

## Set-up of a general WFOE in Shenzhen, China

Pursuant to the provisions of the China Company Law and other relevant laws and regulations, the required documents and registration procedures for the establishment of a general wholly foreign-owned enterprise (“WFOE”) are briefly introduced as follows: -

### 1. Documents Required

According to the requirements of the Shenzhen Municipal Market Supervision and Administration Bureau, an investor needs to prepare and submit the following documents when establishing a WFOE engaging in general business in Shenzhen: -

- (1) The “Application for Establishment of Foreign-funded Enterprise” form completed and signed in accordance with the requirements, which will include the name, address, total registered capital etc. This form can also serve as an application for the business license, engraving of the official company seal, organization code, taxation, and social security, so there will be no need to fill in and submit the application forms repeatedly;
- (2) A power of attorney granting authorization to the handling officer and a copy of his identification document;
- (3) Articles of Association;
- (4) The subject qualification certificate of the company issued at the investor’s location, notarized by a local notary and certified by the Chinese Embassy; and
- (5) A board resolution signed by the board of directors of the investor (required to be notarized by a local notary public and certified by the Chinese Embassy), which content should include: the company’s name, its period of operation, registered capital, business scope, the legal representative, chairman, vice chairman, directors, supervisors, confirmation of representation of the agent in charge of the government registration procedures and his power of attorney, as well as the designation of institutions and personnel for receiving legal documents subsequent to the establishment of the company.



### 2. Registration timeline

After the abovementioned documents are prepared and mailed to the handling officer, we can request the handling officer to make an online appointment with the Shenzhen Municipal Market Supervision Administration. Generally, it is possible to make an appointment for registration within one week.

The handling officer will bring along all the required documents for registration at the time of appointment. Upon reviewing and verifying the relevant documents on the spot, the “Business License” can be issued on the same day. The official processing time provided by the law is 20 working days, while Shenzhen has made a promise to complete the registration process within one day. If we are required to submit supplementary materials after the review and verification procedures, you will have to prepare them and make another appointment online.



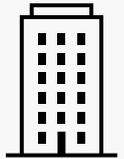
In addition, the procedures for obtaining the organization code of the new company, the opening of banking accounts, tax licenses, employee social security, and engraving of official seals can also be handled item by item at separate counters of the same venue after the Business License has been obtained. Unless other documents are required (for example, the bank may require the authorization and signature specimen of the person who has the authority to sign for the account, list of employees and residence information, etc.), the procedures can generally be completed on the same day. If there is no urgency, an appointment can be made online later for them to be processed separately.

### **3. Matters requiring confirmation**

Based on the above introduction, it can be seen that the registration process of a new company can be completed as fast as one day. However, it will take a longer time to prepare the required documents, in particular the preparation for the notarization by a local notary public and certification by the Chinese Embassy of the investor company's legal existence (the original document to be notarized is in triplicate). This process may take about a month.

In addition, the company has to determine the following matters: -

- (1) The name of the new company. In circumstances where the same or similar names have already been registered at the time of registration, another name will have to be registered);
- (2) The business scope and period of operation of the new company (can be without any limit);
- (3) The address of the new company; and
- (4) The candidates to be appointed as the legal representative, chairman, vice chairman, directors, supervisors and the institutions or personnel for receiving legal documents after the establishment of the new company.



Please note that all signatures must be in black ink, and all documents must be printed on A4 size paper.

The above is the basic process, timeline, required documents and forms for establishing a general WFOE in China, as well as the preliminary documents to be prepared. Should you have any questions, please contact our Mr Lawrence Yeung at (852) 2854 3070 or by email at [lawrence.yeung@ycylawyers.com.hk](mailto:lawrence.yeung@ycylawyers.com.hk).

This explanatory note is not, and should not be regarded as, legal advice. Should you have any enquiries, please seek specific advice from legal advisers.

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