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BVI COMPANY AND BANK ACCOUNT OPENING PACKAGE #BVIBC04 - REGISTRATION OF COMPANY IN BRITISH VIRGIN ISLANDS (BVI) AND SETTING UP CORPORATE BANK ACCOUNT WITH HSBC HONG KONG AND MAIL FORWARDING

The article sets out the features of a British Virgin Islands Business Company, the materials required, procedures and costs for the registration of such a business company and the setting up of a corporate bank account with HSBC Hong Kong.

1 Features of BVI Business Company

- (1) Type of Company used for International Trade and Investment
Business Company (BC) registered under BVI Business Companies Act 2004.
- (2) Taxation
BCs pay no taxes in British Virgin Islands (BVI).
- (3) Authorised and Issued Share Capital
The normal authorised share capital of a BVI company is 50,000 shares with all of the shares having a par value, this being the maximum share capital for the minimum duty payable upon incorporation and annually thereafter. The share capital may be expressed in any currency. The minimum issued capital is one share of no par value or one share of par value.
- (4) Shareholders
A minimum of one shareholder is required and either registered or bearer shares may be issued. There is no restriction on the nationality of the shareholder and it can be a corporation. No details of the shareholders appear on the public file in British Virgin Islands (BVI) but a register of shareholders must be kept at the registered office address of the company in BVI.
- (5) Directors
A minimum of one director is required and corporate director is permitted. There is no restriction on the nationality of the director. Details of the directors do not appear on the public file in BVI.
- (6) Annual Reporting
No Annual Return or accounts need be filed. It should be noted that penalty fees of up to 50% of the annual Government fee will be incurred if the licence fee is not paid when due.

(7) BVI Company Name

The word 'Limited', 'Corporation', 'Incorporated', 'Societe Anonyme' or 'Sociedad Anonima' or the abbreviation 'Ltd', 'Corp', 'Inc' or 'S.A.' must be part of the name of every company incorporated under IBC Act, but a company may use and be legally designated by either the full or the abbreviated form. No company shall be incorporated under IBC Act under a name that: is identical with that under which a company in existence is already incorporated under IBC Act or registered under the Companies Act or so nearly resembles the name as to be calculated to deceive, except where the company in existence gives its consent; or contains the words 'Assurance', 'Bank', 'Building Society', 'Chamber of Commerce', 'Chartered', 'Cooperative', 'Imperial', 'Insurance', 'Municipal', 'Royal', 'Trust Company' and 'Trustee company' or a word conveying a similar meaning, or any other word that, in the opinion of the Registrar, suggests or is calculated to suggest the patronage of Her Majesty or that of a member of the Royal Family, a connection with Her Majesty's Government or a department thereof, or a connection with a municipality or other local authority or with a society or body incorporated by Royal Charter, except with the approval of the Registrar in writing.

(8) Registered Office

A company incorporated under Business Companies Act (BC Act) shall at all times have a registered office in the British Virgin Islands (BVI), and the registered office must be an office maintained in the British Virgin Islands by the company or its registered agent.

(9) BVI Registered Agent

A company incorporated under IBC Act shall at all times have a registered agent in the British Virgin Islands. A copy of corporate documents, including but not limited to, register of directors, register of members, register of company secretary, register of charge, should be filed with and maintained by the registered agent. The registered agent should be notified of any change to the particulars of the company.

(10) Secrecy

There are no specific statutory provisions governing secrecy in relation to companies but English Law, which applies within the jurisdiction, does impose a common law duty on professionals to keep the affairs of their clients confidential.

2 Procedures for Establishing a Company in BVI

When you engage Kaizen to incorporate a BVI company for you, please follow the procedures described below. These procedures apply to tailor-made company, that is, clients provide a name of their own creation. If you want to purchase a readymade company, please follow the procedures in Appendix 3.

Step 1

You confirm and engage Kaizen to register an offshore company by either sending Kaizen an email or fax. If so requested, Kaizen will prepare and sign an engagement letter with you.

Step 2

Kaizen issues an invoice of the fees and email the invoice to you and you arrange payment by check, bank transfer or wiring. Detailed instructions will be provided upon confirmation of order.

Step 3

You provide to Kaizen either by fax or scan and email the materials listed in Section 4.

Step 4

Kaizen check the availability of the proposed company name. If available and after payment confirmed, Kaizen proceed to registration; if not available, Kaizen will go back to you for more company names and perform the availability search again.

Step 5

Kaizen receives the Certificate of Incorporation from the Registrar of Companies.

Step 6

Kaizen attends to the followings:

- (1) Printing Memorandum and Articles of Association
- (2) Prepare minutes of First Board Meeting
- (3) Prepare Application for Allotment of Share(s) for each shareholder
- (4) Prepare Consent to Act as Director for each director
- (5) Update Register of Members
- (6) Update Register of Directors
- (7) Prepare Share Certificate
- (8) Carve Common Seal and rubber chop

Step 7

Kaizen arranges to deliver the above documents/materials (together known as Company Kit) to you.

Step 8

Upon receipt of the Company Kit, you sign the following documents:-

- (1) Application for allotment of shares
- (2) Minutes of First Board Meeting
- (3) Consent to Act as Director
- (4) Share Certificate

and then either fax or scan and email a copy of the duly signed documents as listed above to Kaizen. Registration procedures completed.

3 Estimated Time Frame

It is estimated that the whole registration process would take any around 7 working days and takes around 7 days to open a corporate account. The table below shows the estimated time frame for each of the steps for the registration process.

| Step | Description | Who is Responsible | Working Days |
|-------------------------------------|--|--------------------|-------------------|
| Preliminary | | | |
| 1 | Name availability search | Kaizen | 1 |
| 2 | Client prepares and delivers to us the documents required for the purpose of incorporation | Client | Client's schedule |
| 3 | Kaizen files the incorporation application documents with the BVI Companies Registry | Client | 1 |
| 4 | The Companies Registry issues the Certificate of Incorporation | Kaizen | 4 |
| 5 | Order of company kit | Kaizen | 2 |
| Post Registration Procedures | | | |
| 6 | Set up bank account | Kaizen | 7 |
| | | Total | 15 |

4 Required Documents and Materials

For the purpose of registration of a company in BVI, the client is required to provide us with the following materials:

- (1) Proposed company name (BVI Business Company Names Guidelines), in English only or both English and Chinese;
- (2) One photocopy of passport and residential addresses with proof (such as utility bill or telephone bill or bank statement) in respect of each director and shareholders; if the director/shareholder is another corporation, please provide Certificate of Incorporation and address of registered office;
- (3) Amount of share capital, percentage of shareholdings if more than one shareholder;
- (4) A brief description of the business model, locations of suppliers and customers, products and services etc.
- (5) Proof of business activities to be carried out by the company, such as brochure, purchase order, invoice, L/C or business plan

If the director/shareholder is not visiting Hong Kong, the passport and address proof must be verified/certified by a staff of Kaizen.

5 Registration Package Costs and Payment Terms

(1) Registration Costs

Our fees for the registration of a company in BVI with standard Memorandum and Articles of Association and a standard capital of 50,000 shares and setting up a corporate account with HSBC Hong Kong and providing one year of mail forwarding services are USD1,825 exclusive of delivery fee. A detailed breakdown is provided below for your easy reference:

| Item | Description | Costs (USD) |
|--|--|--------------|
| Company Registration | | |
| 1 | Company registration service fee | ✓ |
| 2 | Licence fee (one off) (Note 1) | ✓ |
| 3 | Addition of Chinese name | NIL |
| 3 | Registration agent fee (per annum) | ✓ |
| 4 | Registered office fee | ✓ |
| 5 | Company Kit | ✓ |
| 6 | Provision of company secretary | N/A |
| 7 | Certificate of Incumbency (Registered Agent Certificate) | ✓ |
| 8 | Certificate of Good Standing | NIL |
| 9 | Delivery | NIL |
| Post Registration Procedures (optional) | | |
| 10 | Setting up bank account (Please refer to Note 2 and Appendix 2 for more details of the bank account) | ✓ |
| 11 | Mail Forwarding Service for 12 months (actual postage is billed separately) | ✓ |
| Grand Total | | 1,825 |

(2) Payment Terms

The whole amount stated in the table above is to be settled in advance.

(3) Payment Methods

We accept cash, HKD check, Paypal and bank remittance. Bank account details will be provided together with the incorporation order form upon confirmation of payment.

6 Certificates and materials obtained after registration

After the BVI is officially registered, the client will receive the following certificates, corporate documents and seals to prove its legal existence and to carry out its daily operation:

- (1) Original copy of Certificate of Incorporation
- (2) 3 printed copy of Memorandum and Articles of Association (sample Memorandum and Articles of Association)
- (3) 10 copies of blank share certificate
- (4) One statutory book (members register, directors register and share register)
- (5) One company chop and one Common Seal
- (6) A copy of documents filed with the Registered Agent in relation to the appointment of directors, minutes of directors' meeting, application for allotment of shares etc.

7 On-going maintenance

After your BVI company is officially registered, you are required to perform or arrange to be performed the following to maintain your BVI company in good standing:

- (1) Changes to the Company
Whenever there is a change to the Company's particular or the director or the shareholders. These changes must be properly documented and we be notified with the changes within 14 days after the change.
- (2) Payment of Annual Renewal Fees
An annual renewal fee of USD750 (for company with a share capital of 50,000 shares), covering annual licence fee, annual registered agent fee and annual registered office fee, is required to be pay to us in order to maintain your BVI company in good standing.

The deadline for payment of annual renewal fees and penalty for late payment of annual renewal fees are stated in Appendix 1 for your easy reference.

8 Getting Started

Once you come to the conclusion to proceed to registration and decided to engage us, please kindly confirm with and we will:

- (1) issue an invoice to you for your settlement and at the same time, please provide to us the documents and materials required either by fax or email;
- (2) Upon confirmation of payment and receipt of the documents required from you, proceed to register your BVI company.

Appendices:

[Appendix 1 –BVI Government Licence Fees Dates and Penalties](#)

[Appendix 2 – HSBC Bank Account Services](#)

[Appendix 3 – Purchase a Readymade BVI Company](#)

Appendix 1 –BVI Government Licence Fees Dates and Penalties

1 Companies Incorporated between January 1st to June 30th -

Annual licence fee must be credited to our account for payment to the Registry before May 15 deadline to avoid penalties below:

*June 1st - July 31st - 10 % Penalty

*August 1st - October 31st - 50% Penalty

*November 1st - STRUCK OFF / 50% Penalty + RESTORATION FEE \$825 (standard capital)

2 Companies Incorporated between July 1st to December 31st -

Funds must be credited to our account for payment to the Registry before October 30 deadline to avoid penalties below:

*December 1st - January 31st - 10 % Penalty

*February 1st - April 30th - 50% Penalty

*May 1st - STRUCK OFF / 50% Penalty + RESTORATION FEE USD925 (standard capital)

NOTE:

It is the responsibility of all clients to ensure that payments are made to us, in a timely manner thus keeping the companies in good standing with the BVI government.

We will do our best to send you reminders before the due dates but we cannot be held liable if your fees are not paid before the deadline.

We do not advance annual fees and we encourage clients in view of the high number of transactions received by our bank during licence fees time, to settle the annual renewal fees before the due date as indicated on your invoice.

Failure to pay before this may result in your company being struck from the register of companies in the British Virgin Islands. We remind you that companies not in good standing with the BVI government as a result of being struck off or removed from the register are forbidden from carrying on business or trading and must settle all fees outstanding.

Appendix 2 – HSBC Bank Account Services

Establishment of a Corporate Bank Account in HSBC Hong Kong

We could assist you to set up a corporate account with HSBC Hong Kong. We have a strong relationship with the bank as we have been dealing with one of the branch, which is also the Small and Medium Enterprises Service Centre, located in the same building where our office is situated for many year.

1 Type of Account

There are several types of bank accounts from which a client could choose for his company, including Hong Kong dollar saving account, Hong Kong dollar checking account, foreign currency checking and saving account and an all-in-one account known as BusinessVantage Account. In most of the cases, we would suggest our client to go for BusinessVantage Account or BusinessDirect because both of them it is a truly multi-functional account and yet easy to operate.

The BusinessVantage Account is an all-in-one account which offers the following banking functions:

- (1) Hong Kong dollar checking account which gives you a check book so as to enable you to settle bills originated in Hong Kong and/or denominated in Hong Kong dollar;
- (2) Hong Kong dollar saving account which allows you to deposit/receive payment in Hong Kong dollar and earn an interest on the balance maintained in that account;
- (3) Multi-currency saving account which allows you to deposit/receive payment in up to 12 major currencies directly and earn an interest on the balance maintained in that account;
- (4) (Optional) Internet Banking which allows you to operate the bank account from any place where you have access to Internet;
- (5) (Optional) A ATM card which enable us to withdraw cash from the account in Hong Kong and from HSBC branches in other countries;
- (6) (Optional) Phone Banking which allows you to perform basic banking transactions.

2 Requirements

For the purpose of due diligence in relation to the establishment of a corporate bank account, the bank requires the following documents from its clients:

- (1) A set of certified true copy of the full set of corporate documents certified by CPA. We will do this for you if you will engage us for the bank account opening;
- (2) The business activities proof of your proposed company such as invoices, quotations issued by the suppliers of the subject company, contracts entered into in the name of the subject company or a simple business plan. We will guide you how to write the business plan if you will engage us for the bank account opening.
- (3) A minimum initial deposit of HK\$5,000 for its BusinessVantage Account.
- (4) At least one director or one shareholder present physically in their branch to answer them questions in relation to the business of the company for the purpose of “know your client” due diligence responsibility.

Note: HSBC Hong Kong reserves all rights to request further information and documents.

3 Our Fees

Our fees for assisting you to set up a corporate account with HSBC Hong Kong for your BVI company are USD425. The fees are applicable to companies registered by Kaizen only and that the director or shareholder is able to visit the bank or any of our offices for the purpose of due diligence. A more detailed description of our services is provided in Section 4 below.

4 Our Services

Our services fee for assisting you to set up a corporate bank account in HSBC Hong Kong is USD450. In particular, our fees cover the following items of services:

- (1) Advising you as to the detailed requirements of HSBC Hong Kong;
- (2) Arranging appointment for you with our bank officer;
- (3) Accompanying you and visit the bank with you for the interview and assist you to answer the questions they may raise;
- (4) Collection ATM card for you if you do apply for an ATM card;
- (5) Arranging the delivery of ATM card and Internet Banking PIN number and security device to you after we receive them from the bank;
- (6) If your company has more than one director or more than one shareholder or the bank account authorized signer(s) is(are) not the same as the director(s), we will guide the director(s), shareholder(s) and bank account signer(s) who will not visit HK for the bank account opening to verify their signatures and certify their passport and residential address with proof in HSBC overseas branches.
- (7) Arranging CPA certification of incorporation documents per bank's requirements

5 Time Frame for the Bank Account Opening

Approval: the time frame to get approval from the bank depends on a few factors such as the business natures, the expected turnover, the nationality of the shareholder and director of the company and the locations of its business partners. In most of the circumstances, application for setting up bank account for companies registered in Hong Kong will be approved immediately and for offshore company, it may takes up to 3 days to get the approval. Once being approved, the bank will issue the bank account number, ATM card, Internet banking PIN number and security device immediately. The check books however will take a couple of weeks.

Appendix 3 – Purchase a Readymade BVI Company

In any case that you need to have a BVI company immediate use, you could consider purchasing a readymade company from us. Our charge for readymade company is exactly the same as a tailor-made company. The procedures for purchase of a readymade BVI company are set forth below for your reference:

Step 1

You confirm and engage Kaizen to register your BVI company by either sending Kaizen an email or fax. If so requested, Kaizen will prepare and sign an engagement letter with you.

Step 2

Kaizen email, fax or post the [BVI Readymade Companies List](#) (shelf company) to you and you select at least two names in priority preference and confirm with Kaizen your selections. At the same time, you provide Kaizen either by fax or scan and email with the following materials:

- (1) One photocopy of passport (only the page showing the particulars of the holder) and residential address with proof such as utility bill and telephone bill in respect of each shareholder; if any shareholder is another corporation, please provide Certificate of Incorporation and Registered Office of that corporation;
- (2) One photocopy of passport (only the page showing the particulars of the holder) and residential address with proof such as utility bill and telephone bill in respect of each director; if any director is another corporation, please provide Certificate of Incorporation and Registered Office of that corporation;
- (3) Amounts of authorized share capital and issued capital, percentage of shareholdings if more than one shareholder.
- (4) Duly completed incorporation order form

Step 3

Kaizen check the availability of the selected readymade companies. If available, Kaizen issues an invoice to you and you arrange payment by check, transfer or wiring. Detailed payment instructions will be provided upon confirmation of order.

Step 4

Upon confirmation of payment, Kaizen proceeds to preparing the registration documents, such as appointment of director, share transfer documents etc.

Step 5

Kaizen arrange to deliver the above documents/materials (together known as Company Kit) to you.

Step 6

Upon receipt of the Company Kit, you sign the following documents:-

- (1) Application for allotment of shares
- (2) Minutes of First Board Meeting
- (3) Consent to Act as Director
- (4) Share Certificate

and then either fax or scan and email a copy of the duly signed documents as listed above to Kaizen. Registration procedures completed.