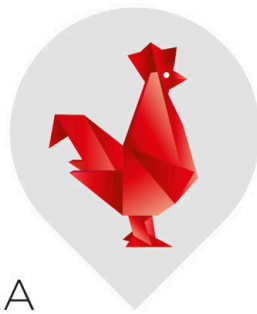


# How to Develop a Tech Company in Hong Kong and Shenzhen



LA  
FRENCH TECH  
**HONG KONG**  
**SHENZHEN**

*Hong Kong and Shenzhen represent two distinct ecosystems for tech startups in the Guangdong-Hong Kong-Macao Greater Bay Area.*

*On one hand, we have Hong Kong, with its established financial infrastructure and international connectivity. Hong Kong offers a full-bodied environment for development in innovation and technology.*

*Shenzhen, on the other hand, has emerged as a global hub for high-tech manufacturing and R&D, characterized by its rapid growth and government support to foster innovation.*

***Disclaimer:*** *While the focus here is on the technology sector, many of the policies, incentives, and infrastructure advantages mentioned in relation to Shenzhen are applicable across a wide range of industries—from finance and logistics to healthcare and green energy—making it a versatile destination for diverse business interests.*

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## 1. Editorial Overview

### Hong Kong



[Source](#)

#### Hong Kong: Fast Facts

- **Founded:** Became a British colony in 1842; returned to China in 1997 as a Special Administrative Region (SAR).
- **Population:** ~7.5 million (2024)
- **Median Age:** ~46.3 years
- **Average Age:** ~44 years
- **Language:** Cantonese and English (official), with growing use of Mandarin
- **Economy:** International financial centre, service-oriented economy with strong legal system and open market policies

- **Fun Fact:** Hong Kong has one of the highest numbers of skyscrapers in the world—over 1,500 buildings over 100 metres tall.

Hong Kong provides an ideal environment for innovation and entrepreneurship. Its robust legal system, world-class education institutions, and strong capabilities in fundamental research make it especially attractive for startups operating in heavily regulated sectors such as fintech, biotechnology, and data technology.

As part of the Greater Bay Area (GBA) initiative, the Hong Kong government actively positions the city as a global gateway to the region — offering international companies a trusted legal and financial platform to access Mainland markets. Compared to other GBA cities like Shenzhen, Hong Kong offers a more bilingual and globally connected business environment, making it a preferred launchpad for companies targeting both Western and Chinese markets.

### *Unique Tech Landscape*

Hong Kong's tech landscape serves as a gateway to international markets. The city's status as a financial center allows for easy access to capital, making it a location worth considering for startups looking to scale globally. Moreover, Hong Kong's startup ecosystem is rapidly growing, fueled by events like Jumpstarter (created by Alibaba Entrepreneurs Fund), which provides valuable networking opportunities for entrepreneurs.

### *Engaging Aspects of the Economy*

The blend of international connectivity and local innovation makes Hong Kong's economy engaging for tech startups. The city's five universities are ranked among the top 100 according to U.S. [News' Best Global Universities listing](#), ensuring a steady supply of skilled talent. Initiatives like (i) the Hong Kong-Shenzhen Innovation and Technology Park and (ii) the Hong Kong Science Park encourage collaboration between academia and industry, creating a vibrant ecosystem for innovation. The city's legal framework and IP protection regulations provide a secure environment for startups to develop and launch their products.

## Shenzhen



[Source](#)

### Shenzhen: Fast Facts

- **Founded:** Designated as China's first Special Economic Zone in 1980
- **Population:** ~17.7 million (2024 est.)
- **Median Age:** ~32.5 years
- **Average Age:** ~33 years
- **Language:** Mandarin (official); Cantonese and Hakka also spoken

- **Economy:** Known as China's "Silicon Valley," with strengths in tech, innovation, and manufacturing
- **Fun Fact:** Shenzhen transformed from a fishing village to a megacity in just four decades—one of the fastest urban growth stories globally.

Often referred to as China's Silicon Valley, Shenzhen is a powerhouse of technological innovation and manufacturing. Its unique strengths lie in its thriving new industries, such as information technology, biotechnology, low-altitude economy, and new energies, which have played an integral role in transforming Shenzhen into a hub for high-tech entrepreneurship.

### *Unique Tech Landscape*

Shenzhen's tech landscape is dominated by its extensive industrial clusters and manufacturing capabilities. The city is home to global tech giants like Huawei, Tencent, BYD and DJI, which have driven innovation and commercialization of research outcomes. Shenzhen's business environment is highly favorable to startups, with a well-developed transportation network, and a service-oriented government.

### *Engaging Aspects of the Economy*

What makes Shenzhen's economy super engaging is its rapid growth and innovative spirit. The city's "20+8" industrial policy (see below) and its role in the Guangdong-Hong Kong-Macao Greater Bay Area initiative have positioned it as a leader in technological development.

[Introduced in June 2022](#), the "20+8" industrial policy aims to bolster the city's industrial landscape by focusing on 20 strategic emerging industrial clusters and fostering eight future industries. This initiative is integral to the Guangdong-Hong Kong-Macao Greater Bay Area development plan, positioning Shenzhen as a leader in technological innovation.

### **20 Strategic Emerging Industrial Clusters:**

These clusters emphasise advanced manufacturing sectors, including:

- New-generation electronic information
- Digital and software
- High-end equipment manufacturing
- Green and low-carbon industries
- New materials
- Biopharmaceutical and health industries

- Marine economy

## **8 Future Industries:**

The policy also invests strategically in emerging sectors with high growth potential, such as:

- Synthetic biology
- Aerospace technology
- Quantum information
- Brain-inspired Intelligence
- Deep-sea exploration
- Advanced communications
- Future networks
- New energy

Shenzhen's ability to seamlessly integrate manufacturing with innovation has created a dynamic ecosystem where startups can quickly prototype and scale their products - a massive plus for tech's fast-paced work environment.

The city's openness to international collaboration and its status as a major R&D hub make it an attractive location for both domestic and foreign tech companies; however, despite its strengths, Shenzhen faces challenges in balancing its manufacturing focus with research.



## 2. Legal Requirements, Opening an Office, Opening a Bank Account

Establishing a business presence in **Hong Kong** and **Shenzhen** involves navigating distinct legal frameworks and procedural steps.

**Incorporating in Hong Kong is straightforward and business-friendly.** English is one of the official languages, so all legal and administrative processes can be carried out entirely in English. The legal system is based on British common law, offering clarity and predictability for international entrepreneurs. Taxes are relatively simple, with a low corporate tax rate and no VAT, capital gains, or withholding tax on dividends.

To smoothly set up a start-up in Hong Kong, the following steps need to be taken:

### *Setting Up an Office:*

1. **Choose a Business Structure:** Decide on the appropriate legal entity, such as a Limited Liability Company (LLC) — referred to as a *Limited Company* in Hong Kong — sole proprietorship, or partnership.

### **Note:**

To open an LLC in Hong Kong, it is mandatory to appoint a company secretary who is either a Hong Kong resident or a Hong Kong-registered company.

Most foreign entrepreneurs engage a **local incorporation agent** to streamline the process. These agents typically provide:

- A company secretary (fulfilling the legal requirement)
- A registered business address (also mandatory for incorporation)
- Assistance with documentation and filings

This is a popular option for businesses that are not yet physically based in Hong Kong.

2. **Company Name Registration:** Ensure your desired company name is unique and complies with Hong Kong's naming regulations. You can check name availability directly via the [Hong Kong Companies Registry](#).
3. **Incorporation:** Prepare and submit the necessary documents to the Companies Registry, including:
  - Incorporation Form (Form NNC1 for a new company)

- Articles of Association
- Copies of directors' and shareholders' identification documents
- 4. Business Registration Certificate: Obtain this certificate from the Inland Revenue Department within one month of incorporation.
- 5. Lease Office Space: Secure a physical address in Hong Kong, as a registered office is mandatory.

#### *Opening a Bank Account:*

While opening a business bank account in Hong Kong is a key step, it has become increasingly difficult, especially for founders who are overseas or lack prior relationships with the bank. Many startups now opt for digital payment providers and fintech platforms as alternatives to traditional banks, which offer faster onboarding and fewer compliance hurdles.

1. Prepare the Required Documentation:
  - Business Registration Certificate
  - Certificate of Incorporation
  - Articles of Association
  - Proof of Business Address
  - Identification and Address Proof of Directors and Shareholders
2. Select a Bank: Research banks that align with your business needs.
3. Submit Application: Complete the bank's application process, which may require in-person verification.

To set up a startup with ease in Shenzhen, follow the steps outlined below:

#### *Setting Up an Office:*

1. Determine Business Structure: Options include Wholly Foreign-Owned Enterprise (WFOE), Joint Venture, or Representative Office.
2. Company Name Approval: Submit a name registration application to the Administration for Market Regulation (AMR).
3. Prepare Legal Documents:
  - Articles of Association
  - Leasing Agreement for Office Premises
  - Feasibility Study Report

Note: If legal documents are not in English or Chinese, certified translations are required. These must be completed by a qualified translator and include a signed statement of accuracy. For official guidance, refer to the Hong Kong Companies Registry.

4. Obtain Business License: File the required documents with the AMR to receive your business license.
5. Additional Registrations: Register with the Public Security Bureau for company chops (official seals) and the tax authorities for taxation purposes.

*Opening a Bank Account:*

1. Basic Deposit Account: This primary account is necessary for daily operations and tax purposes.
2. Documentation Required:
  - Business License
  - Articles of Association
  - Identification of Legal Representatives
  - Proof of Office Address
3. Bank Selection: Choose a bank that is familiar with foreign enterprises to facilitate smoother processes.
4. Application Process: Submit the application, noting that processing times can vary.

*Recent Legal Changes:*

- China's Company Law Amendment (Effective July 1, 2024): Introduced measures to streamline company registration, including:
  - Registered Capital Requirements: Flexibility in capital contribution timelines.
  - Simplified Deregistration: Easier exit procedures for businesses.
  - Enhanced Regulatory Oversight: Stricter compliance and reporting standards.

Given the complexities of Shenzhen's legal landscape—including decisions around registered capital, district-level variations (e.g., Free Trade Zones), and sector-specific licensing requirements—it is highly advisable to consult a qualified legal professional. This helps ensure smooth incorporation and full compliance with evolving local regulations and operational nuances.

Step	Hong Kong	Timeline (HK)	Shenzhen	Timeline (SZ)
1. Choose Business Structure	Sole Proprietorship, Partnership, or Limited Company.	1-3 days	WFOE, Joint Venture, or Representative Office.	3-7 days
2. Name Registration	Register with the Companies Registry.	1 day	Get approval from AMR.	1-3 days
3. Prepare Documents	Submit incorporation documents (Articles of Association, director/shareholder details, etc.).	3-5 days	Prepare business license applications, legal documents, and investment details.	5-10 days
4. Business Registration	Obtain Business Registration Certificate from IRD.	1 day	Submit to AMR for business license.	5-7 days
5. Office Setup	Secure an office address (virtual offices allowed).	1-2 days	Register address and obtain lease agreements.	2-5 days
6. Government Compliance	Apply for necessary licenses and permits (if industry-specific).	7-14 days	Register with PSB, tax authorities, and the social insurance system.	10-15 days
7. Bank Account Preparation	Gather documents (business registration, proof of address, director's passport, etc.). Virtual bank accounts are allowed, but salaries must be issued through a traditional bank since MPF is not supported by virtual FinTech banks.	2-5 days	Prepare all bank application documents (business license, company chops, legal representative ID, etc.).	3-7 days
8. Bank Selection	Choose a suitable bank.	1-3 days	Select a local or international bank with foreign business experience.	2-5 days
9. Application & Verification	Submit your application and undergo KYC (Know Your Customer) checks.	5-10 days	Submit documents, possible in-person verification.	7-14 days
10. Bank Account	Receive account details	7-14 days	Get account details and	10-20 days

Step	Hong Kong	Timeline (HK)	Shenzhen	Timeline (SZ)
1. Choose Business Structure	Sole Proprietorship, Partnership, or Limited Company.	1-3 days	WFOE, Joint Venture, or Representative Office.	3-7 days
2. Name Registration	Register with the Companies Registry.	1 day	Get approval from AMR.	1-3 days
3. Prepare Documents	Submit incorporation documents (Articles of Association, director/shareholder details, etc.).	3-5 days	Prepare business license applications, legal documents, and investment details.	5-10 days
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Approval	and online banking setup (if approved).		operational access.	
<b>Total time</b>		29-58 days		55-93 days

### 3. Raising Funds and Government Support

Most startups need to raise funds and apply for government support to bootstrap or make ends meet.

#### Hong Kong's Investment Scene

- **Financial Hub:** Hong Kong is famous for its well-developed financial infrastructure, making it an attractive destination for investors. It offers a stable legal system, low taxes, and a highly liquid stock market.
- **Startup Ecosystem:** Hong Kong's startup scene is expanding rapidly, especially in fintech, IoT, Web3, and crypto. The government-backed **StartmeupHK** initiative by **InvestHK** supports early-stage ventures through funding, mentorship, and global exposure. The city also hosts regular **startup demo days**, **crypto and fintech festivals**, **AWS Activate Days**, and **FT Meets**, offering strong networking and investor access for founders.

#### Opportunities & Barriers

+	Offers easy access to international markets, a highly developed financial system, and government support for startups.
-	Shenzhen offers direct access to major manufacturing hubs, a vast domestic consumer market, and favourable policies in special economic zones — advantages Hong Kong does not provide to the same extent, especially for startups in hardware, logistics, or supply chain-heavy sectors.

#### Government Support

➤ <b>InvestHK</b>	Offers support services for foreign companies setting up in Hong Kong
➤ <b>Innovation and Technology Fund</b>	Provides funding for R&D projects

➤ <b>Cyberport and Science Park</b>	Incubators and accelerators for startups
➤ <b>Tax Incentives</b>	Low tax rates and specific deductions for R&D expenses

The Hong Kong government, especially through InvestHK has quite a few grants and funding schemes for innovative companies:

- Innovation and Technology Fund (ITF)'s: Enterprise Support Scheme (ESS) aims to provide funding support for local companies to conduct in-house research and development (R&D) work, Maximum Funding Support: \$10 million per approved project, 1:1 matching basis to your R&D expenses.  
<https://www.itf.gov.hk/en/funding-programmes/supporting-research/ess/index.html>
- Research and Development Cash Rebate Scheme (CRS)  
<https://www.itf.gov.hk/en/funding-programmes/supporting-research/crs/index.html>
- Patent Application Grant (PAG) which can support up to 250,000 HKD for the company who wants to capitalise their intellectual work through patent registration.  
<https://www.itf.gov.hk/en/funding-programmes/fostering-culture/pag/index.html>

#### *Special Investment Areas*

➤ <b>Greater Bay Area of Guangdong, Hong Kong &amp; Macao (GBA)</b>	Instead of a single investment zone like Qianhai, Hong Kong plays a pivotal role in the broader GBA, offering businesses access to a highly developed financial ecosystem and global markets
➤ <b>New Capital Investment Entrant Scheme</b>	Unlike the Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone, which focuses on cross-border innovation, Hong Kong's approach attracts high-net-worth individuals to invest across industries

➤ <b>Family Office &amp; Wealth Management Hub</b>	While Shenzhen emphasizes logistics and tech, Hong Kong leverages its status as a global financial center, providing tax incentives and infrastructure for wealth management and family offices
➤ <b>Property &amp; Business Districts</b>	Rather than designated zones, Hong Kong offers prime real estate investment opportunities in strategic districts like Central, North Point, and Kowloon
➤ <b>Financial Market Enhancements</b>	Hong Kong is creating a fast-track listing channel for tech firms, strengthening its role as a fundraising hub rather than relying on specific innovation zones

### *Raising Funds*

1. [Venture Capital](#) & [Private Equity](#): Hong Kong's venture capital market remains modest, with projected funding of US\$2.07 billion in 2025. Key players include Gobi Partners and Alibaba Entrepreneurs Fund, which help drive innovation locally. Meanwhile, Hong Kong plays a significant role in private equity, with firms deploying over US\$11.05 billion into U.S. and European markets in 2024, reinforcing its position as a major investment hub.  
[Source: Betatron \(French\)](#)
2. **Government Support**: Initiatives like the Hong Kong Growth Portfolio and InvestHK provide funding and support for startups, fintech companies, and high-growth businesses.
3. **Foreign Investment**: Hong Kong is an international financial hub with no foreign exchange restrictions, making it attractive to global investors.
4. **Regulatory Environment**: It has a well-established common-law system, ensuring transparent regulations for businesses and investors.
5. **IPO & Fundraising**: HKEX is a preferred market for Chinese and multinational firms looking to raise capital through IPOs. The Main Board serves established businesses, while the GEM Board supports startups and smaller companies.



6. **Currency & Capital Control:** Hong Kong operates as a free port with no tariffs or quotas on most imports and exports, except for a few regulated items like tobacco and alcohol. Known for its free trade policies and multiple Free Trade Agreements (FTAs) with economies such as China, ASEAN, and Australia, Hong Kong facilitates seamless international trade. It also allows free capital flow with no restrictions on currency exchange, making it easier for companies to raise funds globally.
7. **Innovation & Fintech Funding:** The government encourages fintech and blockchain-related investments, making Hong Kong a leading fintech hub in Asia.

## Shenzhen's Investment Scene

- **Tech Hub:** As a major tech startup hub in China, Shenzhen is known for its manufacturing capabilities and cross-border e-commerce. It offers access to a vast market and expertise in hardware development.
- **Special Economic Zones:** Shenzhen has special economic zones with favourable policies for foreign investment, such as the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone.

### Opportunities & Barriers

+	<ul style="list-style-type: none"> <li>• Hong Kong offers a vibrant startup ecosystem with significant access to international markets.</li> <li>• Setting up a company in Mainland China is generally straightforward.</li> </ul>
-	<ul style="list-style-type: none"> <li>• High operational costs and intense competition can be tough for new startups.</li> <li>• Foreign investors face a complex regulatory environment, language, and cultural barriers.</li> <li>• Closing a company in Mainland China can be a lengthy and difficult process, sometimes taking over a year or up to two years.</li> <li>• Foreign investors often hesitate to take equity shares before IPO if Mainland investors are already involved.</li> </ul>

### Government Support

➤ <b>Special Economic Zones</b>	There are tax incentives available for foreign investors in the Greater Bay Area, including reduced tax rates and subsidies tailored to key industries and talent.
➤ <b>Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone</b>	Provides favourable policies for financial services and technology companies
➤ <b>Government Subsidies</b>	Available for specific industries like technology and innovation

### Special Investment Areas

➤ <b>Qianhai Zone</b>	Focuses on financial services, logistics, and technology
➤ <b>Shenzhen-Hong Kong Science and Technology Innovation Cooperation Zone</b>	Encourages collaboration in innovation and technology between Hong Kong and Shenzhen

### Raising Funds

1. Stock Exchange: The Shenzhen Stock Exchange (SZSE) provides access to capital, with markets like ChiNext, which supports innovative and high-growth startups, and Main Board, which serves larger companies.
2. Venture Capital: **Venture Capital (VC)**: Shenzhen's VC ecosystem is robust, with an estimated market size ranging between **US\$10 billion and US\$20 billion**. Notably, **Shenzhen Capital Group Co., Ltd. (SCGC)**, a state-owned enterprise, has invested over **CNY 120 billion** (approximately **US\$17 billion**) into more than **1,580 companies** as of

January 2025. This positions SCGC as a leading VC firm in China, with a significant number of portfolio companies going public across various capital markets. [\[source\]](#)

3. Private Equity: The Greater China PE market showed signs of recovery in 2024, with a **7% increase** in deal value, reaching **US\$47 billion**. However, this rebound was primarily driven by large buyout deals, while growth deals remained dominant by volume. It's noteworthy that **domestic General Partners (GPs)** contributed to a significant portion of the deal value, indicating a preference for local investments. [\[source\]](#)
4. Government Support: Shenzhen's government actively promotes innovation funding, including the Shenzhen Angel Investment Guidance Fund, which co-invests in early-stage startups.
5. Foreign Investment: While foreign investors can access Shenzhen's markets, capital controls and regulatory restrictions limit direct foreign investments compared to Hong Kong.
6. Regulatory Environment: Shenzhen operates under China's financial laws, which are stricter than Hong Kong's. The government closely monitors capital movements and business operations.
7. IPO & Fundraising: The ChiNext market supports startups and high-tech firms, offering a platform for companies looking to raise funds in China. However, it is more focused on domestic companies rather than international listings.
8. Currency & Capital Control: Unlike Hong Kong, Shenzhen follows China's capital control policies, meaning foreign investors and companies must comply with strict currency regulations.
9. Innovation & Fintech Funding: Shenzhen prioritises AI, semiconductors, and biotech funding, often through state-backed initiatives. The city is also a major hub for Chinese fintech companies.

Author's Note: For a clear breakdown of region-specific tax incentives and IP policies in China, refer to [the latest guide](#). However, for a detailed breakdown, please refer to [this article](#).

While Hong Kong offers comprehensive support for startups, Shenzhen's support focuses on specific industries and areas, such as tech and manufacturing. The level of support can vary significantly between the two cities. Hong Kong generally provides more structured programs for entrepreneurs. Both cities have strong VC ecosystems supporting startups with government-backed funds and incentives existing to boost innovation and entrepreneurship. Both cities also provide access to stock exchanges for IPOs.

### *Key Differences*

- Hong Kong is more internationally focused, while Shenzhen is more domestically driven even though one of the top priorities of the local Shenzhen government is to work on the internationalization of the city [\[source\]](#).
- Capital flow is unrestricted in Hong Kong, but Shenzhen has strict capital controls.
- Hong Kong has a well-established common-law system, while Shenzhen operates under China's financial laws.

## 4. Incubators & Accelerators

Hong Kong and Shenzhen are prominent innovation hubs in Asia, each offering a dynamic landscape of incubator and accelerator programs designed to support startups across various industries.

### Hong Kong's Incubators and Accelerators

Hong Kong's startup ecosystem is bolstered by a variety of incubators and accelerators that provide essential resources such as mentorship, funding, and networking opportunities. These programs are generally accessible, though startups may face challenges such as meeting specific industry focus areas or competitive selection processes. However, the growth opportunities, access to international markets, and a robust support network make Hong Kong an attractive destination for entrepreneurs.

#### Top 10



#### **Hong Kong Science and Technology Parks Corporation (HKSTP):**

Offers comprehensive programs supporting startups from ideation to acceleration, providing funding, mentorship, and co-working spaces.



**Cyberport:** A digital technology hub offering entrepreneurship programs targeting industries like FinTech, AI, and blockchain, with funding and mentorship support.



**Brinc:** Focuses on hardware and IoT startups, providing a hands-on program that includes mentorship, prototyping support, and access to a global network.



**HKAI LAB:** Specializes in artificial intelligence startups, offering a six-month accelerator program with funding, AI resources, and mentorship.



**The Mills Fabrica:** Supports techstyle startups (technology and lifestyle) with incubation services, funding opportunities, and access to a collaborative space.



**Nest:** Provides corporate accelerator programs and invests in seed to growth-stage startups across various industries.



**Eureka Nova:** An open innovation platform that fosters collaboration between technology startups and the New World Group ecosystem.



**Hong Kong X-Tech Startup Platform:** Offers support to university startups, providing mentorship, funding, and free workspace to foster innovation.



**Sow Asia:** A charitable foundation supporting social enterprises aiming to create positive community impact, offering funding and mentorship.



**Cryptonite Capital:** Focuses on early-stage ventures in the cryptocurrency and blockchain sectors, providing funding and industry insights.

## Shenzhen's Incubators and Accelerators

Shenzhen, often dubbed "China's Silicon Valley," boasts a vibrant startup ecosystem supported by numerous incubators and accelerators. The city offers a collaborative environment where major corporations work closely with startups, particularly in deep tech and advanced manufacturing sectors. While opportunities abound, barriers may include navigating regulatory environments and intense competition. Nonetheless, Shenzhen's well-established manufacturing base and innovation hubs provide startups with unique advantages.

### Top 10



**HAX:** A leading program focused on pre-seed, hard tech startups working on sustainability across climate, industrial automation, and human health.



**Shenzhen Valley Ventures (SVV):** An engineering venture manufacturing company that collaborates with startups to reduce risk and delivery time, specializing in hardware.



**Shenzhen Qianhai Venture Capital Incubator:** Supports early-stage startups with venture capital backing, offering incubation services and investment opportunities.



**Huaqiangbei International Maker Center:** Provides resources and support for hardware startups, leveraging Shenzhen's extensive electronics markets and prototyping capabilities.



**Shenzhen Open Innovation Lab (SZOIL):** Offers a collaborative platform for makers and hardware innovators, providing access to tools, mentorship, and a global network.



**InnoHub:** Focuses on accelerating tech startups by providing co-working spaces, mentorship, and investment opportunities.



**Shenzhen High-Tech Industrial Park (SHIP) Incubation Center:** Supports startups in high-tech industries with incubation services, funding, and policy guidance.



**Qianhai Shenzhen-Hong Kong Youth Innovation and Entrepreneur Hub (E-Hub):** Provides a platform for young entrepreneurs from Shenzhen and Hong Kong, offering incubation services and fostering cross-border collaboration.



**Shenzhen Software Park Incubator:** A key component of the Shenzhen Software Park, serving as a dedicated incubation and acceleration hub for startups and tech companies. It provides workspace, mentorship, funding support, and networking opportunities within the larger ecosystem of the Software Park, which itself is a major technology and innovation cluster in Shenzhen.



**TechCode Shenzhen Accelerator:** Offers acceleration programs focusing on industries like AI, IoT, and smart hardware, providing mentorship and global networking opportunities.



**HSITP Hong Kong - Shenzhen Innovation and Technology Park:** Located at the Lok Ma Chau Loop in Hong Kong, the Hong Kong-Shenzhen Innovation and Technology Park (the Park) will be developed as a key base for cooperation in scientific research, as well as providing relevant higher education, cultural and creative industries, and other complementary facilities, with a



view to attracting top-tier enterprises, R&D institutions and higher education institutes from local, the Mainland and worldwide, opening up unprecedented space and exciting opportunities for the development of I&T in Hong Kong.

Both Hong Kong and Shenzhen present fertile grounds for startups, with their incubators and accelerators playing pivotal roles in nurturing innovation and entrepreneurial success.

## 5. Recruiting Tech Talent

### How to Recruit Tech Talent in Hong Kong?

Recruiting tech talent in Hong Kong involves leveraging the city's international connectivity and financial infrastructure.

1. Identify Recruitment Channels:
  - Utilize recruitment agencies like Hays and The Circuit HK , which specializes in IT talent acquisition.
  - Leverage online platforms such as LinkedIn, Indeed, and JobsDB to reach a broad audience.
2. Post Job Listings:
  - Advertise job openings on local job boards, university job boards, and social media platforms.
3. Network and Attend Events:
  - Participate in tech events and conferences to connect with potential candidates directly.

### Expected Salaries for Tech Roles

Job Profile	Salary Range Per Month	
	HKD	EUR
Software Engineer	60,000 - 120,000	~7,000 - ~14,000
Data Scientist	80,000 - 150,000	~9,000 - ~17,000
Cybersecurity Specialist	70,000 - 140,000	~8,000 - ~16,500
AI/ML Engineer	90,000 - 160,000	~10,500 - ~19,000

### Considerations for Entrepreneurs

When hiring in Hong Kong, entrepreneurs should consider the following:

- **Legal and Regulatory Compliance:** Ensure compliance with local employment laws and regulations, including participation in Hong Kong's Mandatory Provident Fund (MPF) retirement savings system, which requires employers and employees to make regular contributions. For foreigners, transferring money out of Hong Kong is generally

straightforward due to the city's free capital flow and absence of foreign exchange controls, facilitating easy repatriation of funds to their home country.

- Cultural Differences: Understand the cultural nuances of managing a diverse team.
- Talent Retention: Offer competitive packages and opportunities for growth to retain top talent.

## **Talent Shortage and Navigation**

Hong Kong faces challenges in talent acquisition due to:

- Rapid Industry Growth: The tech sector is expanding faster than the supply of skilled workers.
- Competition from Financial Institutions: Major financial institutions in Hong Kong compete fiercely for top talent, which often leads to salary inflation across the sector. This drives up operational costs for startups and smaller firms trying to attract skilled professionals.

The city is navigating the shortage through strategies such as:

- Offer Competitive Packages: Provide attractive salaries and benefits to lure top candidates.
- Develop Internal Talent: Invest in training and development programs to upskill existing employees. Many Hong Kong-based companies also leverage tech talent located in other countries, such as India and the Philippines, to balance cost and expertise.
- Explore International Talent: Utilize programs like Hong Kong's TechTAS to attract global talent.

## **How to Recruit Tech Talent in Shenzhen?**

Recruiting tech talent in Shenzhen involves tapping into the city's vibrant tech ecosystem and manufacturing capabilities.

1. Identify Recruitment Channels:
  - Engage with IT recruitment agencies like Silicon Valley Associates Recruitment and Brunel.

- Leverage online platforms such as LinkedIn and WeChat to reach a broad audience.
- 2. Post Job Listings:
  - Advertise job openings on local job boards and social media platforms.
- 3. Network and Attend Events:
  - Participate in tech events and conferences to connect with potential candidates directly.

### Expected Salaries for Tech Roles

Job Profile	Salary Range Per Month	
	CNY	EUR
Software Engineer	20,000 - 40,000	~2,500 - ~5,000
Data Scientist	30,000 - 60,000	~3,800 - ~7,600
Cybersecurity Specialist	25,000 - 50,000	~3,200 - ~6,300
AI/ML Engineer	35,000 - 70,000	~6,300 - ~9,000

### Considerations for Entrepreneurs

When hiring in Shenzhen, entrepreneurs should consider the following:

- Legal and Regulatory Compliance: Ensure compliance with local employment laws and regulations.
- Cultural Differences: Understand the cultural nuances of managing a diverse team.
- Talent Retention: Offer competitive packages and opportunities for growth to retain top talent.

### Talent Shortage and Navigation

Shenzhen also faces challenges in talent acquisition due to the high demand for skilled tech professionals. The shortage is exacerbated by the rapid growth of the tech industry.

Why a Shortage Exists:

- **Rapid Industry Growth:** The tech sector is expanding faster than the supply of skilled workers.
- **Competition from Major Tech Companies:** Large companies like Huawei and Tencent compete for top talent.

**Navigating the Shortage:**

- **Offer Competitive Packages:** Provide attractive salaries and benefits to lure top candidates.
- **Develop Internal Talent:** Invest in training and development programs to upskill existing employees.
- **Explore International Talent:** Utilize government programs and partnerships to attract global talent.

**Author's Note:** While both cities present challenges, recruitment in Hong Kong is often considered easier due to its international connectivity, English as an official language, and a more familiar business environment. In contrast, Shenzhen's language barrier can be higher, with a significant percentage of job openings requiring proficiency in Mandarin or Cantonese. However, Shenzhen offers unique advantages in terms of its tech ecosystem and manufacturing capabilities, making it an attractive location for startups focused on innovation and production.

## 6. Dos and Don'ts

**Note:** Establishing a company in Mainland China or Hong Kong is a significant, long-term commitment, especially in China where legal, financial, and administrative requirements can be complex. For startups and small businesses, it's often advisable to initially explore partnerships or other collaboration models to enter the market without fully incorporating. Also, maintaining a legal entity in either jurisdiction comes with fixed costs that can be substantial for early-stage entrepreneurs, so careful financial planning is essential.

City	Hong Kong		Shenzhen	
Category	✓	✗	✓	✗
<b>Business Setup</b>	Choose a business structure that aligns with your goals (LLC, sole proprietorship, etc.).	Don't neglect legal requirements—register your business properly.	Select the right structure (WFOE, Joint Venture, etc.) for long-term success.	Avoid skipping regulatory steps; non-compliance can lead to business closure.
<b>Legal &amp; Compliance</b>	<ul style="list-style-type: none"> <li>• Register your business with the Companies Registry.</li> <li>• Obtain a Business Registration Certificate from the Inland Revenue Department (IRD).</li> <li>• Comply with local tax regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Don't overlook obligations such as filing annual returns or renewing your Business Registration.</li> <li>• Don't assume one license fits all — sectors like education, healthcare, and</li> </ul>	<ul style="list-style-type: none"> <li>• Register with the <b>Administration for Market Regulation (AMR)</b> and obtain a Unified Social Credit Code.</li> <li>• File with the <b>Ministry of Commerce (MOFCOM)</b> and <b>State Administration</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Don't store personal data of Chinese nationals (including employees) on overseas servers</b> without following legal transfer protocols. Cross-border data transfers must pass <b>security assessments, certifications, or standard contracts,</b></li> </ul>

	<p>(Profits Tax, Salaries Tax, etc.).</p> <ul style="list-style-type: none"> <li>• Maintain proper accounting records and conduct annual audits.</li> <li>• Check licensing requirements specific to your sector (e.g., SFC for financial services)</li> </ul>	<p>food services have specific permits.</p> <ul style="list-style-type: none"> <li>• Don't ignore data privacy laws under the <b>Personal Data (Privacy) Ordinance (PDPO)</b> — consent and notification are key.</li> </ul>	<p><b>of Foreign Exchange (SAFE)</b> if applicable.</p> <ul style="list-style-type: none"> <li>• Obtain all sector-specific licenses (e.g., ICP for internet, Food Production License, etc.).</li> <li>• Hire a legal representative or local counsel familiar with Chinese regulations.</li> <li>• Comply with China's <b>Cybersecurity Law</b> and <b>Personal Information Protection Law (PIPL)</b>, which govern cross-border data transfers.</li> </ul>	<p>depending on volume and sensitivity.</p> <ul style="list-style-type: none"> <li>• Don't skip tax and social insurance registration — it's mandatory and enforced rigorously.</li> <li>• Don't assume you can freely repatriate profits — SAFE filings are required for capital movements.</li> <li>• Don't close a company without legal guidance — dissolution can take up to 1–2 years.</li> </ul>
<b>Office Space</b>	<p>A registered address is required to incorporate a company in Hong Kong. While virtual offices are allowed, most accounting firms or company secretaries can</p>	<p>Don't rely on unverified or informal office spaces.</p>	<p>Choose a location that fits your industry and operational needs.</p>	<p>Don't set up an office without proper lease agreements.</p>

	provide this service, making it unnecessary to seek a separate provider.			
<b>Banking &amp; Finances</b>	Research banks that align with your business needs before applying.	Don't delay in gathering the required documents for account opening.	Choose a bank experienced in handling foreign business transactions.	Don't assume all banks will accept foreign startups—research beforehand.
<b>Fundraising &amp; Investment</b>	Leverage Hong Kong's financial ecosystem for VC, angel investors, and crowdfunding.	Don't ignore government grants and startup funding programs.	Take advantage of Shenzhen's government-backed startup incentives.	Don't assume foreign businesses can access all investment opportunities without restrictions.
<b>Networking &amp; Growth</b>	Participate in startup events like Jumpstarter for valuable networking.	Don't isolate your business—collaboration is key.	Engage with tech clusters and R&D hubs for rapid prototyping.	Don't overlook the importance of building local partnerships.
<b>Intellectual Property</b>	Ensure your IP is well-protected under Hong Kong's legal framework.	Don't share sensitive data without proper IP protection.	Register trademarks and patents early to safeguard innovations.	<b>Don't neglect IP protection</b> — Shenzhen's fast-moving, highly competitive market makes it essential to register your intellectual property early. If your company operates in both Hong Kong and Shenzhen, consider protecting



				your IP in <i>both</i> jurisdictions, as IP rights are not automatically recognized across the border.
<b>Market Expansion</b>	Utilize Hong Kong's status as a global gateway for scaling internationally.	Don't limit your market reach—leverage global trade connections.	Use Shenzhen's proximity to manufacturing hubs for rapid product development.	<b>Don't assume the Chinese market works the same way as Western markets</b> — Consumer behavior, payment systems (e.g. WeChat Pay, Alipay), digital platforms (e.g. WeChat, Douyin instead of WhatsApp or Instagram), and business etiquette can differ significantly. Success often requires local adaptation in branding, distribution channels, and communication strategies.

Author's Note: Despite its many benefits, Hong Kong still faces challenges in competing with Shenzhen's manufacturing prowess and the scale of its tech industry.

To remain competitive, Hong Kong must leverage its strengths in research and finance to support startups in developing cutting-edge technologies.

## 7. New Policies

### China

China has recently updated its policies on foreign investment, introducing the 2024 edition of the Special Administrative Measures (Negative List) for Foreign Investment Access. This revision aims to further open China's market to global investors by removing and relaxing certain restrictions.

- **Manufacturing Sector:** All restrictions on foreign investment in the manufacturing sector have been lifted. Notably, previous limitations on the printing of publications and the production of traditional Chinese medicine have been removed, achieving "zero restrictions" in this sector.
- **Service Sectors:** The updated Negative List also proposes further openings in sectors such as telecommunications, education, and healthcare services. While specific details are yet to be fully disclosed, indications suggest a relaxation of foreign ownership caps and other access barriers in these areas.
- **Business Environment Enhancement:** On March 4, 2025, Shenzhen unveiled three new work plans to create a superior business environment that is market-oriented, law-based, and internationalized. These plans demonstrate Shenzhen's commitment to nurturing the best possible business environment for market entities. [\[Source\]](#)
- **Greater Bay Area Individual Income Tax Subsidy:** In 2024, Shenzhen reopened applications for the Greater Bay Area Individual Income Tax subsidy, aiming to attract foreign talent by offering tax incentives. The application period was from May 15 to June 15, 2024, with a subsequent window from September 10 to October 10, 2024. [\[Source\]](#)

### Specific to Tech Companies

- **Telecommunications:** The 2024 Negative List indicates a potential relaxation of foreign ownership limits in value-added telecommunications services. Previously, foreign equity in these services was capped at 50%. The new measures may allow for higher foreign participation, though exact figures are pending official release.

These policy changes reflect China's commitment to creating a more open and conducive environment for foreign investment, particularly in high-tech and service industries. Investors are encouraged to stay informed on the official releases for detailed guidelines and implementation timelines.

## Hong Kong

Hong Kong has introduced key policy updates to attract global talent and boost economic activity. These measures include digitalising immigration processes, expanding visa options, and enhancing business-friendly initiatives to maintain its status as a leading international hub.

- **Multiple-Entry Visas for Shenzhen Residents:** Effective December 1, 2024, China reinstated multiple-entry visas for Shenzhen residents, allowing them to visit Hong Kong multiple times over one year, with each visit lasting up to seven days. This policy aims to boost Hong Kong's tourism and retail sectors. [\[Source\]](#)
- **Working Holiday Visa:** This visa allows young professionals to experience Hong Kong while contributing to its workforce.
- **Quality Migrant Admission Scheme (QMAS):** Aims to attract top-tier global talent by providing a pathway to residency without requiring a prior job offer.
- **Top Talent Pass Scheme (TTPS):** This scheme encourages highly skilled professionals to relocate to Hong Kong, strengthening its position as a competitive talent hub.


### Specific to Tech Companies

- **Going Digital:** Hong Kong is streamlining immigration and business registration processes through digitalisation. Most visa applications, work permits, and company registrations can now be completed online, reducing bureaucratic hurdles for tech startups and foreign investors. This move enhances accessibility and efficiency, making Hong Kong a more attractive base for international tech firms.
- **Cyberport Expansion:** Cyberport, Hong Kong's tech and innovation hub, is expanding to accommodate more startups and venture capital activities. The government has pledged additional funding to support AI, fintech, and blockchain development.

## Hong Kong

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**Author’s note:** Both Hong Kong and Shenzhen are expanding rapidly, with policy changes shaping their business, legal, and social landscapes. While Hong Kong tightens national security measures and adjusts its visa policies to boost tourism, Shenzhen focuses on enhancing its business environment and attracting global talent. These shifts highlight the region’s ongoing push for economic growth while navigating geopolitical challenges.

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