

HONG KONG CHURCH PLANTING CHECKLIST



The following table has been prepared as a free download and a guide to common issues in setting up a Church or Ministry in Hong Kong. Every effort has been made to ensure they are accurate. They include tables on

Legal - Taxation – Employment – Property – and Business / Banking

Global Church Solutions are advisors to a large number of Churches and have been involved in establishing, restructuring, re-engineering and advising Christian organizations in Japan, Malaysia, Singapore, Indonesia, Vietnam, Thailand, United States, New Zealand and Australia, where we are based.

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1	LEGAL	Application	Information Source
1.0	What legal structures are available in the country of Church Plant? 1. Company 2. Not profit legislation 3. Charitable Trust 4. Un-incorporated	Corporations Act HK No Yes Yes-no legal coverage	Company Limited by Guarantee Not common but available
1.1	Are there rules for foreign owned or governed organizations?	No	
1.2	Are there rules for foreign Board members?	No	All Directors can be foreigners. Company Secretary must be HK resident Will need proof of identity Passport
1.3	Do any Religious laws apply?	No	
1.4	What tax law or exemptions apply?	Tax Exemption Tax Deductible giving	Available after application to Inland Revenue Up to 25% of taxable income of donor
1.5	Does the Country have a master registry of Charities?	No	
1.6	Known accounting / legal advisors	Note. No commercial arrangement applies.	Cheng and Cheng, Public Accountants (Partner Peter Wong aka Wong Sek Yuen) 1004 Allied Kajiama Bldg, 138 Gloucester Rd, Wanchai, HK. + 25988663 peter.wong@chencpa.com.hk

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2	TAXATION	Application	Information Source
2.1	Do all organizations have to register for a unique number etc	Unique # for Companies Ordinance YES Inland Revenue YES	
2.2	Are religious organizations exempt of Corporate Tax automatically or do we apply?	On application	On application (up to three months delay from establishment)
2.3	Do they have GST, VAT, or Sales Tax ?	No	Only applicable to tourist trade
2.4	What employments taxes apply?	None.	No employer deductions at source. Gross salary paid and annual advice to the Inland Revenue. The IR then levy the employee directly.
2.5	What taxes apply to non-national employees?	None	No employer deductions at source. Gross salary paid and annual advice to the Inland Revenue. The IR then levy the employee directly.
2.6	What withholding Taxes apply to overseas payments etc	None	Australian Tax Office – Double Country Taxation Agreements Foreign Country Tax Office
2.7	Can a Church undertake for profit activities under the legal entity of the Church?	Yes-qualification	If minor in nature. If they are larger scale the tax deductibility of the Church may be removed.
2.8	Do capital gains or normal taxation apply to Churches on sale of property?	No	If the Inland Revenue perceive that the Church has “traded” in property, taxation will apply
	Employment taxes see Employment Section		

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3	EMPLOYMENT	Application	Information Source
3.1	What process is needed to employ someone?	No restrictions	
3.2	What documentation is required?	Duty of care –in house only	
3.3	Do you have to register as an employer?		
3.4	What employment taxes and insurances are required? 1. Employee Tax (PAYG) 2. Workers Compensation 3. Health insurance 4. Superannuation / Pension 5. Non residents Taxes	NO YES YES COMBINED ABOVE PROVIDENT FUND NO	No deduction at source Compulsory from 1st employee. 5% EMPLOYER/ 5% EMPLOYEE Compulsory
3.5	Are there special exemptions or deferrals for employment insurances and taxes?	NO	
3.6	When are various dates that taxes payable to Tax offices?	Not applicable	
3.7	What visa's apply for non-nationals?	Visitors (three months) residency	On arrival at airport On application. Up to three months delay. Cannot work.
3.8	Do you need documents other than a visa?	NO	Requires a sponsoring organization.
3.9	What security provisions are needed for working with children	TB checked	

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5	BUSINESS AND BANKING	Application	Information Source
5.1	Can a not for profit set up its own bank account?	Yes	As a Company it has the same legal status as a for profit. Local bank restrictions may apply
5.2	Does the account need to be attached to an individual person. If so can that person be a foreigner?	No / Yes	No, if a Company Yes, if an unincorporated body. Then in the name of trustees
5.3	Can foreigners be signatories/	Yes	Will need proof of identity and proof of residence at any worldwide location (eg Rates, phone or electricity account)
5.4	What procedure is needed to establish an account where a foreigner is involved	Usual western Banking process	Will need proof of identity and proof of residence at any worldwide location (eg Rates, phone or electricity account)
5.5	What type pf facilities do they allow <ul style="list-style-type: none"> • Cheque accounts • Saving & term deposits • Foreign Currency Accounts • Internet banking • Credit card banking service • Non branch deposits? 	YES YES YES YES YES YES	Usually available, dependant on local bank regulations.
5.6	Can you have credit cards attached to the account?	YES	Merchant facilities available
5.7	Are there restrictions on payments to overseas?	No	
5.8	ATM's – are there hours of operation and can you use multi-bank sites?	NO	