

COMMERCIAL FOOD AND BEVERAGE WFOE – Required Documents, Approval Process and Timeframes

This Document sets out each step in the approval process and the documents required for each step in setting up of a food and beverage operation (WFOE) and establishment of a branch in Shanghai. We also give an estimate of the time frame for each step. We recommend collating many documents as possible however the application process can be commenced as soon as we have received the documents required in Steps One and Two.

STEP 1 PRE-REGISTRATION ACTIVITIES

STEP 1.1: AUTHORITY TO ACT

These powers of attorney are signed to indicate to the authorities that we, RHK Legal and the sponsoring agent that we appoint to lodge the documents and liaise with the authorities are authorised to act on your behalf. If the Chairman of the Investor is not available, also consider signing a power of attorney to someone else able to sign documents on behalf of the investor.

Doc. No.	Type of Document	Responsibility	Task Status	Language Requirements	Number of Documents
A	Power of Attorney authorising RHK Legal to act in relation to the incorporation;	RHK Legal draft		Chinese and English	2 originals in each language
B	Service Agreement between Agent and RHK Legal (on your behalf).	RHK Legal to negotiate on your behalf		Chinese	1 original
C	Power of Attorney authorising sponsoring agent to lodge application and deal with authorities on your behalf	RHK Legal draft		Chinese	2 Originals

STEP 1.2: LEASE NEGOTIATION

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One of the documents required in Step 3 is a lease or agreement to lease. This means that premises for your WFOE must already be secured. We can assist you to locate appropriate space if require.

STEP 2: NAME APPROVAL PROCESS IN RESPECT OF FOOD AND BEVERAGE CONSULTING BUSINESS

Before your formal application can be lodged, the official name registration certificate must be obtained from the Shanghai Municipal People's Government Administration of Industry and Commerce (**SAIC**) , or its branch at the district level . This takes between **1 and 5 days**. Names must be chosen to confirm with PRC on naming of companies which is:

[name of investor] [industry] [location] Co Ltd. Or [name of investor] [location] [industry] Co Ltd

For Example: XXX Trading (Shanghai) Co Ltd, XXX International Trading (Shanghai) Co Ltd, XXXX (Shanghai) International Trading Co Ltd. Inclusion of “China” in the name or removal of the location from the name requires a much higher level of registered capital. Let us know if you require more information regarding name options

Government Fee upon name approval is RMB300

Doc No.	Type of Document	Responsibility	Task Status	Language Requirements	Number of Documents
D	Application Form for WFOE name. (We can sign this on your behalf under the power of attorney)	RHK Legal		Chinese	1 original
	Three to five Chinese names for the WFOE, in order of preference, and in accordance with PRC company name rules	Investor suggest		Chinese	1 copy

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STEP 3: APPROVAL PROCESS IN RESPECT OF FOOD AND BEVERAGE CONSULTING BUSINESS

This is the real approval process at the end of which you obtain your certificate of approval and business licence. The application is submitted first to the Shanghai Municipal People's Government, Shanghai Commerce Committee (**SCC**), Department of Project Approval. It can take up to 30 days for SCC to approve the application, calculated from the day all the documents are submitted to SCC in their final form.

Finally, within 1 month of receiving the Approval certificate, the Investor returns to SCC, Enterprise Registration Department, Foreign Investment Division and applies for a business licence. The business licence application may take up to 2 weeks and then a further 5 days for the printing of the licence. Government Fees are 0.08% of your registered capital amount.

Doc. No.	Type of Document	Responsibility	Task Status	Language Requirements	Number of Documents
E	A letter from an authorised representative of the Investor (preferably the Chairman or General Manager) stating the Investor wishes to establish a wholly foreign owned commercial enterprise, summarising the scope of business and proposed investment and stating that any difference between the total investment and registered capital will be contributed when needed.	RHK Legal draft Investor sign		We can draft this letter for you.	5 Original
F	SCC Application Form	RHK Legal prepare Investor sign		Chinese	1 Original

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G	Board resolution from the investing company approving the establishment of the WFOE, the WFOE's name, approving the appointment of authorised consultants and signatories and approving the appointments to the Board and the Chairman.	RHK Legal can prepare draft		English and Chinese	5 Originals
H	Information from you so that we can prepare the Feasibility Report , Application Form and Articles of Association	RHK Legal will provide template of information required		English	1 original
I	Feasibility Report	RHK Legal will prepare first draft and provide to you for review and expansion.		Chinese	5 Original

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J	Bank account confirmation letter from investor's foreign bankers issued within 6 months of the date of application form	RHK Legal provide sample		Chinese or English (If the original is in English we can provide a translation, or ask your bankers to provide a bilingual letter.)	2 originals
K	Certificate of incorporation of the Investor If the company is an offshore company (BVI, Cayman, NOT HK), need to provide the articles of association for both the investing company and the parent company.	Investor provide copy		Chinese or English	1 copy chopped
L	The Consolidated Financial Statements and audit report for the most recent year, audited by an accounting firm	Investor Provide		English or Chinese	1 copy chopped by investor

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M	An agreement to lease or final lease agreement for registered office premises. Copy of property certificate of landlord to be attached with the original landlord's chop on the certificate	Investor provide		Chinese	3 originals leases
N	List of items that will be imported/exported (if any)	Investor to provide RHK Legal translate		Chinese	1 original, signed by the Chairman or authorized person of the investing company.
O	Articles of Association for the WFOE	RHK Legal will draft based on information from Investor.		Chinese	5 originals

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P	List setting out details of each board member Letters of appointment or other instrument of appointment for each director. NOTE: Letter of Appointment for the person to be appointed as Chairman must identify that Director as Chairman Letter of Appointment appointing the General Manager and, if applicable, the Deputy General Manager of the WFOE	Investor provide RHK Legal translate	Chinese	5 originals
Q	Passport of WFOE Chairman – copy of details page	Investor provide	-	3 copy, signed by passport holder
Q	Passport of each WFOE Board member – copies of details pages	Investor provide	-	3 copy for each Board member, signed by each member
Q	Passport of WFOE General Manager – copy of details page	Investor provide	-	3 copy, signed by passport holder
Q	*Passport of WFOE Deputy General Manager – copy of details page (if applicable)	Investor provide	-	3 copy, signed by passport holder

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R	Passport size photos of WFOE Chairman	Investor provide		-	4 photos, sign back of each photo
R	Passport size photos of each WFOE Board member	Investor provide		-	4 photos for each Board Member, sign the back of each photo
R	Passport size photos of WFOE General Manager	Investor provide		-	4 photos, sign the back of each photo
R	*Passport size photos of WFOE Deputy General Manager (if applicable)	Investor provide		-	4 photos
S	Short CV of WFOE Chairman	Investor provide		Chinese	1 copy, signed
S	Short CV of each WFOE Board member	Investor provide		Chinese	1 copy, signed
S	Short CV of WFOE General Manager	Investor provide		Chinese	1 copy, signed
S	*Short CV of WFOE Deputy General Manager (if applicable)	Investor provide		Chinese	1 copy, signed
T	Name Registration Certificate obtained from step two	Investor provide		Chinese	1 original executed by legal representative of WFOE

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STEP 4: POST REGISTRATION MATTERS IN RESPECT OF FOOD AND BEVERAGE CONSULTING COMPANY

During the post registration process we register the Investor with all relevant bodies and obtain items that are required for you to start operating.

Post Registration Matters	Time	Cost (RMB)
Public announcement – official advertisement announcing your establishment published in Jie Fang Daily newspaper, organised by SAIC, Enterprise Registration Department	1 day	4000 – 16,000, depending on size
Obtain Company Chop and Financial Chop and Legal Representative personal Chop from a chop firm licensed by the Public Security Bureau.	3 – 5 days	300
Apply for Organisational Code from the Code Centre of the Shanghai Quality and Inspection Bureau and register with the Quality and Supervision Bureau	2 – 3 days	200
Financial and Statistical Registration - Financial registration is at the District Financial Bureau; and - Statistical registration at the Registration Department of Shanghai Municipal Statistical Bureau	Up to 1 month for Financial Registration and 1 day for statistical registration	20 for Financial registration 20 for statistical registration

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Foreign Exchange Registration at the Shanghai Branch of the State Administration of Foreign Exchange, including Injecting capital and obtaining capital contribution verification report. At this point, entity is able to commence business.	3 days	300
Opening Bank accounts at the investor's bank of choice	1 week	
Taxation Registration at Shanghai Municipal Taxation Bureau	10 days	100
Customs Registration at District level Customs Office	3 – 5 days (depends on goods)	300

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Foreign Trading Rights Registration (if required) at the Registration Department , ie MOFCOM or its local branch, the specific registration process is listed as below: 1. Fill out the Foreign Trade Business Operators Registration Form, which can be downloaded from the official website of MOFCOM 2. Submit to the Registration Department the following documents: (1) Filled Registration Form as mentioned above; (2) Photocopy of business license; (3) Photocopy of organisational code certificate; (4) Approval certificate (5) Legally-notarised certificate of credibility and financial standing 3. The Registration Department will complete the registration examination within 5 days from the date of receipt of all the required documents and place an official chop on the Registration Form filled out by the company; 4. On the strength of the chopped Registration Form, go through the relevant procedures in respect of trading business with local customs, local inspection and quarantine department, local foreign exchange control authority and tax authority within 30 days from the date of chopped Registration Form	Up to 1 month	
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STEP 5: POST REGISTRATION MATTERS

The above mentioned four steps specifically set out the approval procedure pertaining to establishment of a food and beverage consulting company with the business scope of consulting services relating to catering or food and beverage business and precluding the physical operation of outlets. If the investors wish to expand the current business scope to include the physical operation of outlets, the investors shall apply to for a branch license for physical operation of an outlet , which shall be subject to a multi-agency approval process involving various license or permits. The specific steps are listed as below:

STEP 5.1 APPLICATION FOR APPROVAL FOR INCREASE OF BUSINESS SCOPE

This is the approval process at the end of which the investors will obtain the approval from **SCC** for expansion of business scope, increase of the capital and establishment of a branch, the whole process will take up to 30 days calculated from the day all the documents are submitted to SCC in their final form

Within 1 month of receiving the Approval, the Investor returns to SCC, Enterprise Registration Department, Foreign Investment Division and applies for a branch business licence. The business licence application may take up to 2 weeks and then a further 5 days for the printing of the licence.

Doc No.	Type of Document	Responsibility	Task Status	Language Requirements	Number of Documents
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A	A letter from legal representative stating WFOE wishes to expand its business scope, increase the registered capital and set up a branch (We can sign this on your behalf under the power of attorney)	WFOE provide		Chinese	1 original executed by the legal representative
B	Board resolution in respect of the above mentioned issues	Investor provide		Chinese	1 original executed by the legal representative
C	Application form in respect of amendment to Article of Associations	Investor provide		Chinese	1 copy executed by the legal representative
D	Restated or amended Article of Associations	Investor provide		Chinese	1 original executed by the legal representative
E	Original Article of Associations	Investor provide		Chinese	1 original and 1 copy executed by the legal representative
F	Feasibility study report in respect of establishment of a branch and expansion of business scope	Investor provide		Chinese	1 original

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G	Lease agreement in respect of F&B outlet premises for the operation of the branch	Investor provide		Chinese	1 original
H	Copy of property certificate of landlord	Investor provide			1 original
I	Capital verification report in respect of capital increase (if any)	Investor provide		Chinese	1 original
J	Business license of WFOE	Investor provide			original
J	Approval certificate of WFOE	Investor provide			original

STEP 5.2 POST REGISTRATION MATTERS IN RESPECT OF THE BRANCH F&B OUTLET

During the post registration, the branch needs to apply for the below listed licenses or permits with different competent authorities for physical operation of the branch.

License or permits	Time	Competent Authority	Cost (RMB)
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Food hygiene permit	20 business days	Shanghai Food and Drug Administration Bureau or its branch at district level	10
Public hygiene certificate	20 business days	Shanghai Hygiene Bureau or its branch at district level	10
Construction and fire-control design verification report	20-30 business days	Shanghai Fire Control Bureau	
Special license to sell spirits and alcohol	20-30 business days	Shanghai Wine Monopoly Administration Bureau	
Environmental impact evaluation opinion	20 business days	Shanghai Environment Protection Bureau	
Organisational code certificate	2-3 business days	Code Centre of the Shanghai Quality and Inspection Bureau	200
Taxation Registration Certificate	10 days	Shanghai Municipal Taxation Bureau or its branch at district level	100