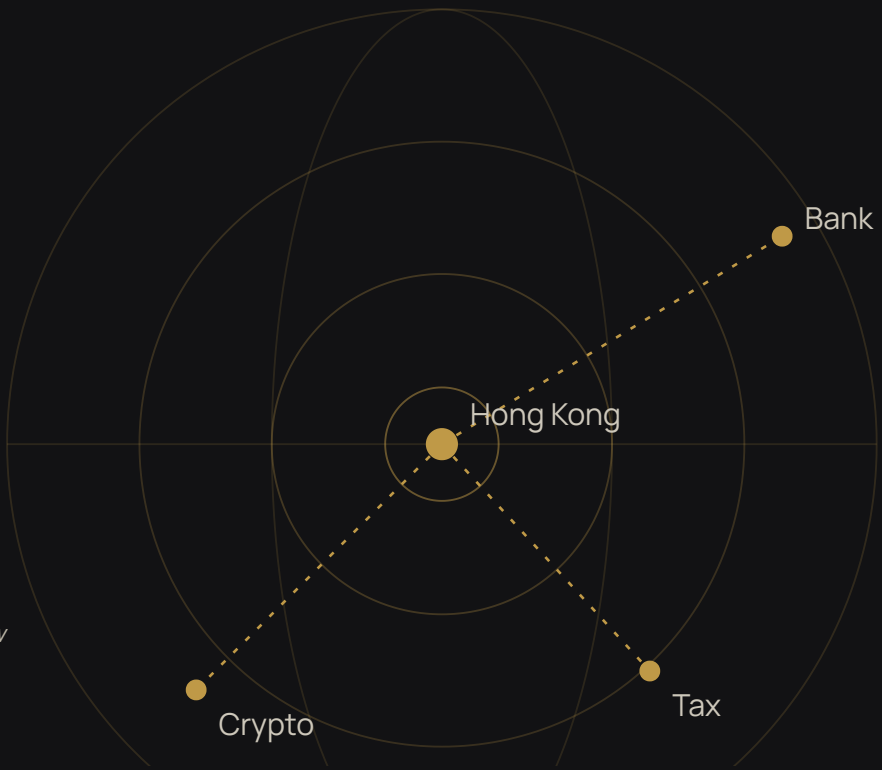
GLOBAL WEALTH
CLUB

Hong Kong Company Questions and Answers

Crypto, banking, tax and the balance sheet: the questions our clients ask most, answered in plain language.

Global Wealth Club, with input from Raymond Chan, CORE

5 SECTIONS · 16 QUESTIONS



A short, practical guide to holding investments and crypto in a Hong Kong company: what goes on the balance sheet, which banks will say yes, and how to keep the offshore tax exemption.

OVERVIEW

What matters most

The five points that decide whether a Hong Kong company works well for you. The rest of this guide explains each one.

1 **Know what the company is for before you set it up.**
The purpose decides the bank, and changing it later causes most banking problems.

2 **If the company owns it, it goes on the balance sheet.**
Crypto included. That is also your best proof the asset is not yours personally.

3 **Hold crypto in a wallet or account in the company's own name.**
A bare trust over coins in your personal wallet is possible, but not recommended.

4 **Keep everything outside Hong Kong.**
Staff, office, customers and broker account, if you want the offshore tax exemption.

5 **Make decisions outside the country you live in.**
A Hong Kong company run from your home in Australia or New Zealand can be taxed there.



AT A GLANCE

Which account suits an investment company?

	Traditional HK bank e.g. HSBC	Fintech in Hong Kong e.g. Airwallex	Wallex Singapore
100% investment company	Generally no	Depends on the provider; some refused	Accepted
Crypto	Not crypto friendly	Varies by provider	Do not use for crypto
Time to open	2 to 4 months	About a week, sometimes longer	About a week, sometimes longer
Travel needed	Yes	No, opened online	No, opened online

General guide based on CORE's recent experience. Bank policies change often; we confirm the right provider for you at set up.

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01

SECTION ONE

Choosing Hong Kong

Why most of our clients pick Hong Kong, and when somewhere else makes sense.



HONG KONG VS SINGAPORE

Why Hong Kong rather than Singapore?

Hong Kong suits most of our clients. You can be the only director and 100% owner, and it costs about half as much to run. Singapore needs a local resident director who must sign off on your decisions. Singapore has no audit for very small companies, but that rarely makes up the difference.

OTHER COUNTRIES

What about the US or Dubai?

Both have their uses, for example a US company for e-commerce or holding US shares. Choose a country for what it does for you, not for its image. Often the deciding question is simply where you can get a bank account.

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SECTION TWO

Crypto in the Company

Owning crypto through your company, the balance sheet, and moving coins across.



OWNERSHIP

Can my Hong Kong company own crypto?

Yes. The cleanest way is a wallet or exchange account opened in the company's name, with the coins transferred across.

BALANCE SHEET

Does the crypto have to go on the balance sheet?

Yes. If it is a company asset, it must be shown in the accounts. This is a good thing: it is the clearest proof that the company owns it, not you.

ACCOUNTS AND AUDIT

How is it valued and audited?

The accountant needs two things: evidence that the company is the owner, and a statement showing the market value at year end. In practice the crypto is usually carried at cost, so a rising market does not create a paper profit until you sell. Every Hong Kong company has a full audit each year, and audits with crypto cost more than ordinary ones.

TRANSFER

How do I move my crypto into the company?

Use a simple sale and purchase agreement, or record it as a capital contribution from you as shareholder. Keep a board minute, the price of each coin on the transfer date, and the wallet records. Use the actual transfer date. Never backdate.

BARE TRUST

Can the company own the crypto under a bare trust, without a company wallet?

It is possible, but not recommended. The likely reasons: it is harder to prove ownership to the auditor, the coins still sit in your personal name (which weakens asset protection), and it invites questions from banks and tax offices.

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SECTION THREE

Banking

Which banks accept an investment company, what they can see, and how to keep payments moving.



INVESTMENT COMPANIES

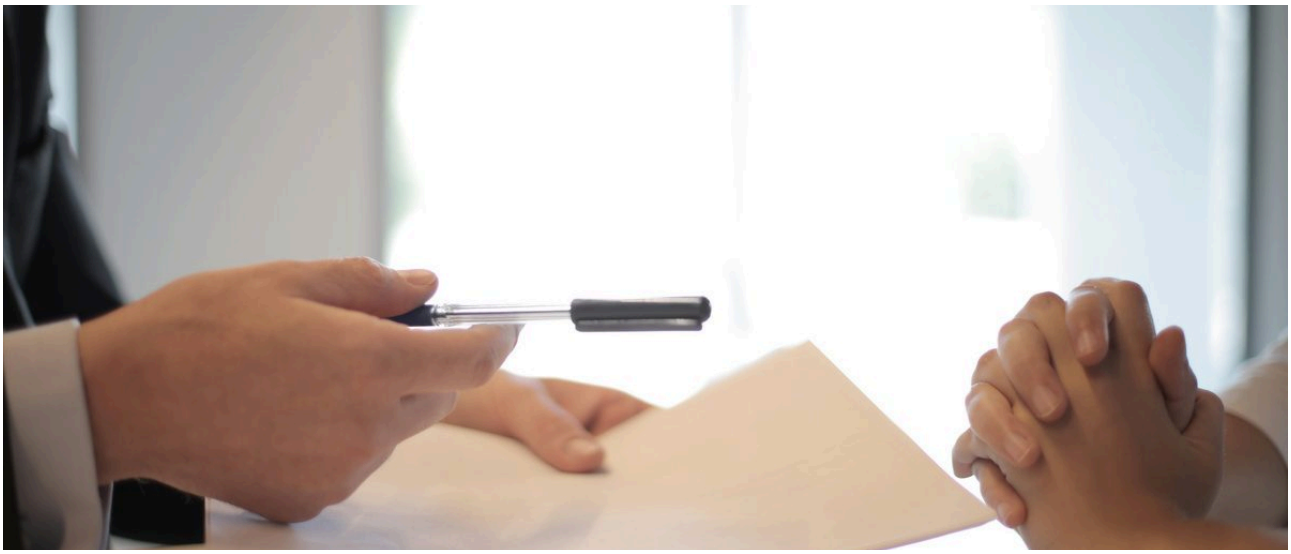
Will a bank accept a company that only holds investments?

- **Traditional Hong Kong banks (such as HSBC):** generally no, if the company is 100% investment. A small amount of investment alongside a real business is usually fine. HSBC is also not crypto friendly.
- **Fintechs (such as Airwallex):** yes, but it depends on the provider. Airwallex in Hong Kong has refused a number of investment-only applications.
- **Wallex (Singapore):** accepts investment accounts and can be used to fund a licensed broker account. Crypto is restricted in Singapore, so do not use this account for crypto.

BANK REVIEWS

Could my bank see the crypto on my balance sheet?

Assume yes. Banks and payment providers run regular reviews and can ask for your financial statements. Even if the bank account never touches crypto, choose a bank that is comfortable with crypto on the balance sheet.



DISCLOSURE

Should I tell the bank about crypto?

Tell the bank honestly what you will do, including what you may do in future. Banks that say yes today can change policy later, and a sudden change in activity (new countries, switching to crypto) is the most common reason accounts get frozen. This is why we match you to the right bank at the start.

ACCOUNT TYPE

Fintech or traditional bank?

Fintechs (Airwallex, Wise, Revolut and similar) open online in about a week (depending on backlog, some take longer). Traditional banks take 2 to 4 months and need you to travel. If you have no business track record yet, start with a fintech, build a few transactions, then apply to a traditional bank.

> ★ PAYMENT TIP
>
> **Avoid US dollars where you can.** USD payments pass through US banks that can hold funds and ask questions. Send AUD from Australia, euros to Europe, and so on.



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SECTION FOUR

Tax

The Hong Kong offshore exemption, what puts it at risk, and the question that matters most.



OFFSHORE EXEMPTION

Will my investment gains be tax free in Hong Kong?

They can be, if the company qualifies for the offshore exemption. The basics: no office, staff, suppliers or customers in Hong Kong. A Hong Kong bank account is fine. Any broker account must be outside Hong Kong (for example Singapore or the US) and must be licensed.

The offshore claim at a glance

SUPPORTS A CLAIM

- ✓ No office in Hong Kong
- ✓ No staff in Hong Kong
- ✓ No suppliers or customers in Hong Kong
- ✓ A Hong Kong bank account is fine
- ✓ Licensed broker account outside Hong Kong

PUTS A CLAIM AT RISK

- ✕ Advisers or consultants working in Hong Kong
- ✕ A Hong Kong broker account
- ✕ Frequent buying and selling
- ✕ Getting advice only after the activity

TRADING VS INVESTING

Can anything make the gains taxable in Hong Kong?

Yes. Frequent buying and selling (for example within a month) can be treated as trading rather than investing. Having advisers or a broker in Hong Kong also puts the exemption at risk. Get advice before you start, not after.

> *"If you would like to apply for the tax exemption, ideally 100% of everything is done outside Hong Kong."*
>
> Raymond Chan, CORE

CONTROL AND RESIDENCE

Can my home country tax my Hong Kong company?

Yes, and this is the big one. Australia and New Zealand can treat a foreign company as their own if its directors run it from there. If that happens, it pays local company tax on everything. A Hong Kong nominee director does not fix this. Hold board meetings and make major decisions outside your home country, and make sure the company is genuinely active.

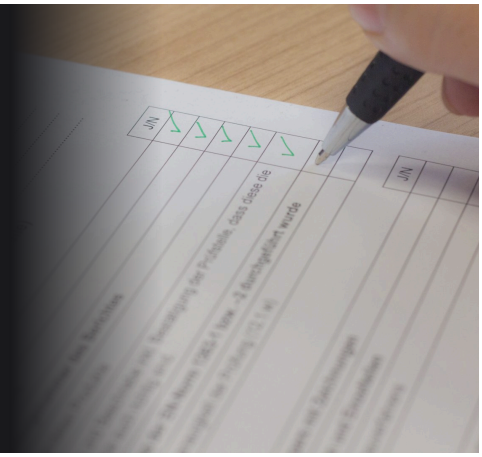


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SECTION FIVE

Running the Company

Yearly obligations and what it costs to keep a Hong Kong company in good standing.



COMPLIANCE

What are the yearly obligations?

A Hong Kong registered office, a company secretary, the annual business registration fee, the annual return, the employer's return, accounts, an audit and a tax return. CORE handles all of this for you.

COSTS

What does it cost?

As a rough guide, about US$3,000 a year in Hong Kong, more if there are many transactions or crypto in the accounts. Singapore is about US$6,000.

NEXT STEPS

Ready to go further?

- **Become a free member at www.globalwealthclub.com.** Watch our podcast with Raymond Chan for the full detail, and be notified of free podcasts, masterclasses, events and updates on offshore companies.
- When you are ready, we will introduce you to Raymond at CORE for company set up, banking and specific accounting and tax advice.

Yours in freedom,

The Global Wealth Club

General information only, not personal tax, legal or financial advice. Laws and bank policies change. Confirm with a qualified adviser before acting.