

## The establishment of tourist agency with foreign investment

According to the Regulation on the Administration of Tourist Agencies and the Tentative Provisions on the Establishment of Foreign-controlled and Wholly Foreign-owned Travel Agencies, foreign investors are permitted to establish foreign-controlled and wholly foreign-owned travel agencies in China, but each foreign investor is only allowed to establish one tourist agency with no branch permitted.

The following prerequisites shall be fulfilled for the establishment of a tourist agency:

- (1) having a fixed site for business;
- (2) having facilities necessary for business;
- (3) having trained operational personnel with a qualification certificate issued by the tourism administration departments of people's governments of provinces, autonomous regions or municipalities directly under the Central Government;
- (4) the registered capital shall be no less than 4 million RMB

Enterprises are allowed to manage the entry tourism activities and domestic traveling business, but not to manage the business of tourist aboard or in Hong Kong, Macao, and Tai Wan.

The overseas investor (s) of a foreign-invested travel agency shall fulfill the following criteria:

1. be a travel agency or an enterprise that mainly engages in tourism business;
2. has an annual gross volume of tourism business of US\$40 million or more; The overseas investor (s) of a wholly foreign-owned travel agency shall have an annual gross volume of tourism business of US\$500 million or more
3. be a member of the tourism association of its own country (or region);
4. has a good international reputation and advanced experience in managing a travel agency; and
5. abide by Chinese laws and the relevant Chinese regulations on tourism.

The Chinese investor of a foreign-invested travel agency shall fulfill the following criteria:

1. be a legally established company
2. have no record of major violence of laws or regulations
3. conform to the requirement of special line prescribed by the competent administrative department of tourism of the State Council

Procedures for examination and approval for tourist agency with foreign investment are as follows:

The investor shall apply to industrial and commercial administrations for the registration of pre-approval of enterprise name and get the pre-approval notification.

Chinese investors shall submit feasibility study report, the application form, articles of association and other related documents to Shanghai Municipal Tourism Administrative Commission for preliminary examination and approval, and then these materials shall be submitted by Shanghai Municipal Tourism Administrative Commission to China National Tourism Administration for examination and issuance of the Opinions on Examination and Approval for Tourist Agency with

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

## Foreign Investment.

After getting the approval of the National Tourism Administration, the applier should take the Opinions on Examination and Approval for Tourist Agency with Foreign Investment to Shanghai Foreign Investment Committee and submit the following materials for application:

1. Application form for establishment;
2. Feasibility study report made by the investors
3. Examination and Approval Prospectus for Foreign Companies Investing or/and Managing Travel agency
4. The contract and articles of association signed by legal representative of the investors
5. The registration certificate and qualification certificate of all the investors
6. Certificate of credibility of the foreign investor
7. The resumes of the manager and deputy manager of the agency as well as their certifications for management of tourist agency issued by provincial government or the people's government of Autonomous Region or municipality or government of higher level
8. Certification which show that the business volume of the agency is over 40 million or over 0.5 billion
9. The certification of the foreign investor's membership of Chinese tourism professional association
10. 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
11. Approval notification of the name of the company to be established
12. The certificate of the business location
13. Other documents required by the approval organs

These materials shall be submit to the Ministry of Commerce for examination and approval after the pre-approval of Shanghai Foreign Investment Committee. Certification for the Certificate of Approval for the Establishment of Enterprises with Foreign Investment shall be issued to those qualified appliers; the appliers should then take the Certification for the Certificate of Approval for the Establishment of Enterprises with Foreign Investment to the National Tourism Administration to apply for business license for tourist agency; at last, the appliers shall go the formalities of industrial and commercial registration by presenting the Certification for the Certificate of Approval for the Establishment of Enterprises with Foreign Investment and the business license for tourist agency.

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.