AQUASANDS

THE WOLF SERIES · Nº 05

The Hong Kong Playbook

For non-residents: two tax rates, an exemption nobody grants automatically, the secretary you must have, and the bank that wants to see Asia.

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Stop being a pigeon.
Join the wolves.

BEFORE YOU READ

Fast to form. Slow to get right.

A Hong Kong company is incorporated in one to two days and is lightly taxed. That is the brochure. This playbook gives you the logic behind it: the two rates, the exemption on foreign income, the bank, and when another jurisdiction fits better.

WHAT YOU GET

- The two-tier profits tax, and who gets the low rate.
- The territorial principle and the offshore claim.
- What must stay in Hong Kong: secretary, address, registers.
- The bank, and the yearly file.
- Where Hong Kong fits, the seven traps and a scorecard.

WHAT IT IS NOT

- Not a do-it-yourself kit. Whether *your* income can be exempt, and which bank fits, is decided one to one.
- Not tax or legal advice. It is general information, stated as at November 2026.
- Not a promise of savings or of an account.

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TWO RATES, NOT ONE

01

8.25% is the first slice, not the whole cake.

The pigeon version: "Hong Kong taxes at 8.25%." The wolf version: there are two rates, a limit on who gets the low one, and a second question the company cannot answer for you.

QUESTION 1 · YOUR COMPANY

Hong Kong profits tax is **8.25% on the first two million Hong Kong dollars of profits**, then **16.5% above that**.

Only one entity per group may claim the reduced rate. Own several companies and the others do not get it.

QUESTION 2 · YOU

A Hong Kong company **does not move your personal tax residence**. Your personal tax follows where you live, not where the company is registered.

If you keep living and working at home, **your government still taxes you**, and it may also look at the company you control.

8.25%
on the first two million Hong Kong dollars of profits

16.5%
on profits above that first slice

1 entity
per group may claim the reduced rate

THE RULE THAT SAVES YOU

Residence first, company second, bank third. Hong Kong sets a rate on the profits the company genuinely earns. It does not set a rate on you. Founders who reverse the order spend twice: once to set up, once to repair.

Dated, sourced, and still to be checked

These rates were recorded on 21 September 2026 and their source checked on 30 September 2026, with the Hong Kong tax authority. Rates move; the one that applies to your financial year is confirmed when your file is opened, not taken from a brochure.

DECIDED ON THE CALL

Whether Hong Kong is the right tool for your business at all, which entity in your group should carry the reduced rate, and whether your profits belong somewhere else entirely. Book the 45-minute call →

THE TERRITORIAL PRINCIPLE

02

Foreign income can be exempt. Nobody hands it to you.

Hong Kong looks at where profits are earned. Income earned outside the territory can be exempt, but the exemption is never automatic: it is claimed, and justified file by file.

WHAT THE OFFSHORE CLAIM SAYS

The company argues that its profits were earned outside Hong Kong, so they fall outside Hong Kong profits tax. It is an application, made by the company, and it can be questioned.

WHAT IT HAS TO SHOW

Where the business is **really carried on**: who does the work and from where, where clients and suppliers sit, where contracts are made, where the money flows. A registration is not an answer.

Three profiles, three very different files

PROFILE	THE OFFSHORE CLAIM	THE BANK
Trading with Asian suppliers and Asian clients, with people working in the region	The business Hong Kong is built for. Where the profits arise is argued on facts, with contracts and flows to support it.	The Asian link is visible; the file still decides.
A consultant living at home, invoicing clients at home through Hong Kong	Hard to defend. A company invoicing European clients from Europe has to show where the business is really carried on.	Hard to justify a local account with no link to Asia.
An online business with clients worldwide and a travelling founder	Case by case. It turns on where the work actually happens, and where you live while doing it.	Depends on the flows and on a demonstrable Asian side.

PIGEON VERSUS WOLF

The pigeon hears “offshore” and assumes “exempt”. The wolf builds the evidence **before the first invoice**: contracts, flows, where the work is done. The claim is examined once the profits exist; by then it is too late to invent the facts behind it.

DECIDED ON THE CALL

Whether your income can support an offshore claim at all, and how the company has to operate from day one so the claim holds. It depends on what you sell, to whom, and from where. Check your case →

THE COMPANY ITSELF

03

Formed in two days. Kept in Hong Kong every day.

The form is simple: a Private Limited Company. What non-residents underestimate is what must stay in Hong Kong.

1–2 days
incorporation time

HKD 1
usual capital recorded, with no capital to lock up

Cap. 622
Companies Ordinance, in force since 3 March 2014

What the company must have

- ☐ **A registered office in Hong Kong.** Mandatory. Included in our formation service.
- ☐ **A resident company secretary.** Mandatory, even with a non-resident owner. Also included.
- ☐ **A register of significant controllers.** Every company has kept one since 1 March 2018, updated at every change.

The address ladder

LEVEL	WHAT IT GIVES YOU	PUBLISHED PRICE
Registered office	The official address on the register and your legal documents.	From €999, then €999 per year
Office and mail	Adds mail scanned within one business day.	From €999, then €999 per year
Virtual office	Adds a local number answered in your company's name.	From €2,790, then €2,790 per year
Real office	A dedicated desk or closed office, lease in your name.	From €8,890, then €8,890 per year

AN ADDRESS IS NOT SUBSTANCE

It satisfies the register. It does not prove where your business is carried on. Buy the level your claim and your bank need, not the cheapest line.

DECIDED ON THE CALL

Which level of presence your activity, your offshore claim and your target bank actually need, and how the corporate file is set up: shareholders, controllers, signatories. **Set it up right →**

THE BANK

04

A company takes two days. The account wants Asia.

Our assessment of banking access in Hong Kong: demanding. Opening is often conditional on a trip and on demonstrable Asian clients. A company with no link to Asia struggles to justify a local account.

What a Hong Kong bank reads in your file

- The activity: what the company sells, to whom, and from where.
- Clients and contracts: who will pay, in which currencies, for which volumes.
- Expected flows: where the money comes from and where it goes.
- The source of the owner's funds, documented.
- The address and the director: someone who genuinely decides.
- The Asian side: clients, suppliers or flows that explain why Hong Kong.

THE RULE

Banks do not refuse companies. They refuse **inconsistent stories**. In Hong Kong they add a second question: **why here?** If your answer has no Asian client, supplier or flow in it, expect the door to stay closed, whatever the quality of the rest.

€2,690

AquaSands Hong Kong bank account opening, government fees included

2–8 weeks

for a fintech account after incorporation, across our jurisdictions

6–16 weeks

for a traditional bank, with a real risk of refusal throughout

How we work it

We build the substance file before incorporating anything, target institutions by sector, nationality and volume, and present it to **at least two banks**, with support at the meetings. Where traditional banking is out of reach, a documented fintech alternative is planned. A company without an account is a receipt, not a business.

DECIDED ON THE CALL

Whether your profile is bankable in Hong Kong, which bank to approach first, and the file that goes with it. It is an obligation of means, never of result: if the answer is no, we say so before selling the structure.

Test your file →

THE YEARLY FILE

05

The cheapest day is the day you form it.

Formation is one of the smallest lines. The heaviest is the yearly one: accounting, filings and the audit. Budget the company you keep.

PUBLISHED PRICE · HONG KONG	ONE-OFF OR FIRST YEAR	THEN EACH YEAR
Company formation	From €2,390	—
Registered office	From €999	€999
Bank account opening	From €2,690	—
Accounting, filings and audit	From €4,390	€4,390
Renewal and upkeep	From €1,290	€1,290
Compliance, KYC and beneficial owners	From €999	€999

Published prices, government fees included, excluding capital and travel.

WHAT THE YEARLY FILE COVERS

- Bookkeeping and financial statements under the local framework.
- Tax filings at local deadlines, and the statutory audit.
- Annual filings and registers kept current.

WHY IT MATTERS TWICE

The accounts are also **the evidence behind your offshore claim**. Books that do not show where profits came from leave the claim with nothing to stand on.

Leaving costs money too

€999
change of agent, one-off

€16,375
redomiciliation, one-off

€1,790
dissolution and strike-off, one-off

DECIDED ON THE CALL

Your real year-one and year-two budget, as a firm quote, including the work an offshore claim adds to the yearly file and the presence level you actually need. Get your quote →

WHERE HONG KONG FITS

06

Not a 0% jurisdiction. That can be the point.

Hong Kong is not a zero-tax address. It is a low-tax trading base with a territorial rule: it wins some files and loses others.

	HONG KONG	SINGAPORE	UAE	BVI
Tax	8.25% to HKD 2 million, then 16.5%; foreign income exempt on application	17%, start-up reliefs; one-tier: dividends not taxed in the shareholder's hands	0% up to AED 375,000, then 9%; registration even at nil rate	0%; economic substance rules apply
Heavy item	Resident company secretary and Hong Kong office	Resident director, the heaviest recurring item	The free zone decides cost, visas and bank	Substance for holding, financing, IP, headquarters
Banking	Demanding: a trip, Asian clients	Demanding, excellent once obtained	Good with a serious substance file	Difficult without a strong operational link
Formation	From €2,390	From €3,290	On request	From €3,090

HONG KONG MAKES SENSE WHEN

- Your business faces China and Asia: it is the natural gateway.
- You have clients or suppliers in the region.

IT DOES NOT WHEN

- Your business is purely European: the exemption is hard to defend, the bank hard to open.
- You want 0% without moving yourself.

THE WOLF READING

A 0% rate is no longer enough: substance and the place of effective management also decide where a company is taxed. **Hong Kong is lighter to run; Singapore is stronger on reputation and banking once the account is obtained.** The right answer is the one your facts can defend.

DECIDED ON THE CALL

Which base fits your file: Hong Kong, Singapore, the UAE, or another of the 68 jurisdictions we cover, and the residence that goes with it. Compare for your case →

THE SEVEN TRAPS

07

Where pigeons get caught.

01 **Reading 8.25% as the rate.** It applies to the first two million Hong Kong dollars of profits only, and to one entity per group. Above that, 16.5%.

02 **Assuming "offshore" means exempt.** The exemption on foreign income is never automatic. It is claimed and justified file by file, and it can be refused.

03 **Invoicing home clients from home.** If the work is done where you live, the claim is hard to defend, and your government may say the company is really run from there.

04 **Forming before testing the bank.** A company with no Asian link struggles to open an account. Check bankability first; a company without an account is a receipt.

05 **Treating the secretary and the address as formalities.** Both are mandatory, and the register of significant controllers must follow every change.

06 **Budgeting the formation, not the year.** Accounting, filings and audit, at €4,390 a year, is the heaviest line. Skip it and the claim loses its evidence.

07 **Expecting the company to move you.** A Hong Kong company does not move your personal tax residence. Your home, your days and your family stay where they are, and so does your tax.

THE PATTERN

Every trap comes from the same mistake: buying a fast, cheap company before checking whether the facts behind it will survive the tax office and the bank. In Hong Kong the formation is the last decision, not the first.

YOUR SCORECARD

08

Are you ready, or about to pay twice?

Tick honestly. This is for you, not for us.

I know where my clients and suppliers are, and whether any of them are in Asia.	Yes ☐	No ☐
I can show where my business is really carried on, with contracts and flows.	Yes ☐	No ☐
I know whether I would claim the exemption on foreign income, and on what facts.	Yes ☐	No ☐
I know whether another company in my group already uses the reduced rate.	Yes ☐	No ☐
I know where I will be tax resident, and that the company does not change it.	Yes ☐	No ☐
I can document where my starting capital comes from.	Yes ☐	No ☐
I am ready to travel for the bank, and I know what it will ask.	Yes ☐	No ☐
I have a full yearly budget: office, secretary, bank, accounting, filings, audit.	Yes ☐	No ☐

8 YES

You are ready to execute. A call gets you a firm quote and a named executing party.

5 TO 7 YES

You are close. The gaps are usually the offshore claim and the bank: 45 minutes closes them.

4 OR FEWER

Do not form a company yet. Book the call first; it may save you the whole budget.

BRING THESE TO YOUR CALL

Write down every "No" above. They are the agenda of your 45 minutes, and the answers you leave with.

WHAT THIS PLAYBOOK LEAVES OUT ON PURPOSE

The rate is public. The claim is yours to prove.

You now know the logic. What a document cannot do is apply it to your clients, your suppliers, your residence and your money. These are the decisions we make with you:

- Whether Hong Kong is the right base, or Singapore, the UAE or another jurisdiction fits better.
- Whether your income can support an offshore claim, and how to run the company so it holds.
- Your address level, your secretary and your corporate file, set up once and correctly.
- Your first bank, and the file that gets the account opened.
- Your real year-one and year-two budget, as a firm quote with government fees included.

BOOK YOUR 45-MINUTE CALL

aquasands.net/request

At the end, we tell you what we would do in your place, including building nothing at all. The answer is often no, and we would rather say so before billing anything.

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HOURS
Mon–Sat, 9am–1am CET
French and English

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