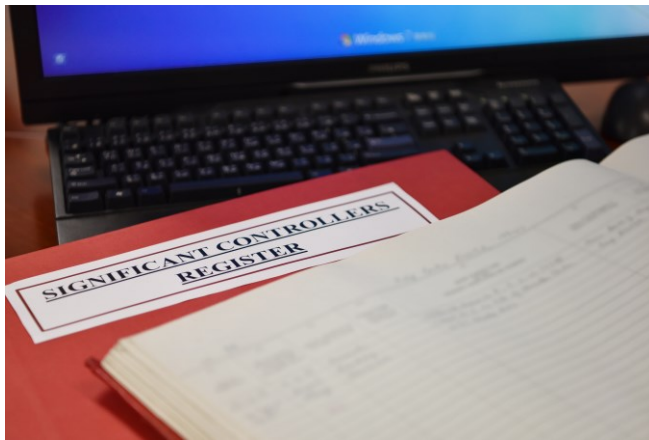




公司註冊處

COMPANIES REGISTRY

Keeping of Significant Controllers Register



Important

This pamphlet is intended to provide a general guide. It should be read in conjunction with the provisions of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and should not be regarded as a substitute for reading it. You can purchase a hard copy of the Companies Ordinance from the Online Government Bookstore (www.bookstore.gov.hk) or call the Publications Sales Unit of the Information Services Department at (852) 2537 1910. You can also read the full text of the Companies Ordinance at www.elegislation.gov.hk. In case of doubt, companies are advised to seek independent professional advice as they see fit.

Address : 14th floor, Queensway Government Offices, 66 Queensway, Hong Kong.

Website : www.cr.gov.hk

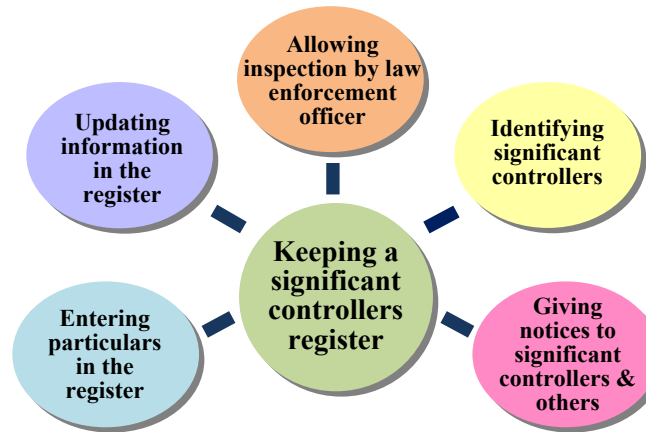
e-Services Portal : www.e-services.cr.gov.hk

Email : cr.scr@cr.gov.hk

24-hour Enquiry Hotline : (852) 2234 9933 (IVRS) / (852) 2867 2600

1. What are the new requirements on the keeping of significant controllers register?

- Under the Companies (Amendment) Ordinance 2018, a company incorporated in Hong Kong is required –
 - to identify persons who have significant control over the company (“significant controllers”); and
 - to maintain a significant controllers register (“SCR”) to be accessible by law enforcement officers.
- Major obligations of a company include:



- Failure to comply with the above obligations is a criminal offence. The company and every responsible person of the company are liable to a fine at level 4 (i.e. \$25,000). Where applicable, there is a further daily fine of \$700.

2. Which company has to keep significant controllers register?

The requirement to keep a SCR applies to all companies formed and registered under the Companies Ordinance (Cap. 622) (“CO”) or a former Companies Ordinance, namely locally incorporated companies, except listed companies.

3. Who is a significant controller of a company?

A significant controller includes :

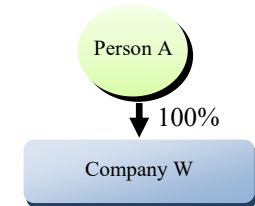
- a registrable person who is a natural person
- a registrable legal entity which is a shareholder of the company

that has significant control over the company.

A person has significant control over a company, if one or more of the following conditions are met :

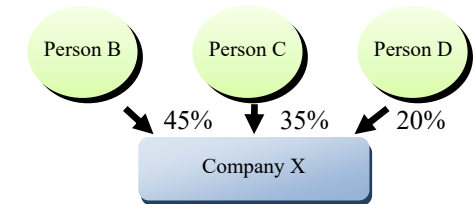
- (a) The person holds, directly or indirectly, more than 25% of the issued shares in the company or, if the company does not have a share capital, the person holds, directly or indirectly, a right to share in more than 25% of the capital or profits of the company;

Scenario 1



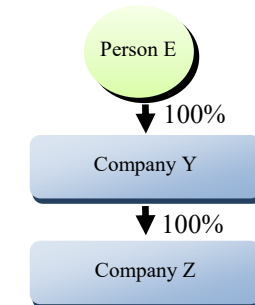
Company W is wholly owned by A. A is the significant controller of Company W.

Scenario 2



Company X has 3 shareholders as illustrated above. Both B and C are the significant controllers of Company X.

Scenario 3



Company Y owns 100% of the shares of Company Z. Company Y is in turn wholly owned by E. Both E and Company Y are the significant controllers of Company Z.

3. Who is a significant controller of a company? (con't)

- (b) The person holds, directly or indirectly, more than 25% of the voting rights of the company;
- (c) The person holds, directly or indirectly, the right to appoint or remove a majority of the board of directors of the company;
- (d) The person has the right to exercise, or actually exercises, significant influence or control over the company;
- (e) The person has the right to exercise, or actually exercises, significant influence or control over the activities of a trust or a firm that is not a legal person, but whose trustees or members satisfy any of the first four conditions in relation to the company.

4. What are the contents of significant controllers register?

A company must keep its SCR in the English or Chinese language.

The SCR of a company must contain, among others,

- The required particulars* of every significant controller of the company;
- The particulars of any registrable change with respect to each significant controller of the company;
- The name and contact details of at least one designated representative to provide assistance relating to the company's SCR to a law enforcement officer. A company's designated representative must be either a shareholder, director or an employee of the company who is a natural person resident in Hong Kong or an accounting professional, a legal professional or a person licensed to carry on a business as trust or company service provider.

*The "required particulars" include:

- name
- for a registrable person,
 - correspondence address, identity card number (if the person does not have an identity card, the number and issuing country of the passport);
- for a registrable legal entity,
 - legal form, registration number, place of incorporation (governing law) and address of registered office
- date of becoming a significant controller
- nature of control over the company

5. What should a company do to identify significant controllers?

A company is required to take reasonable steps to identify its significant controllers. The steps may include reviewing the company's register of members, articles of association, shareholders agreements or other agreements and issuing notice(s) to any person who is believed to be the significant controller and any person who is believed to know the identity of the significant controller.

However, a company is not required to send the aforesaid notices if the company has already been informed of the person's status as being its significant controller and all the required particulars have been provided to the company by the person or with the person's knowledge.

6. When does a company need to enter the particulars of registrable person / legal entity into the significant controllers register?

- For a registrable person: within 7 days after the required particulars have all been confirmed by the registrable person.
- For a registrable legal entity: within 7 days after each particular comes to the notice of the company.

7. What form should a company deliver to report the location of significant controllers register?

- Unless the SCR is kept at the registered office, a company must notify the Registrar of the place where the SCR is kept or any change thereafter in specified Form NR2 within 15 days after the SCR is first kept at that place or the change.
- However, an existing company is not required to give notification to the Registrar if the SCR is kept at the same place where the company's register of members is kept.

A Check List for Preparation of Significant Controllers Register

1. Find a place to keep the SCR. The SCR can be kept at the registered office or a place in Hong Kong. If the SCR is not kept at the registered office of the company, please remember to deliver a Form NR2 to report the location of keeping SCR within 15 days after the SCR is first kept at that place (see Question 7);
2. To ascertain whether there is any significant controller(s) of the company; and if yes, to take reasonable steps to identify the significant controller(s) (see Question 5);
3. Send notice(s) to any person who is believed to be the significant controller and any person who is believed to know the identity of the significant controller;
4. Prepare the SCR (see Question 4 for contents of SCR).

For further details, please refer to the Companies Registry's "Guideline on the Keeping of Significant Controllers Registers by Companies". The Guideline can be downloaded at www.cr.gov.hk or obtained at the Companies Registry on the 14th floor of the Queensway Government Offices, 66 Queensway, Hong Kong.