

China Representative Office Registration Package CNRO#1001 - Shenzhen Representative Office Registration Procedures and Bank Account Opening

The package below for the registration of a Representative Office in Shenzhen, China is applicable only to the situation where the company applying to set up the representative office is a Hong Kong incorporated company and where the activities of the representative office require no extra licencing.

Please note that starting from year 2010, the company applying to set up a representative office must have been in existence of not less than two years.

1 Pre-registration and Registration Procedures

1.1 Preliminary

- (1) Lease of Office Space
Firstly, the investor will have to enter into a tenancy agreement in relation to the office space to be used by the WFOE for a term of not less than 12 months. The office must be located in a commercial building.
- (2) Legalisation of Identity Documents of the Shareholder/Member
The investor is also required to arrange to have the identity documents of the shareholder/legalised by the Chinese Embassy in the country where the shareholder/member is registered/resided. If the shareholder/member is a corporation, the identity documents required to be legalised are its incorporation documents. In the case the shareholder/member is an individual, the identity document required to be legalised is his passport (foreigner or identity card and home return permit for Hong Kong resident). We could also arrange the legalisation for you and our fees are shown in the table in Section 5.
- (3) Bankers' Reference Letter
Also, the investor needs to arrange with its banker to issue a bankers' reference letter. The bankers' reference letter is one of the documents to be submitted for the purpose of registration.
- (4) 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 directors, supervisor, legal Representative and General Manager.

1.2 Application for Registration

- (1) Step 1: Registration for Business License
The registration of a RO in Shenzhen starts with the submission of application documents to the Shenzhen Administrative Bureau of Industry and Commerce to apply for registration certificate. In most of the circumstances, the Shenzhen Administrative Bureau of Industry and Commerce will issue the Certificate of Registration in 5 working days after receipt of application documents.

Once the Certificate of Registration is issued, the RO is deemed to be legally established and will have full operational rights to operate in accordance with the business scope stated in the registration certificate.

- (2) Step 2: Application of "Enterprise Code" and Card
The RO apply for Enterprise Organisational Code and Card from Shenzhen Technology and Quality Supervision Bureau;
- (3) Step 3: The RO then proceed to apply for approval from Shenzhen Municipal Police Office for graving of common seal and order the graving of common seal with designated seal graving company;
- (4) Step 4: State and Local Tax Registration
The RO apply to register with State Tax Bureau Shenzhen Branch and Shenzhen

Municipal Tax Bureau and apply for State Tax Registration Certificate and Shenzhen Local Tax Registration Certificate;

- (5) Step 5: Establishment of Corporate Bank Account
The RO apply to open a RMB basic account and a tax payment account with a bank of its own choice.

2 Documents required for the Purpose of Registering a Representative Office in Shenzhen

The following lists the documents to be prepared and submitted to the Shenzhen Administration for Industry and Commerce for registration:

- (1) A set of legalised (by Chinese Embassy or Consulate in the country where the applicant company is registered) incorporation documents (Certificate of Incorporation and/or Business Registration Certificate) of the investor. For a company registered in Hong Kong, the incorporation documents shall be attested by the notary public in Hong Kong who are authorized by Chinese government authority
- (2) A original copy of bankers' reference letter issued in the name of the investor and addressed to Shenzhen Administrative Bureau of Industry and Commerce. The reference letter shall indicate the name and account number of the investor and the balance of the account or average daily balance over the last 6 months; the banker's reference letter is required to be legalised as well;
- (3) 2 sets of original Lease Agreement of the office premise to be used by the RO; the lease term should not be less than 12 months. Please note that the Lease Agreement shall be signed by the investor and shall be registered with the House Management Bureau. Photocopy of the property ownership certificate of the premise and the identity certificate of the owner (i.e. certificate of enterprise code for corporate owner or identity card of individual owner) shall be provided as well;
- (4) 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;
- (5) 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;
- (6) If there is/are Representative(s) to be stationed in China in addition to the Chief Representative, the resume, 2 pictures, passport copy, contact number of the Representative and the address where the Representative will be staying while she/he is in China;
- (7) The name and address of your favourite opening bank for the RO. Please be noted that the original passport of the Chief Representative of the RO shall be presented to the bank for verification purpose.

3 Time Frame to Complete the Registration of a Representative Office in Shenzhen

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

Step	Description		Time (days)
Preliminary			
1	Legalisation of Incorporation Documents	Investor	
2	Tenancy (Lease) Agreement (for the office to be used by the WFOE)	Investor	Investor's schedule
3	Bankers' Reference Letter	Investor's Banker	
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 Chief Representative Certificate	Kaizen	5
8	Application for Enterprise Code and Card	Kaizen	3
9	State Tax Registration and Local Tax Registration	Kaizen	1-2

10	Opening of Bank Accounts	Kaizen	5-10
Total			Approx. 5 weeks

Please note the Chief Representative of the RO shall go to Shenzhen Administration Bureau for Industry and Commerce in person to collect the Chief Representative Certificate.

4 Shenzhen Representative Office Registration Costs

- (1) **Registration Service Fees**
Our fees for handling the registration of a Representative Office in Shenzhen for a foreign company are HKD12,200 (tax exclusive) .
- (2) **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 HKD150 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.
- (3) **Official Filing Fees**
In addition, the above costs do not cover any official registration fees and filing fees of around HKD2,000
- (4) **Bank Account and Charges by FESCO**
Our service charges also do not cover the application of internet banking service and opening of social insurance account for the employees of the RO. The charge for internet banking service application is RMB500 (excluding taxes and bank charges). And since RO is required to hire Chinese employees through a foreign enterprise service company (FESCO) recognized by the PRC government, the RO shall engage a FESCO to handle the opening of social insurance account and arranging for the contribution of social insurance each month for the employees of the RO. We can refer you to a FESCO which charges it at a cost of around RMB300 per month per person.
- (5) **Documents Legalisation**
A set of legalised incorporation documents is required to be submitted to the Business Registration Authority for the purpose of the registration of the Representative Office. Once being engaged, we will assist you to arrange the legalisation with a authorised attesting officer in Hong Kong. The total documents legalisation fees are estimated to be HKD6,000 which are on top of the service fees listed in the above table.

A detailed breakdown of all likely costs in association with the registration of a RO in Shenzhen is enclosed below for your easy reference.

Item	Description	Amount (HKD)
1	Our service fees	12,200
2	Legalisation fees	6,000
3	Official filing/registration fees (estimated)	2,000
4	Disbursements, such photocopying and delivery etc	200
	TOTAL	20,400

5 Payment Term

- (1) **First instalment**
The first instalment of 70% of our service fees is to be paid upon signing of engagement letter. Legalisation costs should also be included in the first instalment if we are being engaged to handle the legalisation.
- (2) **Balance Payment**
The balance of our service fees together the official registration and filing fees are to be paid within one week after the whole registration process, that is, the registration procedures listed in Section 2, is completed.