

WFOE SETUP PROCEDURE



PTL GROUP

WFOE - Wholly Foreign-Owned Enterprise

WFOE is the most common business entity for international companies in China. Any company that is fully owned by a foreign company in China is considered a limited liability company wholly owned by the foreign investor or investors – a WFOE. Note that branches and representative offices set up by foreign enterprises are not WFOEs.

Three Main Types of WFOE

- Manufacturing WFOE - Expected to manufacture products in China.
- Service WFOE - Allowed only to provide consulting services in China.
- Trading WFOE or FICE (**F**oreign-**I**nvested **C**ommercial **E**nterprise) - Allowed to Trade, Wholesale, Retail or Franchise in China.

Preparing for the WFOE set up

- Collect documents according to the list provided by the agent.
 - Decide the key functions of the WFOE: Legal Rep, GM, Supervisor, Directors, Chairman.
 - Decide the amount of registered capital and total investment amount.
 - Decide the required business scope.
 - Prepare the Article of Association that is suitable for the specific business.
 - Present shareholders chart.
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- The registration process may take several weeks to several months, depending on entity type and required licenses.



You don't need a WFOE to:

- Employ local employees
- Employ foreigners & obtain visas and work permits
- Sign a contract or obtain office space
- Manage HR: salaries, social benefits, expense etc.
- Manage Finance flow
- Import products into China
- Claim an import VAT refund
- Store products in a warehouse or logistics center
- Sell products and issue RMB VAT invoices (Chinese: Fapiao)
- Set up a Chinese website
- Register a WeChat account
- Set up an E-commerce store

When & Why to set-up WFOE

- Stable market & income
- Have several employees that have proven loyalty and professionally
- Have business activity that requires you to present your own license
- Your products require a complicated license
- Want to set up a E-commerce structure that requires you to own your own ICP

Business License

营业执照

统一社会信用代码 913100006643329130
证照编号 04000002201601070023

Business Type	名称	弘柏商贸 (上海) 有限公司
Location	类型	有限责任公司 (台港澳法人独资)
What is this?	住所	上海市徐汇区肇嘉浜路 798 号 302 室
Legal Person	法定代表人	ZVI SHALGO
Capital	注册资本	美元 110.0000 万
What is this?	成立日期	2007 年 8 月 17 日
Business Period	营业期限	2007 年 8 月 17 日至 2037 年 8 月 16 日
Business Scope	经营范围	农机设备、机电设备 (特种设备除外)、环保产品及设备、电子产品、计算机软硬件 (音像制品、游戏软件除外)、建筑材料 (钢材、水泥除外)、厨卫设备及配件、化工产品 (危险化学品、监控化学品、烟花爆竹、民用爆炸物品、易制毒化学品除外)、工艺礼品 (文物除外)、珠宝首饰 (毛钻、裸钻除外)、办公用品、家具、家用电器、服饰家居、宠物用品、各式童车、玩具用品的批发、进出口、佣金代理 (拍卖除外)、及相关配套业务 (除农机设备维修); 代理记账和企业管理咨询。(不涉及国营贸易管理商品, 涉及配额、许可证管理商品的, 按照国家有关规定办理申请) 【依法须经批准的项目, 经相关部门批准后方可开展经营活动】

登记机关: 上海市工商行政管理局
2016年01月07日

Returns and Deadlines for WFOE

DOCUMENT	DEADLINE
Personal Income Tax Returns	Monthly: Must be submitted on or before 15 th of every month
VAT Return	Monthly: Must be submitted on or before 15 th of every month - General tax payer. Small size tax payer will report on a quarterly basis
Accounting Report: Including Balance Sheet, Profit & Loss, and each Cash Flow Statement	Monthly: Must be submitted on or before 15 th of every month
Corporate Income Tax Return	Quarterly: Must be submitted on or before 15 th of April, July, October, and January
Annual Accounting Report	Yearly: Must be submitted between May 1 st and May 31 st each year
Yearly Corporate Income Tax Return	Yearly: Must be submitted between May 1 st and May 31 st each year (Must fill in more than 10 Worksheets)
Annual Inspection	Yearly: Must be submitted until June 30 th each year to the following government departments: 1. Tax 2. Financial 3. Statistics 4. SAFE – State administrator foreign currency 5. MOC – Minister of Commerce 6. AIC – Administrator of Industry and Commerce
AIC announcement	Yearly: Must be submitted on or before 30 th of June each year

WFOE SET UP REGISTRATION

STAGE #1

Before submitting the application

Decide:
company structure, business scope,
capital amount, get the license
notarized and legalized

Address leasing

STAGE #2

Application submission

**Online
application**
[5 Working days]

**Approved forms
are signed by HQ**

**Approval of
business license**
[5 Working days]

**Record of WFOE
setup**
[5 working days]

STAGE #3

After application is approved

**Order official seals
(Chops)**
[2 Working days]

Open RMB account
[1 day]
**Open Foreign
currency account**
[10 Working days]

**Approval of
business license**
[5 Working days]

Signing Instructions

- All documents must be signed where indicated (if necessary)
- All documents must be signed with a black liquid-ink pen (no coloured ink, no biro or ballpoint pen)

Checklist for WFOE Registration

NO	DOCUMENT	QUANTITY	NOTES
A1	Shareholder's certificate of incorporation	1 Original (translate into Chinese in China)	The certificate shall be notarized by the relevant authority, and the Chinese embassy or consulate.
A2	Passport of authorized signatory	1 Copy	-
A3	Equity structure chart of actual controller	1 Original	Retroactive to natural persons or publicly companies
A4	Passport of Legal person (new WFOE)	2 Copies	Provide Mobile, fixed phone and email.
A5	Passports of the Directors and Supervisor (with the signature page)	2 Copies	The copy must be signed by each holder.

NO	DOCUMENT	QUANTITY	NOTES
A6	WFOE's Lease Agreement	1 Original	Such documents should be signed by Legal person of WFOE
A7	Lessor's Certification of Real Property ownership	1 Copy	The copy must have the Lessor's seal on each page.
A8	Real estate information inquiry form	1 Original	30 days effective, issued from property management bureau
A9	ID card for the contact person of WFOE	1 Copy	Provide Mobile, fixed phone and email.
A10	ID card for the financial officer of WFOE	1 Copy	Provide Mobile, fixed phone and email.
A11	A color photo of Legal person holding his/her passport	1 Copy	For carve the company chop

NO	DOCUMENT	QUANTITY	NOTES
B1	Declaration for the “Record of setup Foreign-Invested Enterprise”	1 Original	-
B2	Enterprise Name Approval Application Form	1 Original	-
B3	Application Form for Registration of Established (Record) Foreign Investment Enterprises	1 Original	-
B4	Article of Association	4 Originals	Must be signed by Legal person of Investor.
B5	Appointment letter for Executive director	2 Originals	Must be signed by Legal person of Investor.
B6	Appointment letter for Supervisor (Supervisor can't be Legal person, Executive director or Finance Controller)	2 Originals	Must be signed by Legal person of Investor.
B7	Appointment letter for WFOE's GM	2 Originals	Must be signed by Directors of WFOE.
B8	Power of Attorney for dealing with WFOE setup details	2 Originals	Must be signed by Legal person of investor.
B9	Power of Attorney for making official seal	1 Original	Must be signed by the legal person of the WFOE

If you are looking to establish a business entity in China, we'll help you make the right decision regarding What, When and Where. If you want to meet your business goals, you will need the best operational resources at your full disposal.



OUR SERVICE PACKAGES

1 MARKET ENTRY OPERATIONAL SUPPORT

DEVELOPING A PRE-ENTITY PRESENCE IN CHINA

2 OPERATIONAL SUPPORT FOR REGISTERED ENTITIES

LOCAL BACK-OFFICE SERVICES & MANAGEMENT SOLUTIONS IN CHINA

OUR SERVICES



Recruitment & HR Management



Hosting in Shared Offices



Financial Management & Accounting



Assembly & Manufacturing



Logistics Fulfillment & Distribution Services



Marketing Localization & Social Media



Company Registration



Operational Audits & Business Recovery

