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Procedures and Costs for the Registration of Representative Office in Beijing, China **中国北京外国工商代表处登记程序及费用**

This article sets out the procedures for establishing a representative office (RO, also commonly known as permanent resident office) of a foreign company in Shenzhen, China, the documentation required, the estimated time frame and estimated associated costs. The article is prepared for the interest of our potential clients.

1. Prerequisite

In accordance with the prevailing rules and regulations, a foreign company which applies to register a representative office in China must have been in existence or have been registered for more than two years before it submits such an application for registration.

2. Features of Representative Office

(1) Legal status of an RO

The RO is a non-legal entity operating representing its parent company. A RO is not allowed to engage itself in business activities, issue invoices on its own, remitting outward, signing sales or purchase contracts, or receiving income from services performed but may act as a liaison and promotion office for its parent company.

(2) Name of the RO

The name of the RO must be in Chinese and should be in the form of “Name of Country where the investor is registered + Name of the Enterprise + Name of the City + Representative Office”.

Example:

Hong Kong Kaizen Corporate Services Limited Beijing Representative Office
USA ABC Trading LLC Beijing Representative Office

(3) Business Address

Before submitting the application for the registration of the RO, it is required that an office premise which is to be used by the RO be taken and a tenancy agreement for that office premise be executed.

Please note the business address must be located in commercial buildings approved by the local Chinese government and it must be located in a building that is specifically allowed to be for business purpose by foreign enterprise.

- (4) Recruitment of Chinese employee(s)
An RO shall entrust a local labour services agency for foreigners or other service units designated by the Chinese Government to recruit and employ Chinese personnel in accordance with laws and regulations of the PRC.

3. Pre-registration and Registration Procedures

2.1 Preliminary

- (1) Lease of Office Premise
Firstly, the investor will have to enter into a tenancy agreement in relation to the office space to be used by the Representative Office for a term of not less than 12 months. The office must be located in a commercial building.
- (2) Legalization of Identity Documents of the investor
The investor is also required to arrange to have its incorporation documents legalized by the Chinese Embassy in the country where it is registered.
- (3) Legalisation of Bankers' Reference Letter
The investor needs to arrange with its banker to issue a bankers' reference letter.
- (4) Legalisation of the appointment letter and identity document and resume of the Legal Representative/General Representative
- (5) Other Documentation
The investor at the same time needs to prepare other documents, such as photocopy of passports/Hong Kong Identity card/Home Returning Card of the Representative.

2.2 Application for Registration

- (1) Step 1: Application for Certificate of Registration
The registration of a RO in Beijing starts with the submission of application documents to the Beijing Administration for Industry and Commerce (北京市工商行政管理局) to apply for registration certificate.
- (2) Step 2: Graving of Common Seal (Office Seal)
The RO then proceeds to apply for approval from Beijing Municipal Police Office for graving of common seal and order the graving of common seal with designated seal graving company.
- (3) Step 3: Application of "Enterprise Code" and Card
The RO applies for Enterprise Organisation Code and Card from Beijing Bureau of Quality and Technical Supervision (北京市质量技术监督局).

- (4) **Step 4: State and Local Tax Registration**
The RO applies to register with State Tax Bureau Beijing Branch and Beijing Local Tax Bureau (北京地税局) and apply for State Tax Registration Certificate and Beijing Local Tax Registration Certificate.
- (5) **Step 5: Opening of Bank Accounts**
After all registrations are being performed, Kaizen then proceeds to set up the bank accounts in China for your representative office.

4. Documents required for application

You are responsible for the preparation of the following information and documents:

- (1) A set of legalised (by Chinese Embassy or Consulate in the country where the applicant company is registered) incorporation documents of the investor. For a company registered in Hong Kong, the incorporation documents shall be attested by the notary public in Hong Kong who is authorized by Chinese government.
- (2) A set of legalised (by Chinese Embassy or Consulate in the country where the applicant company is registered) banker's reference letter.
- (3) A set of legalised (by Chinese Embassy or Consulate in the country where the applicant company is registered) appointment letter and identity document and resume of the chief representative and general representative legalised by the Chinese Embassy.
- (4) A set of legalised (by Chinese Embassy or Consulate in the country where the applicant company is registered) authorization document for the authorized signatory of the investor legalised by the Chinese Embassy.
- (5) 2 sets of original Lease Agreement of the office premise to be used by the RO.
- (6) A brief summary of the operations and business of the investor, such as the principal business activities, registered address, contact phone number, name of the applicant company; the address and contact number of the managing director of the applicant company.
- (7) A copy of resume, 4 pictures, passport copy, contact number of the Chief Representative and the address where the Chief Representative will be staying while she/he is in China.

5. Time Frame

The table below shows the estimated time frame for each of the steps for the registration process.

Step	Description	Who is responsible	working days
Preliminary			
1	Legalisation of Incorporation Documents	Investor	Investor's schedule
2	Tenancy (Lease) Agreement (for the office to be used by the RO)	Investor	Investor's schedule
3	Legalisation of Banker's Reference Letter	Investor	Investor's schedule
4	Other documents	Investor	Investor's schedule
Application for Registration			
5	Application for Certificate of Registration for the RO from Shenzhen Administrative Bureau of Industry and Commerce	Kaizen	5
6	Application for Approval Certificate from Local Police Department and Arrangement of Graving of Chop and Seal	Kaizen	2
7	Application for Enterprise Code and Card	Kaizen	3
8	State Tax Registration and Local Tax Registration	Kaizen	1
9	Opening of Bank accounts	Kaizen	10
Total			Approx. 4 weeks

6. Registration Costs

6.1 Registration Service Fees

- (1) **Registration Services Fees**
Our fees for handling the registration of a Representative Office in Shenzhen for a foreign company are **USD1,800 (tax exclusive)**.
- (2) **Official Filing Fees**
The above service fees do not cover official registration fees and filing fees of around **USD 350**. The official registration filing fees will be billed separately with supporting official receipt issued by the Chinese Government.

(3) Translation Costs

Our service charges stated above do not cover the translation costs for translating the documents prepared by you from English to Chinese. The cost for translation is around **USD25** per page of A4 size. We will arrange the translation on your behalf and the translation cost will be billed separately with supporting official tax receipt issued by third party translating company.

(4) Documents Legalisation

Our fees quoted above do not cover the legalisation of the identity documents of the investor. As required by the regulations, the identity documents and the banker's reference letter of the investor are required to be legalised by the Chinese Embassy in the country where the investor is registered.

6.2 Summary of Registration Costs

Item	Description	Amount USD
1	Shenzhen representative office registration service fees charged by Kaizen	1,800
2	Official filing/registration fees (estimated to be paid to the various government departments)	350
3	Legalization fee (Kaizen can arrange legalisation for company registered in Hong Kong, Singapore, UK, BVI, Samoa and some other countries for and on client's behalf)	/
4	Disbursement	100
	TOTAL	2,250

Please note the Business Tax of 6% would be applicable if Chinese tax receipt (Fapiao) is required.

7. Going Forward

If you have already committed to the registration of a RO in Shenzhen, China, you could start preparing the documents listed above.

And if you decide to engage us for the registration, we will prepare an engagement letter for your signature. Then, upon receipt of duly signed engagement letter and deposit, we will start preparing the registration application documents.