

## The Establishment of Medical Institutions with Foreign Investment

According to the Catalogue for the Guidance of Foreign Investment Industries and Interim Measures for Administration of Sino-foreign Joint Venture and Cooperative Medical Institutions, foreign medical institutions, companies, enterprises and other economic organizations may establish medical institutions in China by means of Sino-foreign joint venture or cooperative enterprise. Foreign investors are not allowed to establish wholly foreign-invested medical institutions in China. And branches of foreign-invested medical institutions are not allowed in China. Both the Chinese and foreign investors of the foreign-invested medical institution to be established should be legal person who can bear its own civil liabilities.

The establishment and development of foreign-invested medical institutions should comply with the regional plan and the Basic Standard of Medical Institutions by the Ministry of Health. The total investment should be no less than 20million RMB and the proportion of the equity of Chinese investors should be no less than 30%. The limit time of the operation should be no longer than 20 years.

The procedures of the application for the establishment of foreign-invested medical institutions are as follows:

If a TCM hospital with foreign investment is to be established, the investor should apply to industrial and commercial administrations for pre-approval of the name of the enterprise and get the Certification of the pre-Approval of enterprise name. Then the Chinese investor should submit application to Shanghai Public Health Bureau which conduct the pre-approval according to the regional plan of public health and medical institutions and then submit the materials to the Ministry of Health.

If a TCM hospital (covering medical institution of combination of TCM and western medicine, and ethnic medical institution) is to be established, the investor should follow the formalities of application. After the approval of Shanghai Public Health Bureau, the application should be submitted to State TCM Office for approval and then to the Ministry of Health.

After getting the approval of the Ministry of Health, the applier may, according to related laws and regulations, submit the contract and articles and related materials to Shanghai Foreign Investment Commission for approval. The following documents should be submitted:

1. The application form for the establishment of the foreign-invested medical institution
2. The project proposal and feasibility study report and approval documents signed by the legal representatives of the investors
3. The contract and articles of association signed by the legal representatives of the investors or the authorized persons of the legal representatives.
4. The bank credibility certification of the investors, the certification of the registration (copy), the ID certification of the legal representative (copy)
5. The board members of the medical institution to be established and their appointment letter
6. The notification of pre-approval of the name of medical institutions issued by industrial and

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commercial administration

7. Other documents and materials required by laws, regulations and the approval department

After pre-approval, Shanghai Foreign Investment Commission shall submit the application documents to the Ministry of Commerce for approval. Those approved medical institutions shall be given the Certificate of Approval for the Establishment of Enterprise with Foreign Investment.

The applier should go the formalities of registration with industrial and commercial department and get the business license within 30 days after getting the Certificate issued by the Ministry of Commerce. At last, the applier should, according to the Provisions for the Administration of Medical Institutions and the Detailed Rules for the Implementation of the Provisions for the Administration of Medical Institutions, apply to Shanghai Public Health Bureau for registration of practice. The medical institution should not come into operation before the issuance of Practice Permit of Medical Institutions.



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**China Business Engine**

Tel +86 21 52289730

Fax +86 21 5228-9730

**Website**

China site: [www.cbize.com](http://www.cbize.com)

Globe site: [www.cbize.net](http://www.cbize.net)