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## Fees and Procedures for Registration of a WFOE Branch in Shanghai

### Summary

This quotation applies to situations where a WFOE intends to set up a branch in Shanghai, China to carry out business of a service nature, including management, consultancy and business services and that no special licence or permit other than the business licence is required.

Our fees for handling the formation and registration of a WFOE branch in Shanghai, China are RMB10,000 and our fees cover the services listed in **Section 1(1)** of this quotation. Our service fees, however, do not include the payment of official registration charges, setting up internet banking facility.

The materials required include the business license of the WFOE, a lease agreement of the office space to be used by the Shanghai branch and others. A list of the materials is detailed in **Section 3** of the quotation.

The whole process for the registration of a WFOE branch in Shanghai, China takes 4 to 6 weeks. It should however be noted that most of the procedures are subject to approval granted by the government departments and therefore some of the procedures may take longer than expected.

If the business activity to be conducted by the WFOE branch requires special licence or permit, we may need to adjust our fees and the time required may need to be extended accordingly.

## 1. Registration Cost

### (1) Our Service Fees

Our fees for handling the registration of a WFOE branch in Shanghai, China are RMB10,000. In particular, our fees cover the following services:

- (1) Preparation of registration application documents;
- (2) Application for business license;
- (3) Carving of chops for the branch;
- (4) Setting up a RMB basic bank account

If the business activity to be conducted by the branch requires special licence or permit, we may need to adjust our fees accordingly.

### (2) Official Filing Fees

Our service fees stated in **Section 1 (1)** do not cover any official filing fees. The estimated official filing fees shall be around RMB1,500. The official filing fees will be billed with supporting official receipts.

### (3) Internet Banking Facility

Our service fees stated in **Section 1 (1)** cover the setting up of a bank account for the branch, however, it does not cover the application of internet banking facility. Should you decide to engage us for the above service, we will charge a fee of RMB1,000.

### (4) Translation Costs

Our service fees stated in **Section 1 (1)** do not cover translation costs for translating the documents prepared by you from English to Chinese or translation of registration documents from Chinese to English. If so required, we will charge an extra amount of RMB300 per page of A4 size paper for the translation services.

All the fees quoted above do not include the Value Added Tax and Surcharges of 7.5% if Chinese tax invoice (Fapiao) is required.

**A summary of the fees and costs is provided in Schedule 1 to the quotation.**

## 2. Payment Terms and Methods

Upon receipt of your order, we will issue an invoice to you for your settlement. We require full payment in advance.

If China's mainland or Taiwan official tax invoice is required, Value-Added Tax or Business Tax at the prevailing rate in the respective jurisdiction will be charged.

## 3. Required Documents and Materials

The following materials are required for the purpose of application for registration of a WFOE branch in Shanghai, China:

(1) Tenancy Agreement

One set of original Tenancy Agreement and Leasing Certificate of the office premise to be used by the proposed company.

(2) Particulars of the WFOE

Please provide a photocopy of the business license, MOFCOM filing record, articles of association and amendment to articles of association (if any) of the WFOE.

(3) Principal of the Branch

A photocopy of the identification document (i.e. passport for foreigner or identity card for Chinese national), email address, China mobile number and full residential address of the person who will in charge of the branch (principal).

(4) Finance Controller of the Branch

A photocopy of the identification document (i.e. passport for foreigner or identity card for Chinese national), email address, China mobile number and full residential address of the finance controller of the branch.

(5) Particulars of Preferred Bank

Please provide the name of preferred bank and the designated branch at which the bank accounts of the branch is to be established.

#### 4. Estimated Time Frame

It is estimated that the whole registration process would take around 4 to 6 weeks, subject to the approval by the various registration authorities in Shanghai. The table below shows the estimated time frame for each of the steps for the registration.

Step	Description	Who is Responsible	Working Days
<b>Preliminary</b>			
1	Tenancy (Lease) Agreement (for the office to be used by the company)	Investor	Investor's schedule
2	Other documents	Investor	Investor's schedule
<b>Application for Registration</b>			
3	Application for name reservation	Kaizen	5
4	Application for business license	Kaizen	10
5	Application for approval and carving of chops	Kaizen	3
6	Opening of RMB basic account	Kaizen	10
<b>Around 4 - 6 weeks</b>			

#### 5. Certificates and Materials obtained after Registration

After the company is officially registered, it will obtain the following certificates, corporate documents and seals to prove its legal existence and to carry out its daily operation.

- (1) Business Licence (Original, Duplicate)
- (2) Bank Account Opening Permit and Other Bank Stuffs
- (3) Common Seal, Financial Seal, Name Seal for the principal

#### 6. Annual Compliance Requirements in China

Immediately after a branch is officially registered in Shanghai, it is required to comply with various monthly, quarterly and annually filing and reporting requirements. These filing requirements include monthly tax filing, filing of annual audit report, which has to be issued and signed off by a local CPA firm, filing of annual tax reporting to the Shanghai State Administration of Taxation and filing of annual reports to the competent government authorities etc. In any case if any of these annual compliances are not handled in a timely manner, the branch may subject to penalties or at the risk of getting their license suspended or cancelled by the MSA.

Kaizen is well equipped with experienced personnel and capable of providing all the services that your Shanghai branch may need, including but not limited to monthly book-keeping, preparation of tax computation and filing of various tax returns and also performing annual tax clearance and etc.

## Schedule 1 – Summary of Costs

## I. Registration of a WFOE Branch in Shanghai

Item	Description	Amount RMB
1	Service fees for Branch Registration (Note 1)	10,000
2	Official filing fees for Company Registration (Note 2)	1,500
3	Disbursements	500
4	Service fees internet banking facility application (Optional)	1,000
5	Translation fees (Optional)	TBC
<b>TOTAL</b>		<b>13,000</b>

**Note:**

1. If the business to be conducted by the branch in Shanghai requires special licence or permit, Kaizen can handle the application and our fees will be quoted upon request.
2. The government fees will be collected before the commencement of services and any shortfall will be billed after completion of registration of the branch.
3. Item 4 to 5 will only be incurred if we are being engaged for such services.
4. If Chinese tax invoice is required, a Value Added Tax and Surcharges of 7.5% would be applicable.

*If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at [www.kaizencpa.com](http://www.kaizencpa.com) or contact us through the following and talk to our professionals:*

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