

HONG KONG & CHINA

Alex Cho

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Firm Profile:

Sino Group is a high-quality provider of Fund, Trust and Corporate Services located in Hong Kong, China and Singapore. Our expertise and focus is the Greater China market, but our strong relationships in the other major financial centres of Asia enable us to provide a seamless service to clients operating throughout the region. Our team has over 30 years' experience and has been advising clients on China business since the early '90s.

We are not owned by a faceless group of investors; the people who own the company do the work. We are not motivated by our results, but rather the best results for our clients.

Sino Corporate Services China Limited is incorporated in Shanghai with branch offices in Beijing and Shenzhen. Sino Fund Services Limited and Unity Trust Limited are limited liability companies incorporated in Hong Kong, which hold Trust or Company Service Provider Licences under section 53G of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance,

Cap. 615 in Hong Kong. Unity Trust Limited is a trust company registered under section 78(1) of the Trustee Ordinance (Cap. 29) in Hong Kong.

Biography:

Alex joined Sino Corporate Services Limited as CEO in 2016. The company provides the full range of services to Corporate Clients, Private Clients, Fund Managers and Business Advisory Services to business owners from different jurisdictions.

Alex worked for Intertrust Group for 25 years from 1990 to 2015 and was the Managing Director of Hong Kong and China offices.

Alex is frequently invited by HKTDC, InvestHK, and CCPIT as speaker on different topics such as Cross Border Investment Structuring, China Business set up, China Outbound Investments, the use of Hong Kong as the Investment Holding Company and Regional Headquarters and how to utilize a Trust Structure as a Wealth Planning tool in Hong Kong, China, Asia and various countries in Europe.

To enhance transparency of corporate beneficial ownership in order to fulfil Hong Kong's international obligations on combating money laundering and terrorist financing, the HK Government introduced new legislation. This became operative on 1 March 2018, requiring a company incorporated in Hong Kong (except a HK listed company) to obtain and maintain up-to-date beneficial ownership information, by way of keeping a Significant Controllers Register ("SCR"), for inspection by law enforcement officers upon demand.

Before implementation of the new legislation, every Hong Kong non-listed company with share capital was only required to disclose details of its members in its annual return filed with the Companies Registry, which forms part of the public records.

Under the new legislation, every company (except Hong Kong-listed companies) is also required to review its documents to identify individuals who (and legal entities which) have significant control over a company, give notice to them, and obtain accurate and up-to-date information about their identities. The required particulars should be entered into the company's SCR within seven days after they have all been provided or confirmed or come to the notice of the company.

The company will have to designate a representative to serve as a contact point for providing information about the SCR and related assistance to law enforcement officers.

If a company fails to comply with the requirement of keeping an SCR, the company, and each of its responsible persons, will be liable on conviction to a fine up to HK\$25,000 and a daily fine of HK\$700. If an addressee of the notice fails to comply with the notice, he and every related person commit an offence and each is liable to a fine of up to HK\$25,000. If any person is found giving any false information or statement, they will be liable not only to a fine but also imprisonment for up to 2 years.

Although the SCR is not required to be filed with the Companies Registry ("CR"), the CR is empowered to investigate if there are any companies which are in default. From March 2018 to September 2019, over 7,000 companies have been inspected and 166 summonses were issued for non-compliance with this legislation.

Sino Corporate Services Limited is a licenced trust and corporate service provider ("TCSP") in Hong Kong. We have professionals who are well acquainted with the legal requirements to assist our clients to identify the significant controllers of their companies and prepare the necessary notice(s) and SCR for them.

As a TCSP, we are also qualified to act as the Designated Representative in relation to the SCR for our clients and deal with law enforcement officers upon their request.

Whilst laws and regulations will be updated from time to time to enhance Hong Kong's regulatory regime for combating money laundering and terrorist financing, we, being a professional corporate service provider, shall keep our clients abreast of such updates and assist them to fulfil any legal requirements.

In China, the government registry only ask for the full name of the UBOs when application documents for setting up a company are submitted. No other information needs to be provided. However, when the company open bank accounts, the bank will ask the company to provide detailed UBO information, including but not limited to, the full name, the passport number and the shareholding percentage.

What changes can we expect to see emerging, are any new proposals expected?

There are no new proposals at the moment.

UBO Global Database – Hong Kong

Has a UBO register been implemented in your jurisdiction?	Yes
If so, is this register publicly accessible?	No
If not, is this register accessible for authorities?	Yes
Please confirm the date of implementation	1 March 2018
Is a grandfathering rule applicable (e.g. are existing companies allowed to register the UBO information later)?	There is no statutory deadline for existing companies to finish the registration of the Register, but it is the Company's duty to enter information of the UBO in the Register within 7 days after either the registrable person confirms his particulars or the particulars of a registrable entity come to the notice of the Company.
If yes, please confirm the final due date of implementation	N/A
Link to the UBO register in your jurisdiction	cr.gov.hk/en/legislation/scr/overview.htm

UBO Global Database – China

If a regular UBO register has not been implemented, but instead UBO information needs to be registered for e.g. specific sectors or UBO information needs to be maintained by the legal entity itself, please elaborate further?	The government registry just needs the name of the UBO as part of the required incorporation information. No other details are needed.
Please confirm the date of implementation	N/A
Is a grandfathering rule applicable (e.g. are existing companies allowed to register the UBO information later)?	N/A
If yes, please confirm the final due date of implementation	Submitted when application for setting up a company in China is made.
Link to the UBO register in your jurisdiction	N/A