

## COMPANY REGISTRATION IN CHINA

# Representative Office (R.O.)

## ADVANTAGES & DISADVANTAGES

### Advantages

#### Minimum registration fees.

Registering an R.O. enables you to get a legal entity identification in China for a *minimal outlay*. The registration government charge is low and there is no paid-in-capital requirement.

#### Low requirements for a fast registration.

The application process requires the following three main elements:

- An *overseas parent company* with a legal business registration certificate and good financial reputation.
- Rent a *Grade A Office* building for at least one year.
- Authorise a Chief Representative.

#### Allows exploration of the market and liaison activities.

This structure is ideal to conduct *market research and product promotion* activities, as well as supplier liaison and quality control in China.

### Disadvantages

#### Restricted business scope.

R.O.'s can only do the liaison work in the name of the parent company, they are not allowed to receive income, issue invoices and sign trading contracts directly.

#### High operational costs.

The application process requires the following three main elements:

- **Rental Expenses:** China's Government requires a Grade A location for the R.O. which is comparatively more expensive than other office premises.
- **Special Tax Regime:** Whatever income you generate in China as an R.O., you have to pay business and corporate income tax with the cost of approximately 10% of the total monthly expenses.
- **Employment Costs:** Hiring staff as a R.O. involves going through an organisation known as FESCO or some other payroll agent. They will help you manage the welfare and payroll, however a monthly service fee per staff will be required.



## THE PROPOSAL

### We take care of the following:

- Gathering all requirements to **setup the right R.O. for you in less than 2 months.**
- **Quotation** for the total project.
- Using the support of our **foreign business lawyer** if needed.
- Sending you a **detailed list of all steps** of the process, from start to completion.
- Assisting you to complete all the necessary documents **avoiding a poor quality registration** or any delay.
- Collecting all necessary documents and assisting you throughout the registration process.
- Submitting all documents to the respective government departments.
- Provision of **real-time support** and communication sharing the project's evolution with you.
- Making sure the business registration procedure is respected.
- Registering the **work and residence permit** of the Chief Representative.
- **A range of other support services** to ease your business venture in China.