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Deregistration of a Shenzhen Service Type WFOE - Procedures and Fees

Unless otherwise indicated, the WFOE mentioned in this quotation refer to a limited liability company formed and registered in Shenzhen, China in accordance with the China Company Law and the related regulations and wholly owned by one or more foreign companies or individuals.

Summary

The quotation applies to situations where a service type WFOE registered in Shenzhen intends to liquidate and deregister its legal body and that no special licence or permit is involved.

Our fees for handling the deregistration for a service type WFOE in Shenzhen, China are RMB17,000 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 change filing charges.

The materials required include all the certificates and seals of the WFOE and others. A list of the materials is detailed in Section 3 of the quotation.

The whole process for the deregistration of a service type WFOE in Shenzhen, China takes at least 6 months. 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 special licence or permit or other extra change is required, we may need to adjust our fees and the time required may need to be extended accordingly.

1. Deregistration Cost

(1) Our Service Fees

Our fees for handling the deregistration of a service type WFOE in Shenzhen, China are RMB17,000. In particular, our fees cover the following services:

- (1) Preparation of the deregistration documents;
- (2) Register the members of liquidation committee with the registry office;
- (3) Arrange for a liquidation announcement on newspapers;
- (4) Apply for the deregistration with local Bureau of Commerce;
- (5) Apply for the deregistration with the tax bureau;
- (6) Close the RMB basic account;
- (7) Cancel the foreign exchange registration;
- (8) Close the capital account;
- (9) Cancel the business registration with the registry office;
- (10) Cancel the company social insurance account;
- (11) Cancel the company housing provident account;
- (12) Cancel the seals of the WFOE with Shenzhen Public Security Bureau.

If special licence or permit or other extra change is required, 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 RMB1,000. The official filing fees will be billed with supporting official receipts.

(3) Newspaper Announcement Costs

The WFOE is required to make a liquidation announcement on newspaper during the deregistration process. The estimated newspaper announcement costs are around RMB2,000.

(4) Audit Costs

A set of tax audit reports may be required by the tax authorities for the purpose of deregistration. And a liquidation audit report is required for the cancellation of foreign exchange registration. We could arrange the audits for you. The audit costs will be quoted and billed separately upon request.

(5) Tax Filing Costs

The WFOE is still required to file tax returns during the deregistration process until the tax registration of the company has been finally cancelled. We could provide tax filing services to you during this period. Our service fees are RMB800/per month.

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 before commencement of work.

If China official tax invoice is required, a Value Added Tax and Surcharges of 7.5% will be charged.

3. Required Documents and Materials

The following materials are required for the purpose of the deregistration for a WFOE in Shenzhen, China:

- (1) Certificate of Approval (original & duplicate) or Filing Receipt issued by MOFCOM;
- (2) Business License (original & duplicate);
- (3) Foreign Exchange Registration Certificate;
- (4) Bank Account Opening Permit;
- (5) The Company Seal;
- (6) The Legal Representative Seal;
- (7) The Financial Seal;
- (8) Articles of Association with all Amendments;
- (9) Audited financial reports in the past 3 years;
- (10) Latest financial statements
- (11) Latest annual EIT clearance declaration form

4. Estimated Time Frame

Provided that the procedures go smoothly, the whole deregistration process would take around 6 months, which subject to the final approval of the various approval authorities involved in Shenzhen.

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

Email: info@kaizencpa.com, enquiries@kaizencpa.com

Tel: +852 2341 1444

WhatsApp/Line/Wechat: +852 6114 9414, +86 1521 932 644 Skype: kaizencpa

Schedule 1 - Summary of Costs

Item	Description	Amount (RMB)
1	Service fees for the deregistration (Note 1)	17,000
2	Official filing fees (Note 2)	1,000
3	Newspaper announcement costs	2,000
4	Tax filing costs for 6 months (Optional)	4,800
5	Audit Costs (Note 3)	TBC
Total		24,800

Note:

1. If special licence or permit or other extra change is required, Kaizen can handle the application and our fees will be quoted upon request.
2. The government fees are an estimated amount. We will collect it before the commencement of services and any shortfall will be billed after completion of the change.
3. If you would engage Kaizen to arrange the liquidation audit, then please provide the following materials to us for our review and calculation of cost.
 - (1) Audited financial reports in the past 3 years;
 - (2) Latest financial statements;
 - (3) Latest annual EIT clearance declaration form.
4. Item 4–5 are optional, you could handle by yourself or engage Kaizen to handle it.
5. If Chinese tax invoice is required, a Value Added Tax and Surcharges of 7.5% would be applicable.