



# CHINA BRIEFING

The Practical Application of China Business

## Setting Up Wholly Foreign Owned Enterprises in China

(Third Edition)

Establishing Manufacturing and Service WFOEs  
Foreign Invested Commercial Enterprises (FICEs)  
Full Implementing Rules and Draft Articles of Association  
Calculating Your Registered Capital Requirements  
Assessing Your Commercial Property Requirements  
Converting JVs to WFOEs, Merging and Establishing WFOE Branches  
China's Development Zones  
Full Tax and Audit Obligations  
Human Resource Issues  
Obtaining Export Tax Rebates  
WFOE Liquidation Procedures



**DEZAN SHIRA & ASSOCIATES**

Produced in association with Dezan Shira & Associates



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Published by: **Asia Briefing Ltd.**

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Unit 1618, 16/F, Miramar Tower,  
132 Nathan Road, Tsimshatsui  
Kowloon  
HONG KONG  
ISBN 978-988-15251-1-6

China Briefing: [www.china-briefing.com](http://www.china-briefing.com)

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# ABOUT CHINA BRIEFING'S CHINA BUSINESS GUIDES

Thank you for buying this book. China Briefing's publications are designed to fill a niche in the provision of information about business law and tax in China. When we decided, several years ago, to commence this series, we did so in the knowledge that much that was available about China was either expensive, or completely contradictory. Plus much of it did not really adequately address the real issues faced by businessmen – the practical knowledge that must be part of any business dealings in developing countries. This guide is designed to change that perspective and provide detailed information and the regulatory background to business in China – but with a firm eye also on the details of making money and remaining in compliance.

Accordingly, we made this guide informative, easy to read and inexpensive. To do so we have engaged not a team of journalists or academics – but the services of a respected professional services firm to assist us. The articles and materials within have been researched and written by China based Chinese and international lawyers, accountants and auditors, familiar with the issues that foreign invested enterprises face in China – as they service them in China as clients. These professionals have come from the nationally established practice, Dezan Shira & Associates, and we are grateful for their support. Without them this book would not have been possible, and we wholeheartedly recommend their services should you require sensible and pragmatic advice as contained within this book.

At China Briefing, our motto is “The practical application of China business” and we hope that within this volume and our other publications you feel we have achieved this, and helped point you in the right direction when it comes to understanding and researching this vast and complicated business environment.

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*Hong Kong*

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Do you want to do business in China? If you are already in this vast country and want to know more, or if you have never tried your hand at this fascinating market, then this book is for you.

This Guide is a practical overview for the international businessman to understand the rules, regulations and management issues regarding establishing Wholly Foreign Owned Enterprises in China. It is written very much from practical experience. We will help you to understand the implications of what can initially appear be a complicated and contradictory subject. This book tells you the basics of what you need to know, and point you at the structures you should use as well as some of the pitfalls.

Published by: Asia Briefing Ltd

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HONG KONG  
ISBN: 978-988-15251-1-6

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ISBN 978-988-15251-1-6



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