

China briefing: Foreign Invested Commercial Enterprise

A Foreign Invested Commercial Enterprise, known as FICE, is an enterprise invested into by non-Chinese national shareholders carrying out business activities such as retail, franchising, wholesale and commissioning.

They may be entirely owned by non-Chinese nationals and in such cases are referred to as Wholly-Foreign Owned Entities (WFOEs). WFOEs are an ideal method for foreign investors to enter the Chinese mainland market.

After successfully establishing a company via a FICE structure in China, you would be able to:

- Take full control of your China-based supply chain and expand the range of suppliers
- Sell in Renminbi (RMB) to Chinese customers and issue FAPIAOS (Chinese legal receipts)
- Benefit from VAT rebates when exports are done through a FICE
- Have no limits of annual turnover or minimum asset requirements
- Launch branch offices anywhere in China and hire employees directly.

The procedures involved in registering and maintaining such an entity are time-consuming due to the complex Chinese tax system and the permissions required from different bodies of the Chinese Government.

ILS World has an office in Shanghai and the team has a great deal of practical experience in helping foreign companies setting up a FICE. It has worked hard to build and develop good relationships with all the relevant government departments and the high-quality service it provides not only drastically shortens the time it takes to establish a FICE but also significantly increases the chance of success.

How ILS World can help:

- Pre-investment planning
- Required documents for application and submit them to the appropriate government authorities for approvals
- Foreign currency and RMB bank account opening
- Foreign exchange registration
- Financial certificate registration
- Statistics license registration
- Customs registration
- Business license from State Administration for Industry and Commerce
- Tax certificate from Tax Bureau



- Import/export license
- Special license application
- Supervisory services and corporate structuring.

For further information on doing business in China please contact Managing Director Cindy Cheng at cindy.cheng@ils.world

Please note: ILS World does not offer tax advice and would therefore recommend you obtain your own tax advice. If you require an introduction to a tax adviser we would be happy to assist.

