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For over a quarter of a century, ICS TRUST has been working with both independently owned and multinational companies who are doing business internationally and expanding into Asia and China. Elizabeth L. Thomson is the Founder and President of ICS TRUST (Asia) Limited.

Ms. Thomson has assisted thousands of highly successful individuals and businesses by providing them with a tailor-made and integrated suite of services, including: international corporate tax, commercial, and trade solutions for doing business in Asia and China as well as assisting them to stay competitive in the global market. ICS TRUST (Asia) Limited is a recognized leader in providing North American and European clients with custom designed corporate and commercial solutions for building success in the China market and internationally.

A Hong Kong Limited Company is the standard corporate vehicle of incorporation. Hong Kong is the 3rd most important financial centre in the world. Accounting standards are recognized worldwide and are compatible with international standards. Firms in Hong Kong are well-equipped to do consolidation of accounts, incorporating the unique and complex Chinese accounting standards. Hong Kong has an established and independent judiciary. The legal system is world recognized for being fair and efficient.

Withholding tax on dividends repatriated from China to Hong Kong is 5% and the withholding tax from Hong Kong to any other jurisdiction is 0%. Withholding tax from China directed to the United States, Canada and most other jurisdiction is often 15 to 25%. Corporate Tax in Hong Kong is only 16.5% and levied on a territorial basis. Revenues booked which are generated offshore of Hong Kong should incur 0% tax.

Although Hong Kong's low-tax system makes it attractive to do offshore business, the system does not recognize offshore business as a separate sector. The types of companies generally incorporated by non-resident or offshore business people are the same ones used by residents and nationals for active local trading. Under the Companies Ordinance, Cap. 32, companies may be either public or private, and may be

unlimited, limited by shares or limited by guarantee. The preferred vehicle for offshore or international business is the private Hong Kong limited company, usually limited by shares.

If your non-Hong Kong incorporated company is a body corporate and has established a place of business in Hong Kong, it is required to register under Part XI of the Companies Ordinance. You should apply for registration within one month of establishment in Hong Kong.

The 2009-2010 Annual Report for the Hong Kong Companies Registry states that 107,416 companies were incorporated for the year at a rate of 8,951 companies per month. Seventy-nine percent of these companies were one-member private companies. Total company incorporations peaked in the 2008-2009 year at 109,416 companies from a low of 75,817 companies in the 2005-2006 year.

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Michael Kyprianou & Co. LLC has established an enviable reputation as a broad based legal practice and areas of specialization include corporate and commercial law, local and international taxation, banking law, real estate law, admiralty, shipping, insurance law, local and international arbitration and intellectual property. Tonia Antoniou, Partner at the firm Michael Kyprianou & Co LLC

“A Cyprus company needs to have at least one director, one shareholder, one secretary and registered office in Cyprus. The minimum share capital of the company is €0.01 (or in any other currency).

“The first step in the process is the choice of the name of the company to be approved by the Registrar of Companies. The name must include the word “Limited” or its abbreviation “LTD” to signify limited liability status. The period for the approval of the name is 6-7 business days but for urgent cases our law firm can offer a list of names already approved by the Registrar of Companies.

“Then the memorandum and articles of association of the company are prepared and submitted for registration to the Registrar of Companies together with the information regarding the officers and shareholders of the company.

“It will take approximately 5 working days to obtain a Company Registration Number and another 5 working days to obtain the Company's Corporate Documents. For urgent cases our law firm can offer a list of shelf dormant companies already registered with the Registrar of Companies.”

What can your jurisdiction offer to prospective companies?

“Cyprus has a very advanced tax planning culture based on an extensive double taxation treaties network. In recent years and further to the accession of Cyprus into the European Union a large number of international structures involve a Cypriot company. Cyprus at present features the lowest fixed corporate tax rate (10%) in the European Union and a very competitive V.A.T. rate (15%).”

What are the current company formation levels in your jurisdiction? How far do you agree that these figures act as economic barometer?

“Up to 31/12/2010 there were 237,372 companies registered with the Registrar of Companies in Cyprus and 19,278 new incorporations in 2010. Cyprus has an open, free-market, service-based economy and is a modern economy, with dynamic services and advanced physical and social infrastructure. The Cyprus government recognizes the importance of company formations and protects such services by maintaining tax rates at the lowest rates and other measures that attract foreign investors in Cyprus.”

As we slowly recover from the economic downturn, do you have any predictions for 2011, in terms of demand in your jurisdiction?

“As we slowly recover from the economic downturn, 2010 has already shown the increasing demand for Cyprus companies which continues in 2011 and will do so for the years to come.”

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