

Implementation of Phase 3 of New Inspection Regime with effect from 27 December 2023

23 February 2024

In brief

The New Inspection Regime of the Companies Register ('**NIR**') under the Hong Kong Companies Ordinance (Cap. 622), which applies to Hong Kong incorporated companies and registered non-Hong Kong companies, has been fully implemented in three phases to enhance protection of personal data of directors and other individuals who appear on the Companies Register maintained by the Companies Registry ('**CR**').

In Phase 2 of the NIR which came into effect from 24 October 2022, the usual residential addresses ('**URAs**') and full identification numbers ('**IDNs**') on the Index of Directors on the Companies Register of the CR have been replaced with correspondence addresses and partial IDNs for public inspection. Besides, the URAs of directors and full IDNs of directors, company secretaries and some other individuals (such as authorised representatives of registered non-Hong Kong companies, liquidators and provisional liquidators) ('**Data Subjects**') contained in documents registered with the CR starting from the commencement of Phase 2 of the NIR (i.e. 24 October 2022) are protected from public inspection. However, the URAs and full IDNs of Data Subjects contained in documents filed with the CR before commencement of Phase 2 of the NIR remained available for public searches.

Phase 3 of the NIR was therefore implemented on 27 December 2023 to allow companies to take additional safeguards by making applications to the CR for withholding the URAs and full IDNs of Data Subjects contained in documents filed with the CR before commencement of Phase 2 of the NIR.

In this news flash, we outline the key features of Phase 3 of the NIR as well as some clarifications made by the CR on the applications.

In detail

What are the key features of Phase 3 of the NIR?

1. Phase 3 of the NIR has come into effect from 27 December 2023.
2. Starting from the commencement of Phase 3 of the NIR, Data Subjects may apply to the CR for withholding from public inspection their URAs (if applicable) and/or full IDNs ('**Withheld Information**') contained in documents delivered to the CR for registration prior to the commencement of Phase 2 of the NIR under any of the following Ordinances:

- The Companies Ordinance (Cap. 622);
 - The Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32); and
 - The predecessor Companies Ordinance (Cap. 32).
3. An application for withholding the URA from public inspection could be made only by any of the following individuals of Hong Kong incorporated companies and registered non-Hong Kong companies:
 - a director, alternate director, reserve director or company secretary; or
 - a former director, alternate director, reserve director or company secretary.
 4. An application for withholding the full IDN from public inspection could be made by the Data Subject.
 5. Data Subjects may apply to withhold from public inspection their former URAs and/or full IDNs contained in the documents registered with the CR (such as Annual Return, Notice of Change of Company Secretary and Director (Appointment/Cessation), etc.) as mentioned in item 2 above, regardless of whether the status of the company is active, dormant or dissolved.
 6. If the application for withholding a URA and/or full IDN from public inspection is approved, such information in the relevant document will be withheld from public inspection in the following manners:
 - for URA, the CR will instead make available for public inspection the Data Subject's correspondence address as stated in the application.
 - for full IDN, only the first half of the IDN of the Data Subject will be made available for public inspection.
 7. To facilitate the conduct of some functions in relation to statutory procedures, law enforcement, and customer due diligence of financial and business transactions that may require disclosure of the Withheld Information, the CR could, on application, disclose the Withheld Information of directors and other individuals to the 'Specified Persons'. The Specified Persons are required to make a statement to confirm that the Withheld Information is required for the performance of their functions and would only be used for the performance of their functions. A fee will be payable by certain categories of Specified Persons.
 8. The CR has revamped its Integrated Companies Registry Information System and launched its brand new e-Services Portal to cope with, amongst other things, the implementation of Phase 3 of the NIR since 27 December 2023.

How can PwC assist you in Phase 3 of the NIR?

Phase 3 of the NIR seeks to provide additional safeguards relating to the personal data of directors and other individuals who appear on the Companies Register maintained by the CR. In particular, the URAs and full IDNs of Data Subjects contained in the documents filed with the CR before commencement of Phase 2 of the NIR are still available for public searches unless and until the relevant Data Subjects apply to the CR to withhold such information. PwC can help you in comprehending the implications and guide you on the necessary actions to comply with and benefit from the NIR.

In brief, we can assist Data Subjects in making applications to withhold their URAs and full IDNs contained in documents delivered to the CR before commencement of Phase 2 of the NIR from public searches at the CR.

For more information about Phase 2 of the NIR¹, please refer to our previous news flash.

You may also refer to the websites of the CR and the Office of the Privacy Commissioner for Personal Data ²for more details about the implementation of the NIR.

If our assistance is required, please do not hesitate to contact us.

Endnotes

1. Our previous news flash on Phase 2 of the NIR can be accessed via this link:
<https://www.pwchk.com/en/tax/corporate-services/implementation-phase-2-new-inspection-regime-effect-sep2022.pdf>
2. More details about the implementation of the NIR can be accessed via these links:
<https://www.cr.gov.hk/en/legislation/nir/overview.htm>
https://www.pcpd.org.hk/english/news_events/newspaper/newspaper_20210929.html

Let's talk

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