



Setting Up a Business in China

CSC Global Financial
Markets services





China is the largest market in the world due to its population of more than 1.3 billion citizens. As such, many companies have expanded their business into the country, enticed by the rapid growth of the Chinese economy and the opportunities in the market.

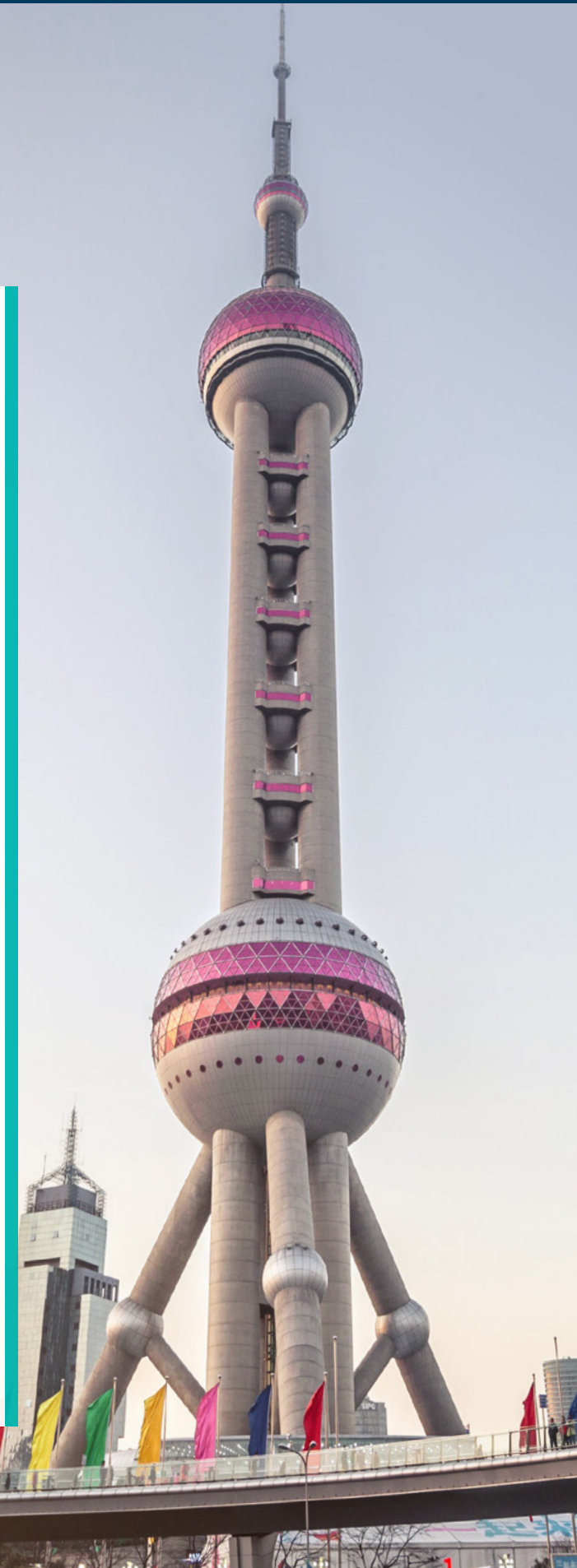
China's ascension to the World Trade Organization in 2001 accelerated economic reforms, and, as a result, approval procedures for foreign investment projects have been simplified over the years. However, setting up a business in China can be a challenge without profound knowledge of the country.

By partnering with **CSC®**, you will have access to the knowledge and experience you need to successfully establish your business in China.

Our consultants specialize in setting up representative offices (ROs), **Limited Liability Companies (LLCs)**, also known as **Wholly Foreign-Owned Enterprises (WFOEs)**, and Joint Ventures throughout China. In addition, we offer continuous support to your China business by providing accounting, tax filing, and payroll outsourcing services, as well as consulting, company closure services, China market research, and compliance.

Below is a list of the main issues investors should consider when entering the market:

- Types of entities—like a limited liability company (LLC) versus a representative office (RO)
- Legal status
- Parent company (shareholder) requirements
- Business scope
- Capital requirement
- Corporate structure
- Employment of foreign nationals
- Employment of Hong Kong, Taiwanese, and Macanese nationals
- Employment of Mainland Chinese
- Accounting requirements
- Tax obligations
- Annual maintenance obligations



We're ready to talk.

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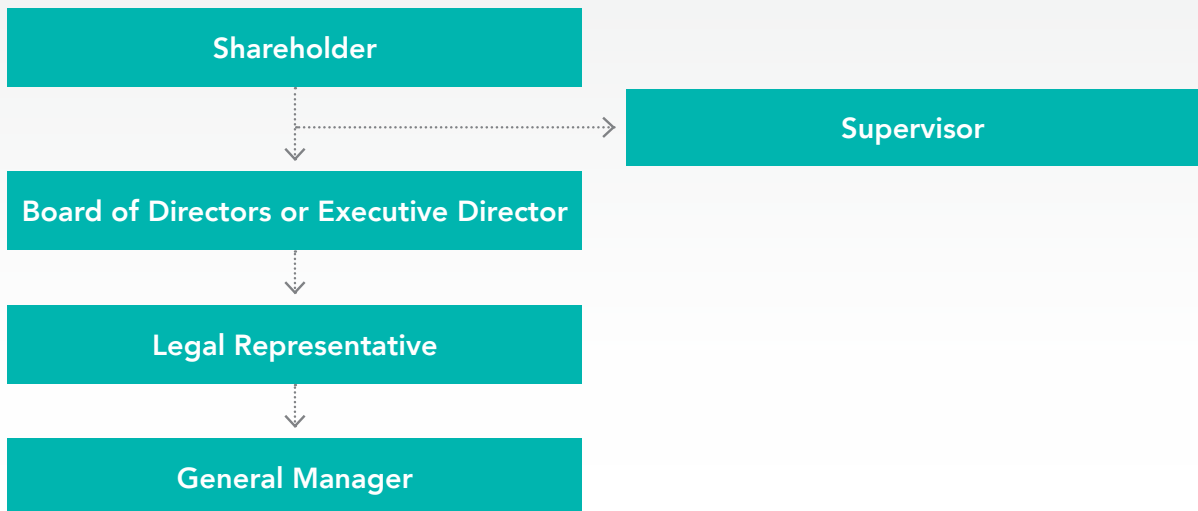
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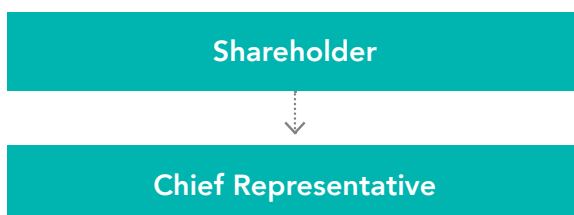


Corporate structure

The key positions that need to be appointed in the company are as follows:



For a Representative Office (RO), a chief representative must be appointed by the parent company. The responsibility of the chief representative is that of a legal representative for an LLC.





Employment of foreign nationals

An LLC can employ foreign nationals using employment contracts, and the foreign employees are not required to be registered with the State Administration for Industry and Commerce. There is no limitation on the number of foreign nationals the company can hire. Hong Kong, Taiwanese, and Macanese nationals are considered foreign nationals.

An LLC can also directly employ Mainland Chinese nationals using employment contracts. The company can handle the social insurance and Individual Income Tax (IIT) declaration and payments.

An RO can directly employ foreign nationals; however, they must all be registered with the State Administration for Industry and Commerce. There is also a statutory limitation that the RO can only employ four foreign nationals.

An RO is not permitted to hire Mainland Chinese directly. They must go through a third-party employment agency who will then handle all payroll issues for the staff, including social insurance and IIT declaration and payments.

Accounting requirements

Both an LLC and an RO are required to produce all financial management reports and comply with the annual maintenance obligations.



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Services

CSC assists clients at all stages of market entry and expansion in Hong Kong, Singapore, and China. We can offer clients business advisory and incorporation and outsourcing services, enabling them to focus on their core business functions without dealing with the legal, accounting, tax, and administrative aspects of their company.

inc. Incorporations:

- Hong Kong incorporation
- Singapore incorporation
- China incorporation
- Offshore incorporation
- International expansion
- Profit repatriation structures



Trade and supply chain solutions:

- Trade documentation via a China company
- Trade documentation via a Hong Kong company
- Trade documentation via a Singapore company



Regulatory compliance and administration:

- Bank account opening liaison
- Trademark registrations
- Annual legal compliance
- Corporate structuring and restructuring administration and filing
- Closure of the company



Human resources and payroll solutions:

- Visa applications
- Employment contracts
- HK recruitment services



Domiciliation and management:

- Domiciliation
- Local resident directors
- Independent directors



Additional services:

- Fund administration services
- SPV administrative services



Accounting and audit liaison:

- Accounting
- Bank account management

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Business Regions – APAC

We have office locations strategically located in mainland China, Hong Kong SAR, and Singapore, enabling us to provide accounting, administration, and management consulting in all major financial centers.

We are united around the world to better serve clients like you. Our expert teams—based in North America, Europe, and Asia-Pacific—enable us to provide support wherever you are deploying capital or have structural needs.



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