



Forvis Mazars in Hong Kong
corporate secretarial newsletter
July 2025

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2025 Updates

Amendments to Companies Ordinance enacted in Hong Kong in 2025

Background

A. Companies (Amendment) (No. 1) Ordinance 2025

The Hong Kong Companies Ordinance (“HKCO”) has been amended, effective from 17 April 2025:

- To promote paperless corporate communication for companies; and
- To introduce a new treasury share regime for listed companies.

B. Companies (Amendment) (No. 2) Ordinance 2025

The Companies (Amendment) (No. 2) Bill 2024 (the “Bill”) introducing the company re-domiciliation regime in Hong Kong has been passed by the Legislative Council and came into force on 23 May 2025.

Highlight

I. Promoting paperless corporate communication for Hong Kong companies

To promote paperless corporate communication for both listed and unlisted companies, it was announced that relevant legislative amendments in the Companies (Amendment) Ordinance 2025 came into operation on 17 April 2025.

The major elements of the amendment provide that:

- a company may choose to adopt the implied consent mechanism for disseminating corporate communication by means of website (“implied consent mechanism”) provided that:
 - its articles of association or the instrument creating the debenture contain a provision that the company may generally disseminate corporate communication to its members or its debenture holders by means of website, or the equivalent debenture holders have so resolved in accordance with the provisions of that instrument, and
 - the company has sent a one-off notification to the relevant members or debenture holders to notify them of the arrangements for dissemination of corporate communication by means of website;
- a listed company that adopts the implied consent mechanism is not required to send a separate notification to members or debenture holders whenever a new corporate communication is uploaded to the website (“separate notification requirement”);
- an unlisted company adopting the implied consent mechanism, must obtain a prior express consent

from the relevant members or debenture holders before it can be exempted from separate notification requirements;

- members or debenture holders may request the company to provide free electronic copies of corporate communication;
- the model articles provided in the Companies (Model Articles) Notice, sub-legislation H of Chapter 622 of the Laws of Hong Kong were revised accordingly.

II. Introduction of treasury share regime

Hong Kong Stock Exchange has made a public consultation in 2023 on the following proposals:

- Removal of the Listing Rules requirement to cancel shares bought back;
- Enabling listed companies to hold them in treasury subject to the laws of their places of incorporation and their constitutional documents;
- Allowing resale and transfer of treasury shares on or off the exchange with requirements similar to the allotment of new shares.

As a majority of the public supported the above proposals, the Listing Rules have been amended in June 2024. Following the amendment of the Listing Rules, the relevant amendments in the HKCO came into effect on 17 April 2025. Key features of the treasury regime are as follows:

1. The treasury regime is only applicable to listed companies.
2. A listed company may, upon buy-back, hold these shares as treasury shares in its own name or via a nominee.

3. Treasury shares can be cancelled, transferred or sold, subject to the same approval requirements as allotment of new shares.
4. All rights attached to treasury shares (voting, dividends, asset distributions) are suspended, except the right to allotment of shares as fully paid bonus shares.
5. A listed company holding treasury shares in its name or through a nominee must enter its name or the nominee's name in the register of members but the listed company/nominee will not be regarded as a member for the purpose of the HKCO.
6. For corporate matters, e.g. passing resolutions, calling general, making applications to court, exercising the right by minority shareholders in a takeover offer, treasury shares are excluded when calculating the relevant thresholds.
7. A listed company is required to file relevant returns with the Companies Registry upon:
 - buy-back of shares stating the number of shares bought back and held as treasury shares;

- sale or transfer of treasury shares;
- cancellation of treasury shares.

In this connection, civil and criminal provisions regarding market misconduct and insider dealing are contained in the Securities and Futures Ordinance and Listing Rules are further amended as effective safeguards.

III. Adoption of re-domiciliation regime for Hong Kong

Further to our brief introduction of the “inward re-domiciliation” regime in our Newsletter Vol. 1 issued in January 2025, we prepared the following FAQ for easy reference.

Q1. What entities are eligible for the re-domiciliation regime?

Eligible entities must be similar to one of the following four types of companies that can be registered under the HKCO:

- Private companies limited by shares
- Public companies limited by shares
- Private unlimited companies with a share capital
- Public unlimited companies with a share capital



Q2. Are there any economic substance requirements?

No economic substance test applies. Once re-domiciled, the company must comply with the HKCO like any local company.

Q3. Which government office is the regulatory body for application for company re-domiciliation?

Application for company re-domiciliation should be made with the Companies Registry. A “one-stop approach” applies and new entrants do not need to apply for Business Registration Certificate separately with the Inland Revenue Department. If the applicant is already registered under Part 16 of the HKCO, its existing business registration number will continue to apply.

Q4. How long will the re-domiciliation process take?

It generally takes about 2 weeks, provided that all information and documents submitted are in good order.

Q5. Do naming rules under the HKCO apply?

Yes. The names restriction under Sections 100 and 102 of the HKCO applies. A company must not be registered by a name that is identical to any name in the Index of Company Names at the Companies Registry. But a company registered under Part 16 of the HKCO before re-domiciliation can generally retain its corporate or approved name.

Q6. What happens to the company in its originating jurisdiction after re-domiciliation?

The re-domiciled company must take steps to deregister in its originating jurisdiction within 120 days.

Q7. Can the 120-day delay to close the company in its originating jurisdiction be extended?

Yes, the company may apply with the Registrar of Companies for an extension, which may be granted with conditions.

Q8. What happens if the company does not submit proof of deregistration in time?

The Registrar of Companies may by order revoke the company’s registration in Hong Kong, effective upon publication of the revocation order in the Government Gazette. Such revocation order will also be placed in the document index in the public records maintained at the Companies Registry.

Q9. What happens to charges created before re-domiciliation?

If the charge is a kind that needs registration under the HKCO and will be taken up by the re-domiciled company, it must be registered within one month after the date of re-domiciliation. If the company was registered under Part 16 before re-domiciliation and already registered the charge under the HKCO, registration is not required again after re-domiciliation.

Q10. What information and documents are available to the public after re-domiciliation?

The re-domiciliation form, proposed articles of association and the certificate of re-domiciliation are available for public inspection. The date of re-domiciliation will also be shown in the Companies Register.

Q11. Are there any post-re-domiciliation filings required?

Yes. In addition to the proof of deregistration from the originating jurisdiction mentioned above, details of the share capital structure and shareholders should be filed by prescribed form within 15 days. After re-domiciliation, the re-domiciled company will be subject to the relevant requirements under the HKCO in the same manner as a company formed and incorporated under the HKCO.

Q12. If the re-domiciled company was registered under Part 16, are there continuing obligations from the company’s prior status and are the documents previously filed still available?

Yes. If the re-domiciled company was registered under Part 16, it is still required to comply with all filing obligations due before the re-domiciliation. Documents filed before re-domiciliation will remain accessible in the public records of the re-domiciled company.

For more information, go to:

- **Forvis Mazars in Hong Kong website**

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