic Partnership Arrangement (CEPA) is the first free-trade agreement for both the Mainland and Hong Kong. The agreement not only further facilitates economic links between the two sides, it creates tremendous potential for Hong Kong to become centre for higher value added services, making the city the perfect gateway for multinational companies to enter the huge Mainland market of 1.2 billion people.

- **Taxes in Hong Kong**

Hong Kong maintains a low, simple and predictable tax regime. Profits Tax is levied on individuals, corporations, bodies of persons and partnerships, in respect of assessable profits arising in or derived from Hong Kong. Hong Kong adopts a territorial source principle. Only income which has a source in Hong Kong is taxable in Hong Kong. Salaries Tax is charged on all income arising in or derived from Hong Kong from any office, employment or pension. Property owners who receive rental income are chargeable to Property Tax. There is no tax in Hong Kong on capital gains, dividends or interest.

- **Profits Tax Reductions**

In general, all business expenses incurred in the production of assessable profits are fully deductible. Generous allowances or deductions are given to investment in plant and machinery, buildings and structures, and capital expenditure on research and development, refurbishment and etc.

- **Hong Kong's tax system is simple and predictable**

- Corporate profits tax rate is 17.5%
- Personal tax is also among the lowest in the world at about 16%.
- Only income and profits derived directly from Hong Kong are subject to tax.
- There is no tax on capital gains, dividends or interest.
- Generous capital allowance and depreciation regulations.
- Hong Kong has no sales tax or Value Added Tax.
- Tax relief is granted to those taxes paid in a country which has signed double tax agreements with Hong Kong.



- **Formation of Companies**

Formation of companies in Hong Kong is simple and quick.

- For unlimited company, a company can be formed by any person within one day.
- As for the formation of limited company, a minimum of one director and one shareholder is needed. One of them must be a natural person. The capital can be set as little as \$1. Any person or any corporation from any country can act as the director or the shareholder. Normally, it takes about two weeks to form a limited company in Hong Kong.

- **Instant availability of Hong Kong and offshore companies**

We can offer you shelf companies for Hong Kong and a range of offshore countries, i.e. companies that are already formed with a name and do not have any operational history.

- If a new company name is desired, we will help you to change the name with the Registrar of the respective jurisdictions.
- Every company comes complete with a high quality company kit, which is comprised of the Certificate of Incorporation, Memorandum of Association, Articles of Association, Company Register, Share Certificates, and Corporate Seal.
- Please choose the shelf companies names for Hong Kong and some certain offshore companies, by order of preference, from the [shelf list](#) or contact us for shelf companies of other jurisdictions



Achievements

- **Real Estate**

There are over 5,000 foreign funded real estate companies, including China-foreign joint ventures (JVs) or cooperative enterprises, and over 1,000 wholly foreign-owned companies currently operating in China. Hong Kong is the top investor, accounting for over 75% of total foreign investment. The housing industry has become a powerful engine behind the rapid economic development in China and contributed about 1.5 percentage points to 1999's 7.1 percent economic growth. From 1999's till now, the housing and real estate industry has been growing even faster as China's economic has been strong and growing rapidly in the last five to six years.

Marriotts has been involving in real estate industry in Hong Kong and China. Projects that we have been doing include luxury service apartments and hotels, we are co-operating with top class architects and interior designers.

A team of Chinese professionals resident in China and are able to work in both China and Overseas. All these Chinese professionals are multi-languages speakers. Our team is used to provide professional and practical advice with their experience, skills and relationships with business and political parties.

- **Financial Sectors**

Hong Kong is an international financial centre with an integrated network of financial institutions and markets. The Government's policy is to maintain and develop a sound legal, regulatory, infrastructural and administrative framework with the aims of providing an efficient market for all market participants, maintaining the stability of the financial and monetary systems and enabling Hong Kong to compete effectively with other major financial centers.



Hong Kong's financial markets are characterised by a high degree of liquidity. They operate under effective and transparent regulations with international standards. A highly-educated workforce and ease of entry for professional staff from overseas further contribute to the development of the financial markets.

Marriotts has been dealing with many different kinds of bank and financial instruments with their clients. With an integrated network of financial institutions and markets in Hong Kong and experienced staff who has been working in banking and finance industry for more than 10 years, Marriotts is capable to meet your needs which relates to banking and finance matters.

Besides real estate and finance industries, Marriotts has also been involved in:

- Automobile
- Art works
- Hotels
- Oil
- Raw materials and many more business fields

Marriotts would welcome all different kinds of business as we have broad network worldwide and certainly will meet your needs and assist you to achieve your goal.



China Services

Overview on China

China is one of the oldest Civilisations, with thousands of years of History, Literature and Culture, it has the fastest growing economy and the world's third largest market (GDP in 2001 is about 7.3%). Foreign investment in China is highly regulated.

We can assist you with the establishment of a Joint Venture ("JV"), and Wholly Foreign Owned Enterprise ("WFOE"). We will examine your proposed business activities in China and advise you of the options available to you under Chinese investment regulations and WTO market commitments made by China. Other than financial institutions, a foreign company cannot set up a branch in China.

There are two types of Joint ventures in China.

- **Equity Joint Ventures**

Equity Joint Venture is the older type, which provides less flexibility. An Equity Joint Venture always takes the form of a limited liability company. This shields the personal property and wealth of the responsible individuals from corporate loss.

The allocation of profits is the most significant difference between Equity Joint Ventures and Cooperative Joint Ventures. In Equity Joint Ventures, the ratio of capital contributions made by the partners determines how profits are allocated. If one party contributes 40% of the total capital investment, they will receive 40% of the total profits.



- **Cooperative Joint Equity Joint Ventures**

Cooperative Joint Ventures offer more flexibility. They can be organized either as a limited liability company or as a non-legal person, in which the partners are subject to unlimited liability and thus entirely liable for any losses the joint venture may incur. Most Cooperative Joint Ventures are established as limited liability companies.

Unlike Equity Joint Ventures, Cooperative Joint Ventures allow for profits to be allocated according to the partners' discretion. One party may recover its investment through an accelerated repayment structure, and the other party may become the owner of the joint venture's assets after termination of the joint venture.

The legal system in China and the business climate are changing in favour of Wholly Foreign Owned Enterprises and the restructuring of joint ventures. Joint ventures can be restructured into WFOEs. In another scenario, the Chinese side may be transformed into a "silent partner" without significant decision-making powers by reducing their equity stake. To change the equity structure, the foreign investor may contribute additional capital without the Chinese partner increasing their original investment.



China Services

- **Wholly Foreign Owned Enterprise**

- **Characteristics**

Pros

- Separate legal entity in China.
- Can carry out all business activities (subject to the business scope stated in the business license).
- Can negotiate for tax incentive with local government.
- Can hire local staff.

Cons

- Application process is more complex and each step may have profound impact in future development of the company business scope, financing, tax rates, director board management etc.
- Capital injection is required for specific industry and different territory in China (such as free trade zones and export processing zones). The minimum capital is around US\$140,000.
- Even though WFOE is limited liability in nature, a legal representative needs to be appointed and take up unlimited liability of the WFOE.



Procedures for the approval of Wholly Foreign Owned Enterprise Services

- **Wholly Foreign Owned Enterprise**

A. Obtaining of Name Approval Notice

- 1) Draft the name and back up name of the company based on the requirement of The Beijing Administration for Industry and Commerce (BAIC).
- 2) Check the name on the website of BAIC.
- 3) To ask the possibility of acceptance at counters of BAIC.
- 4) Fill the form of name requisition and submit to BAIC.
- 5) BAIC verifies the name and submit to the backstage office to re-examine the name.
- 6) The name is approved when the re-examination passed. Otherwise, the application will be returned to the applicant with explanation.

B. Submission to Foreign Trade and Economic Cooperation Committee (FTEC)

After the name is approved, the following documents are required to be submitted for examination and approval: -

- a) Application forms;
- b) Project Suggestion Letter;
- c) Feasibility Analysis Report;
- d) Certificate for opening up corporation;
- e) Copy of Capital Credit Certificate;
- f) Copy of Approval Notice of Foreign Corporation's Name
- g) List of board of directors;
- h) Appointment Letter for the directors;
- i) Copy of all director's Identification Certificate;
- j) Appointment Letter of the president; and
- k) Memorandum and Articles of Association;



C. Obtaining Organisation Code

After approval is obtained from FTEC, submit the original approval reply and the Name Approval Notice to the Municipal Technology Supervision Bureau to obtain the Organisation Code. Once approval is obtained, submit the Organization Code Notice to FTEC for processing the Ratification Certificate.

D. Obtaining of Business License

Arrange the Business License with the BAIC after obtaining the Ratification Certificate.