

Business registration fees to be adjusted and business registration levy to be waived

The Government served a notice to the Legislative Council today (March 6) to move a resolution under the Business Registration Ordinance (Cap. 310) (BRO) to increase business registration fees with effect from April 1, 2024. The Government will also publish in the Gazette on March 8 the Business Registration Ordinance (Amendment of Schedule 2) Order 2024 (BRO Order) to increase branch registration fees and to waive the business registration levy of \$150 payable to the Protection of Wages on Insolvency Fund for two years.

The BRO requires every person who carries on a business in Hong Kong to apply for business registration and pay a business registration fee at the prescribed amount within one month from the date of commencement of the business. There are two types of business registration certificate, namely the one-year certificate and the three-year certificate. In view of the fact that business registration fees have remained unchanged for close to 30 years, the 2024-25 Budget has proposed to increase the business registration fees by \$200 to \$2,200 per annum (i.e. an increase of 10 per cent), with effect from April 1, 2024. In line with the proposed increase in the business registration fees, the branch registration fee, which is payable by each branch of a business that applies for business registration, will also increase by 10 per cent. The current and proposed business registration and branch registration fees are at Annex.

In addition to the business registration fee or branch registration fee, a business operator is required to pay a levy (\$150 per annum) in respect of each business or branch registration to finance the Protection of Wages on Insolvency Fund. To relieve the impact of the increase in business registration fees and branch registration fees on businesses, and in view of the stable financial position of the Fund, the 2024-25 Budget has proposed to waive the levy of \$150 for two years starting from April 1, 2024. The relevant changes are set out at Annex.

To implement the proposed business registration fees with effect from April 1, 2024, the Secretary for Financial Services and the Treasury will move a resolution pursuant to section 18(1) of the BRO at the Legislative Council on March 27. To give full force and effect of law to the resolution before it is passed by the Legislative Council, the Public Revenue Protection (Business Registration) Order 2024 has been made by the Chief Executive. Moreover, the Financial Secretary has made the BRO Order pursuant to section 18(2) of the BRO to implement the proposed increase in branch registration fees and the two-year waiver of the levy. The BRO Order will be published in the Gazette on March 8 and tabled at the Legislative Council for negative vetting on March 13.

It is estimated that the above proposals of adjusting business registration fees and branch registration fees will increase government revenue by about \$295 million per annum.