

Comparison between Society, Sole Proprietorship, Limited by Guarantee and Limited by Shares

	Society	Sole Proprietorship	Limited by Guarantee	Limited by Shares
<b>Legislation</b>	Societies Ordinance	Inland Revenue Ordinance	Companies Ordinance	Companies Ordinance
<b>Government Department for Registration</b>	Commissioner of Police (CP) – Licensing Office of the Hong Kong Police’s Societies Office Website: <a href="http://www.police.gov.hk/">http://www.police.gov.hk/</a>	Inland Revenue Department – Business Registration Office	Companies Registry	Companies Registry
<b>Registration Requirement</b>	<ol style="list-style-type: none"> <li>1. Constitution / M&amp;A / minutes</li> <li>2. Specified application form</li> <li>3. Three Office bearers and their ID copies</li> <li>4. Society address with proof or letter of consent from address owner</li> </ol>	<ol style="list-style-type: none"> <li>1. Form 1(a)</li> <li>2. A business address</li> <li>3. A person to register</li> </ol>	<ol style="list-style-type: none"> <li>1. Memorandum &amp; Articles of Association</li> <li>2. Business Registration</li> <li>3. A registered office</li> <li>4. One director (minimum)</li> <li>5. One member (minimum) (maximum is subject to M&amp;A)</li> <li>6. One secretary (must be HK resident) Note: The sole director cannot be the secretary</li> </ol>	<ol style="list-style-type: none"> <li>1. Memorandum &amp; Articles of Association</li> <li>2. Business Registration</li> <li>3. A registered office</li> <li>4. One director (minimum)</li> <li>5. One shareholder (minimum) (maximum 50)</li> <li>6. One secretary (must be HK resident) Note: The sole director cannot be the secretary</li> <li>7. Share Capital (minimum HKD1.00)</li> </ol>
<b>Effect of Registration</b>	A Society	A Sole Proprietorship	Formation of a company limited for non-profit making purpose	Formation of a company limited for profit making purpose
<b>Time Required for Registration</b>	About 3- 4 weeks	1 to 2 days	About 1 week (after submission of documents)	About 1 week (after submission of documents)
<b>Cost</b>	Nil	HKD450 per year (current rate)	<ol style="list-style-type: none"> <li>1. Registration Fees <ul style="list-style-type: none"> <li>- HKD170 for 25 members or less</li> <li>- HKD340 for more than 25 members but not exceeding 100</li> <li>- HK\$20 for every 50 members or less after the first 100 (subject to a maximum fee of HK\$1,025))</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. HKD1,730</li> <li>2. HKD1,720 Incorporation fee</li> <li>3. HKD10 Capital Duty</li> <li>4. HKD450 Business Registration Fee (current rate)</li> </ol>

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			2. HKD450 Business Registration Fee (current rate)	
	<b>Society</b>	<b>Sole Proprietorship</b>	<b>Limited by Guarantee</b>	<b>Limited by Shares</b>
<b>Legal Identity</b>	No separate legal status	No separate legal status	Separate legal entity	Separate legal entity
<b>Legal Liability</b>	All members are personally liable if assets are not sufficient to meet the liabilities	The sole proprietor is personally liable if assets are not sufficient to meet the liabilities	Limited, every member is liable up to his contribution stated in the M&A (e.g. HKD100)	Limited, the shareholders are liable up to the shares they contributed
<b>Termination</b>	Initiated by a resolution of members and need to inform CP in writing	Inform the Business Registration Office by Form IRC 3113 Death of the sole proprietor	Liquidation Deregistration	Liquidation Deregistration
<b>Registration Procedures</b>	Submit the following documents by any one of the registered office-bearers to the Societies Office within one month from the date of establishment of the society:  <ol style="list-style-type: none"> <li>1. Completed Application Form;</li> <li>2. A constitution/ articles of association/ minutes of a meeting, if any, to establish the society or any document purporting to show the objects and purposes of the society;</li> <li>3. Copies of HKID Cards or other valid identity documents of each registered office-bearer;</li> <li>4. Document to prove the place of business of the society (e.g. utility bill,</li> </ol>	Submit an application (Form 1(a)) for business registration to the Business Registration Office within 1 month from the commencement of business together with a Business Registration Fee (current rate: HK\$450).	Prepare and submit to the Charitable Donations & Retirement Scheme Section of the Inland Revenue Department a draft memorandum & articles of association and an activities plan for the coming one year in order to apply for the tax exemption under Section 88 of the Inland Revenue Ordinance.  Submit the Form NC1G, M&A and Form IRBR1 to the Companies Registry together with registration fee (HK\$170 for 25 members or less; HK\$340 for more than 25 members but not exceeding 100; HK\$20 for every 50 members or less after the first 100	Submit Form NC1, Memorandum & Articles of Association and Form IRBR1 to the Companies Registry together with registration fee (HK\$1,720), capital fee (HK\$1 for every or part of HK\$1,000 of the nominal share capital (subject to a maximum fee of HK\$30,000 per case)) and business registration fee (current rate: HK\$450)

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	bank statement, etc); and 5. A letter of permission from the owner of the premises in case where the society is using an address belonging to another body, which must contain the full name of the owner, dated and signed before submitting.		(subject to a maximum fee of HK\$1,025)) and business registration fee (current rate: HK\$450)	
	<b>Society</b>	<b>Sole Proprietorship</b>	<b>Limited by Guarantee</b>	<b>Limited by Shares</b>
<b>Annual Compliance</b>	<p>No annual compliance requirement</p> <p>Society is required to apply to the Societies Office for any of the following changes of particulars:</p> <ol style="list-style-type: none"> <li>1. name of society</li> <li>2. address of society</li> <li>3. office-bearer(s)</li> <li>4. objects of society</li> <li>5. dissolving the society</li> </ol>	<ol style="list-style-type: none"> <li>1. Renewal of Business Registration Certificate</li> <li>2. Filing Profits Tax Return together with management accounts</li> </ol>	<ol style="list-style-type: none"> <li>1. Hold an Annual General Meeting (“AGM”) in accordance with the provisions of the Articles of Association.</li> <li>2. Submit to the Companies Registry an Annual Return within 42 days from the date of the AGM or the date of written resolution passed in lieu of AGM together a filing fee of HK\$105.</li> <li>3. Renew Business Registration Certificate (current rate: HK\$450).</li> <li>4. Arrange for the Company’s accounts to be audited.</li> <li>5. Maintain Minutes Book and Registers</li> </ol>	<ol style="list-style-type: none"> <li>1. Hold an Annual General Meeting (“AGM”) in accordance with the provision of Articles of Association.</li> <li>2. Submit to the Companies Registry an Annual Return within 42 days from the anniversary date of incorporation together with a filing fee of HK\$105.</li> <li>3. Renew Business Registration Certificate (current rate: HK\$450).</li> <li>4. Arrange for the Company’s accounts to be audited and submit the same together with Profits Tax Return to the Inland Revenue Department.</li> <li>5. Maintain Minutes Book and Registers</li> </ol>