

Shenzhen, China
Rooms 1203-06, 12/F.
Di Wang Commercial Centre
5002 Shennan Road East
Luohu District, Shenzhen
T: +86 755 8268 4480

Shanghai, China
Room 603, 6/F., Tower B
Guangqi Culture Plaza
2899A Xietu Road
Xuhui District, Shanghai
T: +86 21 6439 4114

Beijing, China
Room 303, 3/F.
Interchina Commercial Bldg.
33 Dengshikou Street
Dongcheng District, Beijing
T: +86 10 6210 1890

Taipei, Taiwan
Room 303, 3/F.
142 Section 4
Chung Hsiao East Road
Daan District, Taipei
T: +886 2 2711 1324

Singapore
3/F., 36B
Boat Quay
Singapore 049825
T: +65 6438 0116

New York, USA
202 Canal Street
Suite 303, 3/F.
New York
NY 10013, USA
T: +1 646 850 5888

Registration of a Shenzhen Branch- Procedures and Fees

Summary

This quotation applies to situations where a WFOE intends to set up a branch in Shenzhen, 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 Shenzhen, 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 Shenzhen branch and others. A list of the materials is detailed in Section 4 of the quotation.

The whole process for the registration of a WFOE branch in Shenzhen, China takes 7 to 10 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 Shenzhen, China are **RMB10,000**. In particular, our fees cover the following services:

- (1) Preparation of registration application documents;
- (2) Submitting online application for the registration with the registry office;
- (3) Making an appointment for the submission of paper application;
- (4) Submitting paper application to the registry office;
- (5) Carving of chops for the branch;
- (6) 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 RMB2,500. 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 RMB2,000.

(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 RMB350 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 Shenzhen, 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.

Please note the principal of the Shenzhen branch is required to visit Shenzhen to open the bank account. The bank officers will go to your office to conduct a site inspection when you submit the application to them.

4. Estimated Time Frame

It is estimated that the whole registration process would take around 7 to 10 weeks, subject to the schedule of the investor and also the approval by the various registration authorities in Shenzhen. The table below shows the estimated time frame for each of the steps for the registration.

Step	Description	Who is Responsible	Working Days
Preliminary			
1	Tenancy (Lease) Agreement, Leasing Certificate and other documents	Investor	Investor's schedule
Application for Registration			
2	Submitting online application for the change with the registry office	Kaizen	1
3	Making an appointment for the submission of paper application	Kaizen	5
4	Submitting paper application to the registry office and collecting the business license	Kaizen	3-5
5	Application for approval and carving of chops	Kaizen	2
6	Opening of RMB basic account	Kaizen	15-20
Around 7-10 weeks			

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 Shenzhen, 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 Shenzhen 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 Shenzhen 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.

7. Other Optional registrations

(1) Qualification of VAT General Taxpayer

A branch is considered as a VAT small scale taxpayer when it is incorporated. If you want to be treated as a VAT general taxpayer, then you shall apply for VAT general taxpayer qualification accordingly.

The branch is not allowed to issue 6% or 13% VAT invoice, deduct input VAT from output VAT and apply for VAT refund on export products until it obtains VAT general taxpayer qualification.

We could also help you to apply for such qualification. Our fees for the provision of such service are RMB3,500 (tax exclusive).

(2) Real-Name Certification of the Principal and Finance Controller

Provided the principal or finance controller of a branch is a foreigner or Hong Kong/Macau/Taiwan resident, then s/he is required to visit the local office of State Administration of Taxation (SAT) in person so as to enable the SAT to verify her or his Passport or Hong Kong/Macau/Taiwan resident's mainland travel permit. This is what we called real-name certification with the tax bureau. Failure to complete the real-name certification will affect the branch's tax related matters, such as purchase of Fapiao and application for tax rebate, or in the worst scenario, may not be able to file tax returns, with the SAT.

Since the principal or finance controller is required to visit the SAT in person to perform the real-name certification, we would recommend that s/he should be accompanied by a local staff, so as to avoid any language or communication problems. If you want us to send our staff to go to the SAT with your foreign principal or finance controller, we can also arrange for it accordingly. Our fees for the foregoing service are RMB1,500 (tax exclusive).

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

I. Registration of a WFOE Branch in Shenzhen

Item	Description	Amount RMB
1	Service fees for branch registration (Note 1)	10,000
2	Official filing fees for company registration (Note 2)	2,500
3	Disbursements	500
4	Service fees internet banking facility application (Optional)	2,000
5	Translation fees (Optional)	TBC
TOTAL		15,000

II. Additional Registration Procedures

Item	Description	Amount RMB
1	Application for VAT General Taxpayer Qualification	3,500
2	Real-name certification of the principal / finance controller	1,500
TOTAL		5,000

Note:

1. If the business to be conducted by the branch in Shenzhen 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.