

COUNTRY GUIDE

CHINA



The People’s Republic of China is the world’s most populous country, with over 1.4 billion people. China’s incredible economic growth has been a result of both huge investments by its government in infrastructure and heavy industries, as well as private sector expansion in light industries. The country has become an essential player in the global economic landscape. While China is expected to become the world’s largest economy, its growth will increasingly depend on domestic consumption.

MANUFACTURING

China’s manufacturing industry is not only the country’s largest, it is also the world’s largest, accounting for about 20% of the global output. Manufactured products including cars, ships, trains, textiles, fertilizers, and electronics represent over 94% of China’s total exports.

ECONOMIC OUTLOOK










China has become the world’s largest exporter and one of the fastest growing economies in the world. Both the IMF and the World Bank expect China to become the world’s largest economy, surpassing the U.S. by as early as 2030.

GLOBAL TRADE

The escalating trade tensions between the U.S. and China have had a ripple effect in the global economy. The trade war has slowed Chinese growth, lowered confidence among U.S. businesses, and put a crimp in trade with and among Asian and European countries.

CAPITAL MARKETS

Foreign participation in Chinese capital markets has been historically low due to capital controls in place. But in recent years the Chinese government has looked to inject more foreign capital by introducing a variety of channels to facilitate access for overseas investors to the country’s equity, bond, and other markets.

 Geography 	<p>Location: China is one of the largest countries by land area in the world. It is located in eastern Asia, bordering North Korea and the Korea Bay to the north, the East China Sea, and the South China Sea and Vietnam to the south.</p> <p>Area: 9,596,960 sq. km.</p> <p>Time zone: China Standard Time (GMT+8). Despite its size, China observes only one official time zone.</p>
 Population	<p>1.4 Billion</p>
 Language(s)	<p>Standard Chinese or Mandarin (official). However, the country has many other official local languages.</p>
 Economy	<p>Manufacturing, mining, energy, and agricultural industries</p>
 Capital City	<p>Beijing</p>
 Currency	<p>Chinese Yuan (CNY)</p>
 Political structure	<p>Communist Party-led state</p>
 Legal system	<p>Civil law influenced by Soviet and continental European civil law systems</p>

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

28 Liberty Street | New York, NY 10005 | 855.444.5358 | ctcorporation.com/global-corporate-services

Main Types of Legal Entities

	LIMITED LIABILITY COMPANY (LLC)	COMPANY LIMITED BY SHARES (CLS)	PARTNERSHIP ENTERPRISE	REPRESENTATIVE OFFICE
Share capital				
Minimum paid-up	No minimum required, except for certain industries such as banking, forwarding, etc.	No minimum required, except for certain industries such as banking, forwarding, etc.	No minimum required, except for certain industries such as banking, forwarding, etc.	Not required
Maximum authorized	N/A	N/A	N/A	N/A
Usual currency	Chinese Yuan (CNY)	Chinese Yuan (CNY)	Chinese Yuan (CNY)	N/A
Permitted currencies	Other foreign currencies allowed	Other foreign currencies allowed	Other foreign currencies allowed	N/A
Domiciliation				
Registered address	Local registered office required	Local registered office required	Local registered office required	Local registered office required
Directors				
Minimum number	Three, or one executive director	One	One	One
Minimum local	Not required	Not required	Not required	Not required
Corporate directors	Allowed	Allowed	Allowed	Allowed
Statutory				
Annual filing	Annual reports filed with the Administration for Market Regulation (AMR)	Annual reports filed with the Administration for Market Regulation (AMR)	Annual reports filed with the Administration for Market Regulation (AMR)	Annual reports filed with the Administration for Market Regulation (AMR)
Company secretary	Not required	Not required	Not required	Not required
Annual general meeting (AGM)	Required	Required	Required	N/A
Beneficial owner reporting	Director and shareholder details must be disclosed publicly.	Director and shareholder details must be disclosed publicly.	Required for beneficiaries with 25% or more shares	Required for beneficiaries with 25% or more shares
Re-domiciliation	Not allowed	Not allowed	Not allowed	N/A
Financial administration				
Audit required	Required	Required	Required	Required
Filing of annual return	Must file quarterly and annual returns with the tax authorities	Must file quarterly and annual returns with the tax authorities	Must file quarterly and annual returns with the tax authorities	Reports must be filed annually
Tax				
Tax rates	25%	25%	Paid by each individual	N/A
VAT	6–13% depending on the industry	6–13% depending on the industry	6–13% depending on the industry	N/A
Tax treaties	Negotiated with 110 countries	Negotiated with 110 countries	Negotiated with 110 countries	N/A
Other taxes	Customs duties, consumption and land appreciation tax, etc.	Customs duties, consumption and land appreciation tax, etc.	Customs duties, consumption and land appreciation tax, etc.	N/A

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

28 Liberty Street | New York, NY 10005 | 855.444.5358 | ctcorporation.com/global-corporate-services

Main Types of Legal Entities

	LIMITED LIABILITY COMPANY (LLC)	COMPANY LIMITED BY SHARES (CLS)	PARTNERSHIP ENTERPRISE	REPRESENTATIVE OFFICE
Government fees				
Registry fee	CNY 5,000–6,000	CNY 5,000–6,000	CNY 5,000–6,000	CNY 5,000–6,000
License fee	In addition to the business license, other licences may be required depending on the business type.	In addition to the business license, other licences may be required depending on the business type.	In addition to the business license, other licences may be required depending on the business type.	In addition to the business license, other licences may be required depending on the business type.
Incorporation process				
Summary	<ul style="list-style-type: none"> ➤ Register company name with the AMR and submit application for business license ➤ Submit application to the commerce authority ➤ File post-registration applications with relevant authorities such as tax, foreign exchange, customs, etc. 	<ul style="list-style-type: none"> ➤ Register company name with the AMR and submit application for business license ➤ Submit application to the commerce authority ➤ File post-registration applications with relevant authorities such as tax, foreign exchange, customs, etc. 	<ul style="list-style-type: none"> ➤ Register company name with the AMR and submit application for business license ➤ Submit application to the commerce authority ➤ File post-registration applications with relevant authorities such as tax, foreign exchange, customs, etc. 	<ul style="list-style-type: none"> ➤ Collect all required parent company documentation ➤ Submit application to the AMR
Time	1–3 months	1–3 months	1–3 months	1–3 months
Other				
Are shelf corporations available?	Not common	Not common	Not common	N/A

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

28 Liberty Street | New York, NY 10005 | 855.444.5358 | ctcorporation.com/global-corporate-services

CT Service Offerings – China



Global Transactional Services

- Due diligence searches
 - Certificate of Good Standing (or equivalent)
 - Health check services
 - Liens/charges
 - Litigation
 - Bankruptcy
- Document retrieval
 - Articles of Incorporation
 - Memorandum of Association
 - Chamber of Commerce Extract
- Authentications and legalizations
- Board changes
- Company searches
- Incorporations
- Liquidation of entities
- Process agent appointments
- Translation services

Corporate Secretarial Services

- Annual compliance
 - Statutory filings
 - Annual board resolution drafting
 - Corporate minute book management
- Domiciliation/registered address
- Director services and legal representation

To learn more about how CT can help you better manage your global compliance needs, contact a CT representative at 855.444.5358 (toll-free U.S.).

ctcorporation.com/global-corporate-services