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Hong Kong offshore companies stand to benefit in China's south

New developments in China's southern province of Guangdong are expected to create a raft of new opportunities for Hong Kong companies, according to a report by a cross-border group.

The report by the Hong Kong Greater Pearl River Delta Business Council said that economic restructuring in Guangdong Province and the development of the western portion of the Pearl River delta would have 'profound implications for Hong Kong'.

Aidan Healy, managing director of Singapore-based Healy Consultants, agrees that the economic relationship between Hong Kong and China's southern provinces makes Hong Kong company incorporation a highly attractive option for entrepreneurs.

'A Hong Kong company is not liable to pay tax on profits earned in China, provided those profits are not remitted back into Hong Kong,' he says.

Hong Kong and China already have a Closer Economic Partnership Arrangement (CEPA) to encourage trade between the two areas.

The report also recommended that Hong Kong and Guangdong should enhance communications and enhance the transparency of its regulations, thereby addressing some of the problems encountered by Hong Kong's services sector when trying to gain access to markets on the Chinese mainland.

'It is important that this becomes more than just words – Hong Kong Offshore companies stand to benefit greatly from opportunities in southern China – as well as elsewhere on the mainland – provided there are concrete efforts to address these key issues,' Healy concludes.

Healy Consultants provides international tax planning, asset protection, company formation in Hong Kong and throughout the world, corporate and private bank accounts, as well as migration into Asia. With a headquarters in Singapore, the Group also has offices in Dubai, Hong Kong and Perth, Western Australia.

For more information on Hong Kong company formation, kindly follow this link.