Background and Basic Information

What is this Guide for?
This Guide is designed for the readers who are interested in setting up social enterprises in Hong Kong. The Guide sets out common legal forms and organisational models of social enterprises with examples and suggestions. This is not a legal advice. Please take this Guide as a reference only. Readers are NOT recommended to act upon solely the information contained in this Guide without seeking professional advice.

For commonly asked questions and more resources about social enterprise set up, please refer to the FAQs and “A Practical Guide of Setting Up a Social Enterprise” developed by HKCSS – HSBC Social Enterprise Business Centre (SEBC).
法律形式的選擇及運作建議 Choosing a Legal Form and Recommended Practices

何謂「社企」

社企是豪着社會目的而營運的企業，與慈善事業不同，慈善事業雖然有其社會目的，但仍運作並不涉及商業因素或商業經營。在香港，根據香港法例第112章《稅務條例》第88條獲得稅務豁免（以下稱為稅務豁免）的慈善組織，亦是不時經^社會計劃，在此情況下，計劃本身就是社企，而慈善組織的其他活動及工作，則以慈善事業方式運作。社企亦不同於自願承擔企業社會責任的傳統企業。

一般企業的社會責任，是為股東從其商業範圍中爭取最大的利潤及利益，不論其有否承擔企業社會責任。與一般企業不同，社企的主要目的是透過商業營運達致其特定的社会目標，例如，社企可提供產品及服務，以照顧特定的社會或福利需要（如長者護理產品）或為弱勢社群提供就業或培訓。

社企跟傳統企業的另一個不同之處，是社企會將其大部分利潤再投資，以發揮最大的社會影響力，而不是將分配利潤予其股東。直至現在，香港還沒有社企的法定法律定義。

What is a 'Social Enterprise'?

Social Enterprise is an enterprise that contains social objectives in doing business. It should be distinguished from a charity, which contains social objectives but does not carry on business or adopt commercial elements in its activities. In Hong Kong, it is not uncommon for a charitable institution, which has been granted tax exemption pursuant to section 88 of the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) (hereinafter referred to as "Tax Exemption") to operate a social enterprise project. In that case, the project itself is a social enterprise whereas other activities and functions of the charitable institution are run as a charity. Social enterprise should also be distinguished from an ordinary enterprise which voluntarily undertakes corporate social responsibility (CSR).

An ordinary enterprise's main objective is to maximise the profits and interests generated from its business for its owners, whether or not it undertakes CSR. As opposed to an ordinary enterprise, the main objective of a social enterprise is to achieve specific social objectives through business approaches. For example, a social enterprise may provide goods and services that serve particular social or welfare needs (elderly care product) or create employment and training opportunities for the underprivileged.

Another characteristic of a social enterprise which distinguishes it from an ordinary enterprise is that a social enterprise reinvests most of its social profit in maximising its impact rather than distributing profits to its investors. As of today, there is no statutory legal definition of social enterprise in Hong Kong.

社企獨特之處

社企可以以不同的法律形式存在，社企的定義並不取消其法律形式，而是取消其本質及最終目標。總括而言，雖然香港的社企以不同的法律形式運作，但都有其共同之處。

What are the unique characteristics of a Social Enterprise?

Social enterprise may exist in different legal forms. A social enterprise is not defined by its legal form but by its nature and ultimate objectives. Generally, social enterprises in Hong Kong share some common features despite their diverse legal forms.

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<tr>
<td>不動產 Real estate</td>
<td>Not compulsory</td>
</tr>
<tr>
<td>不動產 Real estate</td>
<td>Not compulsory</td>
</tr>
</tbody>
</table>

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02

01
組織結構及法律形式的選擇
Structuring and Choosing a Legal Form

在成立社會之前，創辦人首先需要考慮一個基本問題—社會的組織結構。例如，組織結構的問題包括社會的擁有者、誰負責管理、擁有權力作出不同種類的決定等等。

創辦創辦人
若創辦人是個體或一群個體，他們會思考社會的擁有者。例如，成為有限公司的創辦人成為社會的擁有者。

商業組織
若創辦人是單一創辦人，他們可能考慮成為非盈利組織或商業公司的擁有者。

法律形式
若創辦人是已存在的商業組織，他們需要決定社會的法律形式。

法律責任
若業界社會的業界具有較高風險，例如經營餐飲社會，可能須要承擔某些風險。例如因食物處理不當而引起食物中毒的法律責任。

風險
創辦人需要考慮社會的風險，例如成為有限公司的擁有者。

權利
成為有限公司的擁有者，他們可以享有財務管理和決定權。

Corporate/Organisation Sole Founder
If there is only one founder and the founder is a corporation or organisation, it may choose either one of the following options:

1. Establish the social enterprise as an internal department or a branch of the founder. In other words, the social enterprise is not established as a separate legal entity. It cannot, therefore, be separately audited, taxed or regulated. The founder is the sole owner of all assets, and any legal rights and liabilities belong to the founder.

2. Choose an appropriate legal form and establish a new entity in that legal form as a vehicle to own and operate the social enterprise. For example, if the founder is a company, the company's legal liability is limited to the company's assets. Each member of the social enterprise would be a separate legal entity, each of which may own its own assets, enjoy its legal rights and bear its legal liability independently of each other. The social enterprise may also have a governing body (such as a board of directors) consisting of members different from the governing body of its founder.

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若社會的風險具有較高風險，例如經營餐飲社會，可能須要承擔某些風險。例如因食物處理不當而引起食物中毒的法律責任。我們建議創辦人成立獨立法律實體以分擔各自責任。

Lawsuits
創辦人需要考慮社會的法律風險，例如成為有限公司的擁有者。

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企業風險
企業可能具有一些風險，例如因食物處理不當而引起食物中毒的法律責任。我們建議創辦人成立獨立法律實體以分擔各自責任。此外，不同的法律實體因為影響各自的法律責任，例如，當公司清盤時，有限公司的資產僅由其董事組成的債務所抵押，而股份有限公司的股東則需要承擔更多的負債。

資本來源
社會可能需要籌集資本以支持社會的活動。例如，成為有限公司的資本來源。

Source of capital
If a social enterprise wishes to draw external investment in future, a company limited by shares may be the most suitable legal form, compared to a company limited by guarantee, a society, or a co-operative society.

Tax exemption
Social enterprises may apply for tax exemption under section 88 of the Inland Revenue Ordinance if they are qualified as charitable institutions. The Inland Revenue Department lays down certain requirements for charitable institutions applying for tax exemption, for example, the provision of the institution from distributing its income and properties amongst its members and also prohibition of the members of its governing body (for example, the board of directors) from receiving remuneration. If the founders wish to manage the social enterprise by themselves and need to receive salary from the social enterprise to support their living costs, tax exemption is apparently not an option to them because of the required prohibition.
**a. Statutory body established by the Hong Kong legislature**

Only under very special circumstances or because of historical reasons, an entity would be established by legislature (special ordinance). For example, Tung Wah Group of Hospitals was established by virtue of the Tung Wah Group of Hospitals Ordinance (Cap. 1051 of the Laws of Hong Kong) and the General of the Salvation Army is deemed a corporation and was established by virtue of the Salvation Army Ordinance (Cap. 1062 of the Laws of Hong Kong).

Nowadays, it is rare to see an entity actually needs to be established in this legal form. Most charitable institutions may be established in the form of a company limited by guarantee or a society instead. And a social enterprise could hardly be established in this legal form by itself.

Besides, if a statutory body established by legislature, decides to establish a social enterprise, it may prefer to set up the social enterprise as an internal department or a branch of the statutory body (i.e. without forming a separate legal entity). For example, "Bakery" is set up as a social enterprise project under Tung Wah Group of Hospitals, and "Family Stores" is also set up as a social enterprise project of the Salvation Army, both of these social enterprises are not separate legal entities independent from their mother organizations.
b. **Society**

“Society” refers to a society registered under the Societies Ordinance (Cap. 151) of the Laws of Hong Kong. The government department responsible for handling the registration is the Commissioner of Police (CP) – Licensing Office of the Hong Kong Police’s Societies Office.

A Society is an unincorporated body. Unlike an incorporated body (e.g., a company), an unincorporated body’s members and office bearers may be held personally liable for the liabilities incurred by the Society without limit.

The constitutional document of a Society is commonly called the Constitution. It generally regulates the Society’s internal affairs and management, such as procedures for board meetings, distribution of entitlements, and the rights and remedies of the members as between themselves or over the Society. For example, the Constitution may contain the objects of the Society and the permitted means for fostering such objects. The Societies Ordinance does not stipulate the required contents of the constitution of a Society. To ensure the constitution is comprehensive enough for the purpose of the Society and for its effective administration, it is advisable to engage professional adviser to draft the Constitution.

Generally, it is uncommon for a Society established primarily for operating a social enterprise. More often, a Society is initially formed for a broader mission (e.g., for promoting a religion) and it subsequently establishes a social enterprise to foster its social objectives.

Like statutory bodies established by legislation, in establishing a social enterprise, some Societies may prefer to set up the social enterprise as an internal department or a branch of the Society, rather than setting up a separate legal entity. If so, the Society is recommended to review its legal risk exposure since, as mentioned above, a Society is an unincorporated body. The Society should also ensure that the social objective of its social enterprises is in line with the organisation’s mission. Besides, the mother organisations shall be responsible for the legal liabilities of the social enterprises.

For example, "Pure Land" is a social enterprise project run by Hong Kong Single Parents Association, and "Pound Street" is a social enterprise project run by Tuen Mun Youths Association, both of them are not separate legal entities from their mother organisations.
c. 公司
「公司」是現今最常見的社企法律形式。
根據《公司條例》（香港法例第622章）, 公司共有五種類型（根據實體類型：香港法例第32章），共計八種類型，分別是：
- 私人股份有限公司
- 公眾股份有限公司
- 擔保有限公司
- 私人合營公司
- 公眾有限公司

有关成立社企方面, 其中兩種比較為相關 - 私人股份有限公司（本指南將其簡略為「股份有限公司」）及擔保有限公司

i. 註冊法團
根據《公司條例》（第622章）, 所有個人（年滿18歲）及群體均可為合法目的成立公司。公司註冊處負責實施和執行《公司條例》的大部分條文。

ii. 章程文件
根據現時《公司條例》, 公司可採用與其相關的公司類型的章程細則範本中的任何或全部條文為自己的組織章程細則。章程細則, 在公司註冊時, 創辦成員可免卻業務公司組織章程細則的羅列及節省成本。章程細則範本可從《公司（章程細則範本）公告》（香港法例第622M章）找到。

iii. 成員及股東權
每一間公司最少須有一位成員, 在股份有限公司中, 其成員一般稱為「股東」。

公司可以不同類別的成員, 例如：有股東權成員及無股東權成員。一般來說, 在擔保有限公司以及同一類別的各成員皆享有同等的股東權, 即一人一票。在股份有限公司內, 股東的股東權按照其擁有的股份数目分配, 一般是一股一票。

iv. 董事及公司秘書
在擔保有限公司內, 最少須有兩名董事, 而董事須為年滿十八歲的自然人。在股份有限公司內, 最少須有一名董事。而股份有限公司的董事可以是自然人或法人團體。前者須有至少一名董事是自然人。

每間公司須有一名公司秘書, 公司秘書必須為年於香港的自然人, 或其資格地或業務地點在香港的法人團體。

In the context of forming a social enterprise, two types are more relevant – private company limited by shares (simply referred to as “company limited by shares” in this Guide) and company limited by guarantee.

i. Incorporation
In accordance with the Companies Ordinance (Cap 622), all individuals (aged 18 or above) and groups may set up companies for lawful purposes. The Companies Registry administers and enforces most parts of the Companies Ordinance.

ii. Constitutional Document
The constitutional document that a company must have upon its incorporation is the AA. Companies formed before the current Companies Ordinance (Cap.622) in force on 3 March 2014 would also have the Memorandum of Association, which was abolished by the current Ordinance. All information such as the object clause (if any) contained immediately before the Memorandum of Association was abolished shall automatically form part of the AA.

iii. Members and Voting Power
Every company must have at least one member, in the case of a company limited by shares, its members are commonly called “shareholders”. Companies may have different classes of members, for example, voting members and non-voting members. In general, for a company limited by guarantee, each member of the same class would have the same voting power, i.e. one vote per member. For a company limited by shares, a shareholder's voting power is in proportion to the number of shares that he holds, normally one vote per share.

iv. Directors and Company Secretary
For a company limited by guarantee, it must have at least 2 directors who must be natural persons aged 18 or above. For a company limited by shares, it must have at least 1 director; directors of a company limited by shares may be natural persons or body corporates provided that it must have one director who is a natural person.

Every company must also have a company secretary, who must be either a natural person ordinarily residing in Hong Kong or a body corporate that has its registered office or place of business in Hong Kong.
v. 有限公司
有限公司與無限公司之不同在於有限公司成員對公司債務所承擔之責任受其股份或擔保所指之情況，只及於其已發行之股份，而有限公司成員對公司債務不負擔有區別。換句話說：只要董事有權限支付其股份(如果該股份有限公司)或分擔組織章程細則所定的數額，成員將不承擔有限公司的債務。

v. Limited Company
A limited company, as opposed to an unlimited company, means the liability of the members of the limited company for the debts of the company is limited either by shares or by guarantee. In other words, the members will not be held liable for the limited company’s debts as long as these members have fulfilled their commitment to pay for their shares (in case of a company limited by shares) or to contribute the amount stated in the AA.

d. 豁免企業
在香港，社會企業的資格由社會企業有限公司成立，主要因為它適用於法律所規定的資格。一些社會企業有限公司成立，並作為母親公司資格。在這種情況下，社會企業有限公司的董事有責任管理。

d. Sole Proprietary
"Sole Proprietary" refers to a business that is owned by one individual. Strictly speaking, it is not a legal entity, though the proprietor may engage employees. The proprietor is entitled to all profits of the business. The proprietor is responsible for any debts that the sole proprietorship incurs. In substance, the sole owner has unlimited liability for the debts of his sole proprietorship business, making this legal form an uncommon and unattractive one for social enterprises.

e. 合夥
根據《合夥條例》(香港法例第38章)，合夥是指兩利共同經營業務的人之間所存在的關係。合夥人對合夥事務之責任及義務，須由合夥人共同負擔。因此，合夥企業合夥人須負無限法律責任，這種法律形式並常見於社會企業。
## 三種法律形式的基本比較

### A BRIEF COMPARISON OF THREE LEGAL FORMS

「社會」(as a mather organisation), 'Company Limited by Guarantee' and 'Company Limited by Shares' are the most popular forms of social enterprises. Readers may take into account various factors in deciding the most suitable form for their own circumstances.

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<th>法人身份</th>
<th>社會 Society</th>
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<th>股份有限公司 Company Limited by Share</th>
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<tbody>
<tr>
<td>法人身份</td>
<td>Legal Identity</td>
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<tr>
<td>由政府部門委任的商會董事</td>
<td>Business Registration Certificate required for operating the social enterprise</td>
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<tr>
<td>法律責任</td>
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</tbody>
</table>

### A BRIEF COMPARISON OF THREE LEGAL FORMS

<table>
<thead>
<tr>
<th>申請稅務豁免的資格</th>
<th>Eligibility to apply for tax exemption (section 88 of the Inland Revenue Ordinance)</th>
<th>合格</th>
<th>可以</th>
</tr>
</thead>
<tbody>
<tr>
<td>投資者資格</td>
<td>Eligibility to draw external investment</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>分配利益予僱員</td>
<td>Profit distribution to owners</td>
<td>私有</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### 社會 Society | 擔保有限公司 Company Limited by Guarantee | 股份有限公司 Company Limited by Share |

<table>
<thead>
<tr>
<th>實際執行上, 一般情況下不合資格</th>
<th>In practice, normally not eligible</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>無薪金</td>
<td>Normal remuneration not payable</td>
<td>可以</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### 社會 Society | 擔保有限公司 Company Limited by Guarantee | 股份有限公司 Company Limited by Share |

<table>
<thead>
<tr>
<th>合資格申請所有社會資助計劃</th>
<th>Eligible to apply for all existing funding schemes for social enterprises including but not limited to:</th>
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<td>Enhanced Self-reliance through District Partnership Programme (ESR)</td>
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<td>Employment of People with Disabilities through Small Enterprises Project (SE project)</td>
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<td></td>
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<tr>
<td>- 社會創新及創業發展基金</td>
<td>Social Innovation and Entrepreneurship Development Fund (SIEF)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 注意事項

- 不合資格申請所有社會資助計劃，包括社會資助及個別資助計劃
- 普通合資格申請社會資助計劃
- 可以

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*www.ct.gov.hk*
法律形式的選擇及運作建議 Choosing a Legal Form and Recommended Practices

03

確保社會企業的社會目的

運作方式的建議及例子

Safeguarding Social Objectives: Recommended Practices and Examples

社會目的的可識辨認知

因為社會目的

的存在，使社會

企業不同於一般

企業，因此，不

論社會企業採用

何種法律形式

，社會目的都應

該記錄在章程文件

上，雖然並非法律要

求（但這是確保稅

務納稅的條件）。

若純粹為特定的社會計劃成立

的社會企業，或

其章程利益直接

關係，社會目的

的可識辨認知

於章程或公司章程的

組織章程細則。

但是，在很多個案中，社會

企業或公司（或甚至

是立法機構成立的法

定機構）透過建立內

部部門或分支社會企業

為更廣大的社

會目的成立，比成立在其下社會企業

的更宏大、又或已經建立多個社會企業

而

其下各個社會企業的目的

又不盡相同。套

用來說，一個以社會企業為

基礎的慈善機構

的主要社會目的是幫助解決貧窮問題，而

其轄下的社會企業的悲哀相

是為失業

青年提供就業機會。因此，社會企業

章程或公司章程

應規定：

1. 章程企業的社會企業與其母機構的社會企業

目的保持一致；若有疑問，社會企業或公司章程應修

改和擴展其自身的社會目的，以使其中所

包括的社會企業的社會目的、

2. 章程企業的社會企業的章程文件（例如「公司的社會目的

是……」或「社會企業的章程文件」（例如「社會企業的特定社

會目的」）或章程文

明文字於特定社會企業的業務

計劃、計劃書、或類似文件，以及公司實際管

理機構，例如董事會）應需作為章程，及章程

章程表達以上文件。

Social objectives are said to be the soul of a social enterprise since their existence distinguishes the social enterprise from an ordinary enterprise. Therefore, regardless of the legal form that is chosen for setting up a social enterprise, it is always recommended that the social objectives be incorporated in the constitutional document even though this is not mandatory by law (but is a requirement for Tax Exemption).

If a society or a company is formed fresh solely for a specific social enterprise project, this would be straightforward — the social objectives of the social enterprise can be expressly stated in the society's constitution or the company's AA.

However, in many cases, a society or a company (or even a statutory body established by legislation setting up a social enterprise in the form of an internal department or a branch) is established for broader social objectives than those of its social enterprise, or it has established more than one social enterprise with social objectives not identical with each other. For example, the key social objective of a charitable institution in the form of a society is to help relieve poverty, and its social enterprise's social objective is narrower which is to create job opportunity for the unemployed youth. In those cases, it is advisable for the society or the company to ensure that:

1. the social objectives of its social enterprise are in line with its own social objectives; in case of doubt, the society or the company is recommended to amend and broaden its own social objectives so as to clearly cover the social objectives of its social enterprise;

2. the social objectives of its social enterprise are expressly set out in the society's or the company's constitutional document (e.g. “the social objectives of the company is … to form a social enterprise for (specific social objectives of the social enterprise)...”) or at least expressly set out in the specific social enterprise's business plan, proposal or similar document, which should be duly adopted by the entity's governing body (e.g. board of directors) and made easily accessible to the public.
章程文件中述明社會目的條文一般稱為「宗旨條文」。在前身《公司條例》（第32章）於1997年修改之前，所有公司都必須有宗旨條文。現在，根據現行《公司條例》（第622章），宗旨條文乃可有可無，但就如此所述，為宣揚公司對其社會目的的猜疑及以申請商務補助為目的的話，所有以不同法律形式成立的社會企業應當將其宗旨條文列在組織章程細則。

緊鑼密鼓的條文制定，有人認為先有社會基礎社會目的的本質，會比較容易為之。這裏有兩類常見的社會企業，其社會目的的本質進行分類：

a. 就業融合社企

就業融合社企是集中於提升弱勢勞社群眾的社企。就業融合社企的資質獲得主流勞工市場專職的人士提供訓練及工作機會，例如僱傭弱勢及更生人士。社企融合社企在社會界佔有一定地位，尤其在港島區初期，大部分香港非牟利機構檬設的社企皆為就業融合社企。

一些政府資源計劃，如幫助弱勢勞群創造船紙作為申請的先決條件，可訂立具體要求，例如「就業社區計劃」。對資助的社企，其聘用的僱員中不遜於50%為_payments人士。就業融合社企應用明文說明社會目的於章程文件及其他官方文件，並使公眾容易查閱以上文件。

The provision setting out the social objectives in a constitutional document is generally called the ‘object clause’. Before the preceding Companies Ordinance (Cap.32) was amended in 1997, all companies must have an object clause. Now, under the Companies Ordinance (Cap.622), object clause is optional but as explained above, in order to address public s concern about its social objectives (and for applying for Tax Exemption, as the case may be), any social enterprise regardless the legal form it has chosen, is recommended to include an object clause in its AA.

In drafting an object clause, some people may find it easier to first examine the nature of the underlying social objectives concerned. Here are two common types of social enterprises categorized by their different nature of social objectives.

a. Work Integrated Social Enterprise (WISE)

WISE is a type of social enterprise that focuses on improving employability of the deprived groups. WISE offers training and job opportunities for those people who are difficult to be engaged in the mainstream labour market, such as people with disabilities and the ex-offenders. WISE plays an important role in the Hong Kong’s social enterprise sector, especially during the initial stage. Majority of social enterprises operated by non-profit making organisations in Hong Kong are WISE.

Some government funding schemes make the creation of jobs for the deprived groups a prerequisite and set out concrete requirements. For the social enterprises funded under 3C Project, for example, are required to employ not less than 50% of people with disabilities of the total number of persons on the payroll of the Business.

WISEs are recommended to state their social objectives clearly in their constitutional document and other official documents which are easily accessible by the public.
b. 非就業融合社會

非就業融合社會並非集中於改善弱勢社群就業機會，而是為了其他社會目的而存在的社會。香港近年非工作融合社會情況愈來愈多，例如:
- 公平點
  售賣社會產品，提倡公平貿易概念
- 原著者
  透過提供年長體驗課程，提高公眾對原著者需要的理解
- 禮賢亭
  以貢獻者的租金為華裔家庭提供住宿
- 好好社會
  對個人及公司客戶進行社會產品宣傳，提倡責任的消費

b. Non-Work Integrated Social Enterprise (Non-WISE)

Non-WISE is a type of social enterprise that does not focus on improving employability of the deprived groups but for other social purposes. In Hong Kong, there is a growing number of non-WISEs in recent years, such as:
- Fair Circle
  promote the idea of fair-trading by selling social enterprise products
- Eldopathy
  raise public understanding about the need of the elderly through the delivery of aging experiential programmes
- Light Be
  provide single-parent families with a decent home at affordable rent
- GoodGoods
  advocate responsible consumption by trading social enterprise products for individual and corporate customers
Another increasing common question is how a social enterprise uses its assets and distributes its profits to safeguard its social objectives. To address such questions, the concepts of “asset lock” and “cap of profit sharing” emerge.

It should be noted that in Hong Kong these concepts are only relevant to social enterprises that are not granted Tax Exemption (i.e. mostly companies limited by shares). To enable a social enterprise to be granted Tax Exemption, it must be included in its constitutional document the following provisions: (a) clause prohibiting distributions of its incomes and properties among its members; (b) clause prohibiting its directors from receiving remuneration; and (c) clause specifying how its assets should be dealt with upon its dissolution, normally to be donated to other charities.

As such, the assets of social enterprises granted Tax Exemption must be locked and profit sharing among its members is totally prohibited, not even at a cap.

For social enterprises that are not granted Tax Exemption, they may on a voluntary basis adopt “asset lock” and “cap of profit sharing” provisions in its constitutional document. The way and to the extent that the assets are locked and the profits can be shared may vary. Some social enterprises in Hong Kong make reference to Community Interest Companies (CICs) introduced by UK as a benchmark.

一般來說，作為其主要特點，社債利公司在其組織章程條例中包括以下條文:

In general, being its key characteristics, a CIC includes the following provisions in its AA:

### SeedLock

The CIC’s assets must either be retained within the company to be used for the community purposes for which it was formed, or if the assets are transferred out of the CIC, the transfer must be made:

- for full market value so that the CIC retains the value of the assets transferred;
- to another asset-locked body (e.g. another CIC or a charity); or
- for the benefit of the community.
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