

The Establishment of Distribution Enterprises of Books, Newspapers and Journals with Foreign Investment

According to The Measures for the Administration of Foreign-Funded Distribution Enterprises of Books, Newspapers and Journals the Ministry of Foreign Trade and Economic Cooperation and the General Administration of Press and Publication, distribution enterprises of books, newspapers and journals should be companies limited by liability.

1. Foreign-funded wholesale enterprises of books, newspapers and journals should comply with the following conditions:

- 1) The Chinese and foreign investors shall be able to assume civil liabilities independently, have the capacity for distribution of books, newspapers, and journals, and have no record of violation of laws or rules within the last 3 years;
- 2) The legal representative or general manager shall have the middle-level or higher qualification certificate of publisher, and the publishing professionals shall have the basic-level or higher qualification certificate of publisher;
- 3) The enterprise shall have fixed business sites accommodated to the wholesale business, the area for business shall be no less than 50 square meters, and the area of separate business site shall be no less than 500 square meters;
- 4) The registered capital shall be no less than RMB 30 million Yuan; and
- 5) The duration of business operation shall not exceed 30 years.

2. The following conditions shall be satisfied for the establishment of a foreign-funded retail enterprise of books, newspapers, and journals:

- 1) The Chinese and foreign investors shall be able to assume civil liabilities independently, have the capacity for distribution of books, newspapers, and journals, and have no record of violation of laws or rules within the last 3 years;
- 2) The legal representative or general manager shall have obtained the intermediate qualification certificate of publisher or above, and the publishing professionals shall have the junior qualification certificate of publisher or above;
- 3) The enterprise shall have fixed business sites accommodated to the business;
- 4) The registered capital shall be no less than RMB 5 million Yuan; and
- 5) The duration of business operation shall not exceed 30 years.

The procedures for the establishment of foreign-funded enterprises of books, newspapers and journals are as follows:

The investor should first conduct the pre-registration of the name of the enterprise with administration of industry and commerce and get the Notification of Pre-approval of Enterprise Name before the application to Shanghai Administration of Press and Publication. Upon receiving the documents for application, Shanghai Administration of Press and Publication should conduct pre-verification within 15 days and submit the approved applications to General Administration of Press and Publication which will give reply within 30 days and authorize Shanghai Administration to inform the applier.

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Upon receiving the approval by the General Administration of Press and Publication, the applier should submit the application and the following documents to Shanghai Foreign Investment Commission for the establishment of foreign-funded distribution enterprises of books, newspapers and journals:

1. the application documents as required above and the approval by the General Administration of Press and Publication.
2. The contract and articles of association (wholly foreign-funded enterprise has to submit only the articles of association) of foreign-funded distribution enterprise of books, newspapers and journal signed by the legal representatives of the investors or the authorized representative.
3. The list as well as the appointment letters of the board members of the foreign-funded distribution enterprise of books, newspapers and journals.
4. The notification of pre-approval of the enterprise name issued by administration of industry and commerce
5. Other materials and documents required by laws and regulations

Shanghai Foreign Investment Commission should give opinions of approval within 15 days after receiving the related documents and submit them to the Ministry of Commerce for approval; the Ministry of Commerce should give written decision about approval within 30 days and issue the Certification of Approval for the Establishment of Enterprise with Foreign Investment. The applier should then take the approval documents and the Certificate of Approval for the Establishment of Enterprise with Foreign Investment to Shanghai Administration of Press and Publication for the issuance of Publication Operation License within 90 days after the approval of the Ministry of Commerce. After taking the Publication Operation License and Certificate of Approval for the Establishment of Enterprise with Foreign Investment to Shanghai Administration of Industry and Commerce and getting the Business License, the applier may operate business of distribution of books, newspapers and journals.

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