

The establishment of logistics enterprise with foreign investment

According to the Notice of the Ministry of Foreign Trade and Economic Cooperation on the Relevant Issues concerning the Experimental Establishment of Foreign-Funded Logistics Enterprises (promulgated on Jun.20, 2002), foreign investors are permitted to establish logistics enterprises in the form of Chinese-foreign equity joint ventures or contractual joint ventures. Wholly foreign-owned logistics enterprise is not allowed in China. The registered capital shall be no less than \$5 million.

For foreign-invested logistics enterprise, the duration of operation is no more than 20 years, and its business scope include international circular business or the third party logistic business. The procedures for examination & approval vary in accordance with the types of business.

Procedures for examination and approval for foreign-invested logistics enterprise are as follows: The investors should apply to industrial and commercial administrations for the registration of pre-approval of enterprise name and get the pre-approval notification and then submit the following documents to Shanghai Foreign Investment Committee for application of establishment:

1. Application form of the establishment of logistics business enterprise
2. Feasibility study report made by all the investors
3. Certification of registration of all the investors, bank certificates of credibility, and certificates of legal representatives;
4. The contract and articles of association of the enterprise to be established signed by all the investors
5. 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 investors
6. Approval notification of the name of the enterprise to be established
7. notification of pre-approval name of enterprise
8. the certification of the usage of the place of the enterprise to be established
9. Other documents required by the approval organs

These documents which are preliminary examined & approved by Shanghai foreign investment commission, shall be submitted to the Ministry of Commerce; those complying with conditions shall be given Certificate of approval for the Establishment of Enterprises with Foreign Investment. Foreign-funded logistics enterprise engaging in international circulation logistics shall apply for Certificate of Approval for International Goods Transport Agency within 10 days from the day of issuance of the certificate of approval. Then, the applier shall take the two certificates as mentioned above to administration of industry and commerce for registration and collect the business license.

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