

Explanatory Note on the Non-Hong Kong Companies (Disclosure of Company Name, Place of Incorporation and Members' Limited Liability) Regulation (Cap. 622M) (the "Regulation")

The Regulation, which will come into effect on **1 August 2019**, provides for disclosure obligations of non-Hong Kong companies. This explanatory note serves as a brief summary of the requirements applicable to (i) non-Hong Kong companies and (ii) non-Hong Kong companies in liquidation respectively under the Regulation.

A. Information required to be disclosed for non-Hong Kong companies and non-Hong Kong companies in liquidation

Non-Hong Kong companies and/or non-Hong Kong companies in liquidation are required to disclose and/or display the following information (collectively the "**Information**"):

1. Its name (for non-Hong Kong companies in liquidation, please also note requirements in section C below);
2. Its place of incorporation; and
3. (Where appropriate) that its members' liability is limited.

B. Manners of disclosure for non-Hong Kong companies and non-Hong Kong companies in liquidation

Subject to requirements set out in section C below (which are applicable to non-Hong Kong companies in liquidation only), the Information is required to be displayed or disclosed:

1. at every business venue of the non-Hong Kong company;
2. on every communication document of the non-Hong Kong company; and
3. on every transaction instrument of the non-Hong Kong company.



The manners of above disclosure and display requirements are further elaborated as below:-



1. Display of Information at business venue

Pursuant to section 2 of the Regulation, business venue means:

- (a) an office or a place in Hong Kong where the company carries on its business and that is open to the public; or
- (b) the principal place of business of the company in Hong Kong.

In this regard, the non-Hong Kong company is required to do the following under section 3 of the Regulation:

- (a) display the Information continuously in legible characters; and
- (b) the Information should be positioned in a way easily seen by any visitor to the business venue.

Where a location is a business venue for more than 6 non-Hong Kong companies and any of such companies displays its name and place of incorporation via an electronic device, such companies should:

- (a) display its name and place of incorporation for at least 15 continuous seconds at least once in every 4 minutes; or
- (b) procure that its name and place of incorporation is capable of being displayed within 4 minutes after a request for the display is made through the electronic device.

For non-Hong Kong companies in liquidation whose business venue is also a place where the business of its liquidator, receiver or manager of property is carried on, the disclosure of Information at its business venue requirement does not apply. With respect to further disclosure or display requirements of non-Hong Kong companies in liquidation, please see Section C hereinafter.

2. Disclosure of Information on communication document

The non-Hong Kong company should ensure its Information is stated in legible characters in its every communication document, including business letter, notice or other official publication of the company. For this purpose, communication document may include external e-mails to be forwarded to clients or counterparties.

Non-Hong Kong companies are therefore reminded to ensure that the Information are inserted to their letterheads, the signature block of emails as well as any other document used by the company for official communication purpose.

3. Disclosure of Information on transaction document

The non-Hong Kong company should ensure the Information is stated in legible characters in its every transaction document, including:

- (a) a contract or deed purporting to be signed by or on behalf of the company;
- (b) a bill of exchange, promissory note or endorsement purporting to be signed by or on behalf of the company;
- (c) a cheque or order for money or goods purporting to be signed by or on behalf of the company; or
- (d) a consignment note, invoice, receipt or letter of credit of the company.

C. Manners of disclosure for non-Hong Kong companies in liquidation

In addition to the disclosure or display requirements as set out in section B above, non-Hong Kong companies in liquidation must also ensure that the Information is stated in the manner prescribed in section A above in its every advertisement.



Non-Hong Kong companies in liquidation must also display its name in the following manners:

Where its name is in a language other than Chinese	Add “(in liquidation)” after the name
Where its name is in Chinese	Add “(正進行清盤)” after the name
Where its name is in Chinese and in a language other than Chinese	Add “(正進行清盤)” after the name in Chinese and add “(in liquidation)” after the name in that other language

D. Use of abbreviations/symbols in names

Section 7 of the Regulation clarifies that the use of abbreviations or symbols in lieu of certain words contained in the name of the company is acceptable. See the summary table below:

Abbreviations	Words
“Co.” or 或 “Coy.”	“Company”
“Ltd.”	“Limited”
“HK” or 或 “H.K.”	“Hong Kong”
“&”	“and”

Further, it should also be noted that:

- any of the words referred to above can also be used in lieu of the abbreviations or symbols used in the name of the company.
- any type or case of letters, spaces between letters, accents or punctuation marks that are not the same as those appearing in the name of the company will not be deemed as inadequate or incorrect.
- companies may use “The” or “the” as the first word in the description.

E. Miscellaneous

As stated in section B above, the Information should be disclosed on a bill of exchange, which consists of, a cheque. Therefore, the drawee bank of a cheque may need to ensure that the Information of the drawer, which is a non-Hong Kong company, is disclosed on the cheque.



F. Consequences of non-compliance

In case of contravention of the requirements set out above, every responsible person of the company and every agent of the company who authorizes or permits the contravention, commits an offence and each is liable to a fine at level 3 (i.e. HKD10,000).

Please be aware that this explanatory note is for information only and not intended to provide a formal legal advice.

Should you have any question, please contact us on (852) 2854 3070 or admin@ycylawyers.com.hk.

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