

## The Establishment of Research and Development Institutions with Foreign Investment

According to the Circular Concerning the Establishment of Foreign-funded Research and Development Centre, the approval procedures for the establishment of research and development institutions with foreign investment are hereby regulated:

First of all, the applier should apply to Shanghai Administration of Industry and Commerce for the registration of pre-approval of the enterprise name.

Then, the applier should submit application to Shanghai Foreign Investment Commission for the establishment. The application may be submitted by the Chinese investor of Sino-foreign joint venture or cooperative enterprise, but should be submitted by a Chinese Agent if the enterprise is a wholly foreign funded one. The following documents should be submitted upon application:

1. The application form for the establishment of Foreign-funded R&D center(the following additional content should be added in the application)
  - (1). The direction, field, major task and implementation plan of the R& D
  - (2). The information of the business location, employees and the R&D conditions
  - (3). The resource, usage and detailed amount of the fund required for the R&D, and the related financial report
  - (4). The list of importing equipments for self use as well as the supporting technology, the fittings and research samples and chemical reagents by the total investment or equity funds.
  - (5). The explanation about the advancement of the result of the R&D, and the ownership of the result.
2. The feasibility study report
3. The bank credibility certification of the investors, the certification of the registration (copy), the ID certification of the legal representative (copy)
4. (If the Chinese joint venture is investing the project with state-owned asset) The confirmation of the evaluation report of the planned investment issued by the state-owned asset administrative organizations
5. The contract and articles of association signed by legal representative of the investors (Enterprises with 100% foreign investment only have to submit the articles of association)
6. The list of the board members of the enterprise to be established and the letters of appointment of the board members by all the joint ventures
7. Approval notification of the name of the enterprise to be established
8. The certificate of the place of registration and the business location
9. Other related documents and materials required by the approval department

The original documents should be submitted unless there is a note showing the requirement for copies. If the documents are not signed by legal representatives, the power of attorney of legal representative should be submitted.

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Shanghai Foreign Investment Commission is responsible for the approval of the establishment of foreign-funded R&D institutions after receiving the application documents. SFIC has authorized Economic Relation and Trade Bureau of Pudong New District, Zhangjiang Hi-tech Park Bureau, project office of Caohejing New and High-tech Development Zone to conduct the work of approval and management of the R&D institutions with foreign investment in their own region. The related documents of the approved projects should be submitted to SFIC and SSTC for record. The foreign-funded R&D institutions approved to establish should apply for the registration with Shanghai Administration of Industry and Commerce within 30 days after the approval.

Foreign invested enterprise which is to apply for the establishment of R&D branch within the enterprise should submit the following documents to Shanghai Foreign Investment Commission or its authorized unit for application according to the regulations for the establishment of branch institutions:

1. The application for the establishment of branch institutions in Shanghai (original)
2. The written resolution by the board of directors on the establishment of the branch institution(original)
3. The feasibility study report as well as the plan of the establishment, and the approval opinions of environmental protection and fire fighting department (only for establishment of production-oriented branch factories)
4. Capital assessment report
5. The leasing contract or certification of the ownership of the business location
6. The Certificate of the Approval for the Establishment of Foreign-funded Enterprise, and the Business License
7. The list of the board members
8. Other materials and documents required by the approval department.

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