

# Tiger Consulting Asia

*HongKong*



# Where are we?

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# Key Country Facts

## **Official Language**

According to Basic Law of Hong Kong, both English and Cantonese are official languages in Hong Kong. During the British colonial era, English was the sole official language of Hong Kong until 1974. After the handover, the government of Hong Kong adopted the "biliterate and trilingual" policy. Under this policy, both Chinese and English are acknowledged as official languages; with Cantonese being acknowledged as the de facto official spoken variety of Chinese in Hong Kong, while also accepting Mandarin.

## **Currency:**

Hong Kong Dollar (HKD)

## **Time Zone:**

UTC +8



# Key Country Facts

## **Laws and Customs:**

Laws in Hong Kong consist of the Basic Law, locally enacted ordinances, subsidiary legislation, the common law, rules of equity, and customary law. A few national laws of the PRC listed in Annex III to the Basic Law are also applicable (covering subjects such as national flag and anthem, nationality law and diplomatic privileges and immunities). The teachings of Confucius describe the position of the individual in Hong Kong Chinese society. Confucianism is a system of behaviours and ethics that stress the obligations of people towards one another based upon their relationship.

Confucianism stresses duty, loyalty, honour, filial piety, respect for age and seniority, and sincerity. These traits are demonstrated by the Hong Kong Chinese in their respect for hierarchical relationships. Although not readily apparent to the casual observer, there are strict rules about appropriate behaviour and the manner in which people must act in order to respect the hierarchy.

## **Cultural observations:**

The handshake is commonly used when greeting Westerners. The Hong Kong Chinese handshake is rather light. During the greeting, many Hong Kong Chinese lower their eyes as a sign of respect.



# Establishing a company/legal entity in Country

## **Employment:**

Locals may work at will. Foreign workers and expatriates must possess valid work visas prior to commencing work.

## **Working Hours:**

9-6 Mon-Fri

## **Banking and payments:**

Hong Kong has one of the highest concentrations of banking institutions in the world. Seventy of the largest 100 banks in the world have an operation in Hong Kong. Hong Kong's payment systems allow interbank transfers in the Hong Kong dollar, US dollar, euro, and renminbi. Hong Kong Interbank Clearing Limited (HKICL) is the operator of the payment systems, providing banks with various interbank clearing and settlement services.

## **Visas & work permits:**

Foreigners and expatriates who wish to work in Hong Kong are required to possess a work visa from Hong Kong Immigration Services.

-Applicants need to have a graduate degree, unless they have considerable technical experience in a certain area.

-In addition, the applicant should have relevant experience in the position they are applying for.

-The salary offered should meet local professional standards. (The bottom threshold for this is generally considered HK\$20,000)



# Establishing a company/legal entity in Country

## Public Holiday

Employees are entitled to an official holiday with full pay on the following days:

New Year's Day	1 January
Lunar New Year's Day	(date will move slightly each year)
Ching Ming Festival	(date will move slightly each year)
Good Friday	(date will move slightly each year)
Easter Monday	(date will move slightly each year)
Labour Day	1 May
The Birthday of the Buddha	(date will move slightly each year)
Tuen Ng Festival	(date will move slightly each year)
HK Special Administrative Region Establishment Day	1 July
The day following the Chinese Mid-Autumn Festival	(date will move slightly each year)
National Day	1 October
Chung Yeung Festival	(date will move slightly each year)
Christmas Day	25 December
The first weekday after Christmas Day	26 December



# Tax & Social Security

## **Mandatory Provident Fund (MPF)**

The MPF is a compulsory saving scheme (pension fund) for the retirement of residents in Hong Kong. Most employees and their employers are required to contribute monthly to mandatory provident fund schemes provided by approved private organizations, according to their salaries and the period of employment.

Employees and employers who are covered by the MPF System are each required to make regular mandatory contributions calculated at 5% of the employee's relevant income to an MPF scheme, subject to the minimum and maximum relevant income levels. For a monthly-paid employee, the minimum and maximum relevant income levels are \$6,500 and \$25,000 respectively.

## **Inland Revenue Department (IRD)**

In Hong Kong, personal tax is often referred to as salary tax. Both corporate and personal tax rates of Hong Kong are considered as one of the lowest in the world. Unlike a flat corporate tax rate, Hong Kong's salary tax rates follow a progressive tax rate system. There are four marginal tax brackets of 2%, 7%, 12%, and 17%.



# Employees

## **Payslips**

Monthly available on web-site, pdf or paper.

## **Holiday allowance**

Full-time employees are paid for public holidays.

## **Annual Leave**

An employee is entitled to 7 days' annual leave with pay after serving every period of 12 months under a continuous contract. An employee's entitlement to paid annual leave will increase progressively to a maximum of 14 days according to his length of service.

## **Sickness**

Paid sickness days are divided into two categories - paid sickness days can first be accumulated up to 36 days in Category 1 and then 84 days in Category 2.

For taking paid sickness day(s) under Category 1, a medical certificate\* issued by a registered medical practitioner, registered Chinese medicine practitioner, or a registered dentist is required. When the sickness days taken exceeds the number of paid sickness days remaining in Category 1, any further sickness day(s) taken will enter in Category 2. For taking paid sickness day(s) under Category 2, if so required by the employer, a medical certificate\* issued by a registered medical practitioner, registered Chinese medicine practitioner, or a registered dentist attending the employee as an out-patient or in-patient in a hospital should be produced. Upon the employer's request, a brief record of the investigation carried out and the treatment prescribed by the issuer of the medical certificate should also be produced.





# Benefits to the employee in country

## **Pension**

The MPFA regulates the operations of mandatory provident fund (“MPF”) schemes and occupational retirement (“ORSO”) schemes in accordance with the provisions under the MPF and ORSO legislation, as well as relevant codes and guidelines.

## **Expatriates**

### ***Accommodation***

Expats should take a few things into consideration when searching for a place to live. If you are only planning to stay for a few years, it is advisable to rent rather than buy a home. If you are unfamiliar with Hong Kong’s housing and rent market and not fluent in Cantonese, your best choice is to hire a real estate agent to help you in your search for a suitable home. There are a number of real estate agencies that cater especially to expats living in Hong Kong.

### ***Transportation***

The less expensive and more comfortable option to get around town is public transport. The Hong Kong Mass Transit Railway (MTR), the main artery of life in Hong Kong, has eleven train lines (including the airport express line) across all major districts, with trains running every few minutes. Further catering to the needs of expats in Hong Kong, the MRT operates 12 intercity trains across the border to Mainland China travelling as far as Beijing. In addition, there are many buses, minibuses, and ferries as well as a historic tramline available. Light rail services are available as well and mostly serve the New Territories.



# Benefits to the employee in country

## **Food**

Hong Kong cuisine is mainly influenced by Cantonese cuisine, non-Cantonese Chinese cuisine, the Western world, Japan, and Southeast Asia, due to Hong Kong's past as a British colony and long history of being an international city of commerce. From the roadside stalls to the most upscale restaurants, Hong Kong provides an unlimited variety of food in every class. Complex combinations and international gourmet expertise have given Hong Kong the reputable labels of "Gourmet Paradise" and "World's Fair of Food".

# CONTACT INFORMATION



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