

## The Establishment of Leasing Enterprises with Foreign Investment

According to the Measures for the Administration of Leasing Enterprises with Foreign Investment, foreign investors with total assets of no less than \$5 million are allowed to establish leasing enterprise in China in the form of company limited by shares or company limited by liabilities.

The registered capital of the enterprise to be established should comply with the Company Law and the regulations governing the registered capital and the investment proportion of enterprises with foreign investment. The limited time of operation of foreign-invested leasing companies in the form of company limited by liabilities should be no longer than 30 years.

The approved foreign-invested leasing companies may operate the following businesses:

1. Leasing
2. Purchase leasing properties from home and abroad
3. The disposal and maintenance of salvage value of the properties for leasing
4. Other businesses approved by the approval department

For foreign-invested leasing enterprises to be established in the form of company limited by liabilities, the Chinese investor or the foreign investor (through entrustment) should apply for the registration of pre-approval of the enterprise name with the industrial and commercial administration and get the notification of the pre-approval of enterprise name. Then, the applicant should submit the following documents to Shanghai Foreign Investment Commission for application:

1. The application form
2. The feasibility report signed by all the investors
3. Contract and articles of association (Wholly foreign-invested enterprise only has to submit the articles of association)
4. The certification of bank credibility (copy), the certification of registration (copy), certification of the ID of the legal representative (copy).
5. The auditing report of all the investors in the recent year issued by accounting firms
6. The list of the board members and their appointment letters.
7. The certification of the qualification and experience of the managers of higher levels.
8. The Notification of the Pre-Approval of the Enterprise Name issued by industrial and commercial administrations
9. If a company limited by shares is to be established, other required documents should be submitted.
10. Other documents required by the approval department

Shanghai Foreign Investment Commission should give reply within 45 days after receiving the application and related materials, and issue the Certificate of Approval for the Establishment of Enterprise with Foreign Investment to the approved ones while give written explanation to those failed in approval.

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The applier should, within 30 days after the issuance of the Certificate, go through the formalities of the registration with industrial and commercial administration and get the business license.

The establishment of financial leasing enterprises with foreign investment. The registered capital of the financial leasing enterprise to be established should be no less than \$10million. The limit time of operation should be no longer than 30 years. There should be related professional staff in the enterprise and the managers of high levels should have related professional qualification and at least 3 years' experience in the line.

The approved financial leasing enterprise may conduct the following business:

1. financial leasing
2. leasing
3. Purchase leasing properties from home and abroad
4. The disposal and maintenance of salvage value of the properties for leasing
5. Consultation and guaranty of leasing business
6. Other businesses approved by the approval department

For foreign-invested leasing enterprises to be established in the form of company limited by liabilities, the Chinese investor or the foreign investor (through entrustment) should apply for the registration of pre-approval of the enterprise name with the industrial and commercial administration and get the notification of the pre-approval of enterprise name. Then, the applier should submit the following documents to Shanghai Foreign Investment Commission for application:

1. The application form
2. The feasibility report signed by all the investors
3. Contract and articles of association (Wholly foreign-invested enterprise only has to submit the articles of association)
4. The certification of bank credibility (copy), the certification of registration (copy), certification of the ID of the legal representative (copy).
5. The auditing report of all the investors in the recent year issued by accounting firm
6. The list of the board members and their appointment letters
7. The certification of the qualification and experience of the managers of higher levels.
8. The Notification of the Pre-Approval of the Enterprise Name issued by industrial and commercial administrations
9. If a company limited by shares is to be established, other required documents should be submitted.
10. Other documents required by the approval department

Shanghai Foreign Investment Commission should give reply within 45 days after receiving the application and related materials, and issue the Certificate of Approval for the Establishment of Enterprise with Foreign Investment to the approved ones while give written explanation to those failed in approval.

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