



Register of Significant Controllers – Implementation of the New Requirements

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Significant Controller

A **Significant Controller** of a company includes a **registrable legal entity** and a **registrable person**.



Significant Controller (2)

- Who is a Registrable Person?
 - a natural person or specified entity that has significant control over the company



Significant Controller (3)

- Which entity is a Registrable Legal Entity?
 - a legal entity which is a member of the company and has significant control over the company

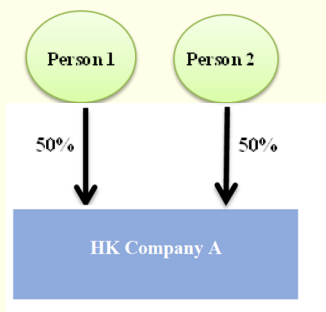
How to identify Significant Controllers

- ◆ Meet any one or more of the conditions in section 1 of Schedule 5A of the Companies (Amendment) Ordinance 2018:
 - Holds / Shares > 25% of issued shares / profits
 - Holds > 25% of voting rights
 - Appoint / Remove board of directors
 - Significant influence or control
 - Significant influence or control over a trust or firm whose trustees or members meet any one or more of the above four conditions

How to identify Significant Controllers (2)

Example 1:

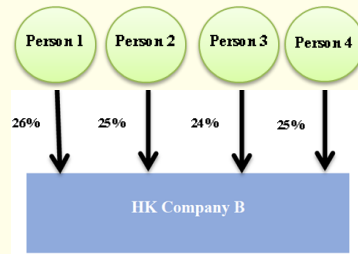
- Person 1 and Person 2 are both registrable persons of Company A.



How to identify Significant Controllers (3)

Example 2:

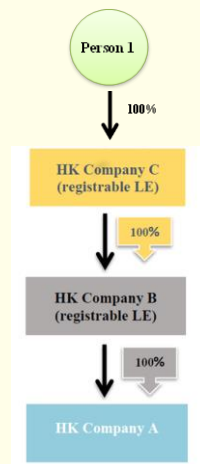
- Person 1 is a registrable person of Company B but not Person 2, Person 3 or Person 4.



How to identify Significant Controllers (4)

Example 3:

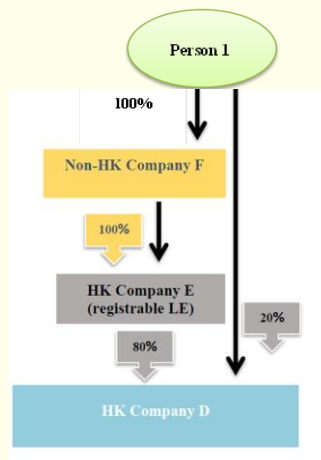
- Company C's SCR:
Person 1 is a registrable person.
- Company B's SCR:
Person 1 is a registrable person and HK Company C is a registrable LE.
- Company A's SCR:
Person 1 is a registrable person by holding interests in Company A through Company B and Company C, and HK Company B is a registrable LE.



How to identify Significant Controllers (5)

Example 4:

- Company E's SCR:
Person 1 is a registrable person.
Company F is a registrable LE
- Company D's SCR:
Person 1 is a registrable person by holding a direct interest in Company D, cumulative with an indirect interest in Company D through Companies E and F.
Company E is a registrable LE.



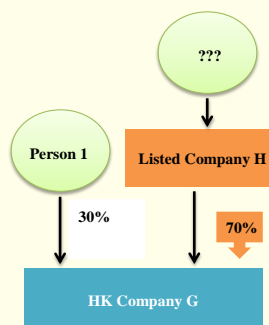
How to identify Significant Controllers (6)

Example 5:

- Company G's SCR:
Person 1 is a registrable person.

Company H is a registrable LE.

Individuals holding interests in Company G through the listed Company H are not registrable persons of Company G. It is not necessary for Company G to investigate whether any person has significant control over the company through Company H.





Giving Notices

- Giving notice to the person that the company knows, or has reasonable cause to believe, to be a significant controller; OR
- Giving notice to the person that the company knows, or has reasonable cause to believe to know, the identity of another person who is a significant controller
- **Within 7 days**



Giving Notices (2)

Contents of Notice

- confirm whether the addressee is a significant controller or not
 - If yes, confirm or correct the required particulars and provide any missing particulars of the addressee
- state whether the addressee knows another person who is a significant controller or not.
 - If yes, provide specified particulars and state whether the particulars are provided with that person's knowledge or not



Giving Notices (3)

- addressee of the notice is required to confirm or provide the requested particulars **within one month**
- Failure to comply with the notice is an offence and the notice addressee and every related person are liable to a **fine at level 4 (\$25,000)**
- samples of Notices can be found in **Annex D of the Guideline on the keeping of Significant Controllers Registers by Companies**
- available on CR's website (www.cr.gov.hk)



Significant Controllers Register

Entering particulars in the SCR

- Registrable Person
 - particulars must not be entered unless all are confirmed by the registrable person
 - must be entered **within 7 days** after so confirmed
- Registrable Legal Entity
 - a particular must be entered **within 7 days** after the particular comes to the notice of the company



Significant Controllers Register (2)

◆ Required Particulars of significant controllers

Registrable person

- name
- correspondence address
- ID Card No. / Passport No. + Passport issuing country
- date of becoming a significant controller
- nature of control over the company



Significant Controllers Register (3)

Registrable legal entity

- Name
- Registration No.
- Address of its registered or principal office
- Legal form and the law that governs it
- Date of becoming a significant controller
- nature of control over the company

◆ Name and contact details of Designated Representative



Significant Controllers Register (4)

Example 1:

A Company Limited has only one shareholder,
Chan Tai Tai



Significant Controllers Register (5)

Entry No.	Date of entry	Name of registrable person / legal entity	Particulars	Remarks/ Notes
1	2/3/2018	Chan Tai Tai	(a) Correspondence address : Room 10, 11/F, 2000 Nathan Road, Kowloon (b) HKID Card No.: AA234567(8) (c) Date of becoming a registrable person: 1/3/2018 (d) Nature of control over the company : Chan Tai Tai holds more than 25% of the issued shares of the company	
Designated Representative				
Entry No.	Date of entry	Name (capacity)	Contact details	
1	2/3/2018	Chan Tai Ho (director of the company)	(a) Address : Room 10, 11/F, 2000 Nathan Road, Kowloon (b) Telephone No.: 1111-1111 (c) Fax No.: 1111-1111	



Significant Controllers Register (6)

Example 2:

B Company Limited has one shareholder, **ABC Profits Limited**

ABC Profits Limited is in turn wholly owned by **Lee Tai Lung** beneficially.



Significant Controllers Register (7)

Entry No.	Date of entry	Name of registrable person / legal entity	Particulars	Remarks/ Notes
1	7/3/2018	ABC Profits Limited	(a) Legal form : private limited company (b) Registration number : 123456 (c) Place of incorporation : Hong Kong (Governing Law) (d) Address of registered office: Room 10, 10/F, Forever Green Building, 1000 Wong Chuk Hang Road, Aberdeen, Hong Kong (e) Date of becoming a registrable legal entity: 1/3/2018 (f) Nature of control over the company : ABC Profits Limited holds more than 25% of the issued shares of the company	

Significant Controllers Register (8)

Entry No.	Date of entry	Name of registrable person / legal entity	Particulars	Remarks/ Notes
2	7/3/2018	Lee Tai Lung	(a) Correspondence address : Suite 19, 19/F, Flourishing Tower, 3000 Chai Wan Road, Chai Wan, Hong Kong (b) HKID Card No.: AA200200(0) (c) Date of becoming a registrable person: 1/3/2018 (d) Nature of control over the company : Lee Tai Lung holds indirectly more than 25% of the issued shares of the company	
Designated Representative				
Entry No.	Date of entry	Name (capacity)	Contact details	
1	7/3/2018	Chan, Lee, Cheung & Co (legal professional)	(a) Address : Room 10, 10/F, Forever Green Building, 1000 Wong Chuk Hang Road, Aberdeen, Hong Kong (b) Telephone No.: 1111-1111 (c) Fax No.: 1111-1111	

Significant Controllers Register (9)

◆ Examples of additional matters to be noted in the significant controllers register

- Scenario 1 : no significant controller

“The company knows, or has reasonable cause to believe, that it has no significant controller.”



Significant Controllers Register (10)

- Scenario 2 : particulars of identified registrable person not confirmed

“The company has identified a registrable person of the company, namely, [state the name of the registrable person here], but not all the required particulars of that person have been confirmed.”



Significant Controllers Register (11)

- Scenario 3 : company's investigations are ongoing

“The company has not yet completed taking reasonable steps to ascertain whether it has a significant controller.”



Significant Controllers Register (11)

- Scenario 4 : notice to a significant controller – notice not complied with within 1 month

“The company has given a notice to a person, namely, [state the name of the person here], whom it knows, or has reasonable cause to believe, to be a registrable person / registrable legal entity of the company, but the person has failed to comply with the requirements of the notice within 1 month from the date of the notice.”

(Other examples can be found in Annex C of the Guideline)



Location of Significant Controllers Register

- A company must keep its Significant Controllers Register (“SCR”) at the company’s **registered office** or **a place in Hong Kong**

Notification to Registrar of Companies

- If the SCR is not kept at the company’s registered office:
 - file revised **Form NR2** with the Registrar
 - **within 15 days** after the SCR is first kept at that place

Location of Significant Controllers Register (2)

Exception to existing companies

- if the SCR is kept at the **same place** where the company's **register of members** is kept and the Registrar has already been **informed of that place**
- no need to file Form NR2

Location of Significant Controllers Register (3)

Change of Location

- If there is any change to the location of SCR:
 - file revised **Form NR2** with the Registrar
 - **within 15 days** after the change

Location of Significant Controllers Register (4)

Revised Form NR2

- revised Form NR2 was gazetted on **9 February 2018**
- as from **1 March 2018**, the CR will only accept the revised Form NR2 for registration
- can be downloaded from CR's website (www.cr.gov.hk)

Further Information

- Dedicated thematic section on “Significant Controllers Register” on Companies Registry’s website (www.cr.gov.hk/en/scr)
 - Companies (Amendment) Ordinance 2018
 - Companies Registry External Circular No. 2/2018
 - Guideline on the Keeping of Significant Controllers Registers by Companies
 - Frequently asked questions



Thank You

Thematic section: www.cr.gov.hk/en/scr

Enquiry Hotline: 3142 2822