



# Setting up a business in the Greater Bay Area (I)

## Business registration and business/investment filing

With the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) going at full speed, how can Hong Kong businesses get a head start and take advantage of the immense business opportunities? The GoGBA go-to guides series, produced in collaboration by the Hong Kong Trade Development Council (HKTDC) and Richful Deyong (a Tricor company), hopes to help businesses with the first steps of setting up a business, handling taxation and completing related procedures.

This GoGBA go-to guide provides an overview of the basic requirements, procedures, useful websites and other related information for business registration and business/investment filing in the GBA. Please refer to online government service platforms and the official websites of related departments including the Ministry of Commerce and the State Administration for Market Supervision for the latest updates and detailed information, and consult with professional advisers according to your specific needs.



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## 1

# Form of business establishment

Hong Kong investors can set up organisations/enterprises in the service, trade, logistics and production industries in Mainland China. Major forms of establishment include:

## 1 Foreign-invested enterprises (FIEs – including Hong Kong, Macao and Taiwan-invested enterprises)

According to the involvement of Mainland China enterprises or natural persons, enterprises are classified as:

- **Wholly foreign-owned entities**
- **Foreign-invested (non-exclusive) entities**

According to the form of organisation, the two most common types of enterprises are:

- **Foreign-funded Partnership Limited Enterprise**  
A partnership enterprise established in Mainland China by 2 or more foreign enterprises or individuals, and a partnership enterprise established in the mainland by a foreign enterprise or individual and a Chinese individual, legal person or other organisation. Generally, such an enterprise is established simply to invest in project equity, build a shareholding platform, or set up a foreign investment fund.
- **Foreign-invested Limited Liability Company**  
The most common form of enterprise organisation and a popular choice for business operations.

## 2 Individual sole proprietorship

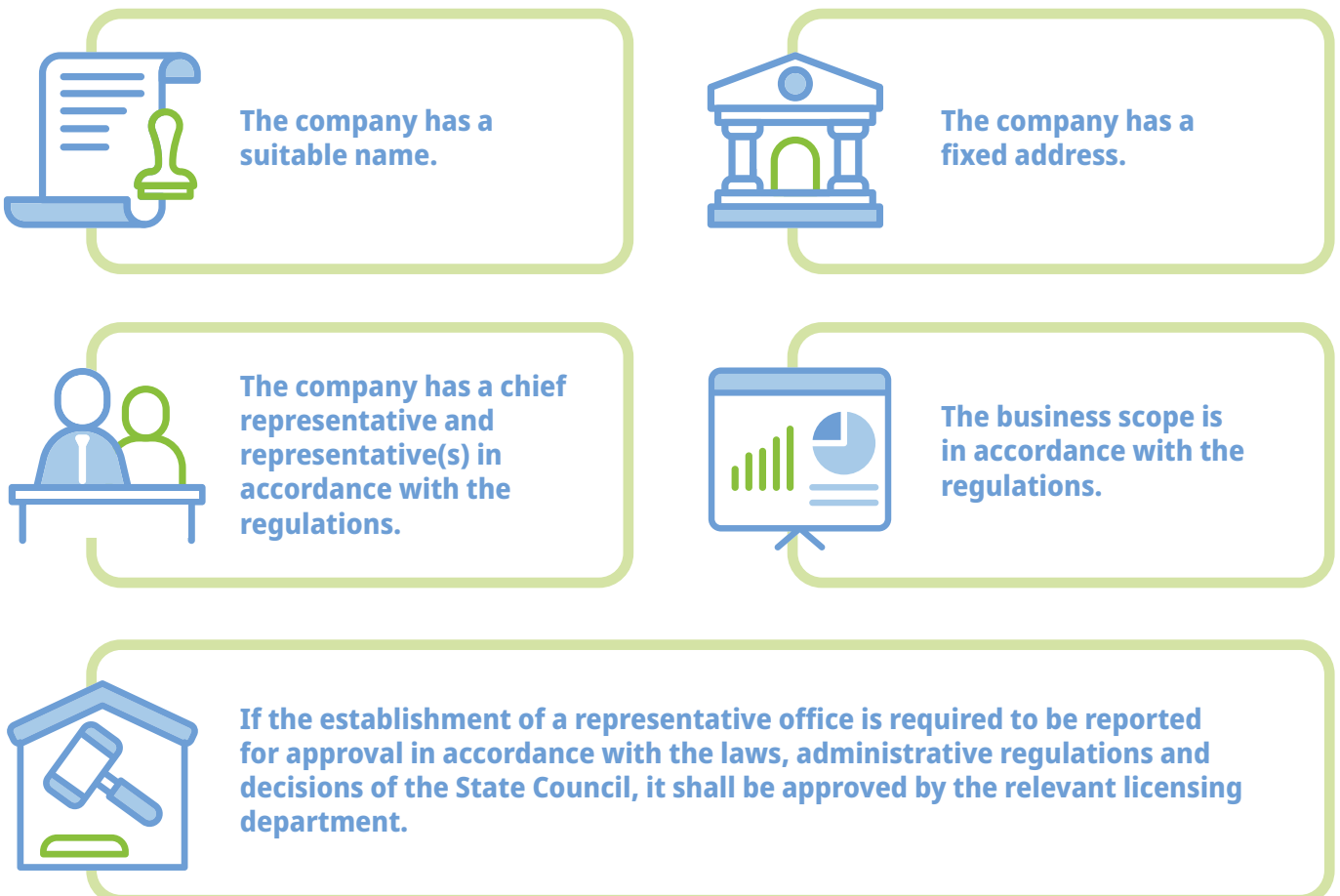
Residents of Taiwan, Hong Kong and Macao are eligible to apply for individual sole proprietorship if they are capable of operating and meet the requirements of relevant regulations including: "Regulation on Individual Sole Proprietorship", "Administrative Measures for the Registration of Individual Sole Proprietorship", "Mainland and Hong Kong Closer Economic Partnership Arrangement", "Mainland and Macao Closer Economic Partnership Arrangement", "Pilot Measures of the Guangdong Administration Bureau for Industry and Commerce on the Administration of Registration of Individual

Sole Proprietorship by Taiwan Residents”, “Several measures for promoting cross-strait agricultural cooperation and benefiting Taiwan farmers”, “Some opinions of the State Administration for Industry and Commerce on the registration and management of the application of Taiwan farmers to run individual businesses in the cross-strait agricultural cooperation pilot areas and the Taiwan farmers’ entrepreneurship parks”, and “Regulations of Guangdong Province on Commercial Registration”.

### 3 Representative offices

The resident representative offices of foreign enterprises refer to the offices they set up within Mainland Chinese territory in line with the “Regulations on the Administration of Registration of Resident Representative Offices of Foreign Enterprises” to carry out non-profit activities relating to the business of the foreign enterprise concerned. A representative office is not a separate legal entity.

#### Main requirements for business establishment



## 2

# Company name, structure and registered capital requirements



Investors intending to establish a FIE shall determine the total amount of investment in accordance with the **characteristics of the industry** in which they operate and the **expected scale of investment**.

## Minimum application requirements for FIE (Limited Liability Company) establishment

- For companies under special administrative measures for the access of foreign investment, it is subject to the relevant authority's approval.
- The number of shareholders tallies with that provided for by law (fewer than 50).
- The amount of capital paid by all shareholders follows the provisions of the articles of association.
- Shareholders participate in the formulation of articles of association.
- The company has a suitable name, and its organisational setup complies with that of a limited liability company.
- The company has an address.
- At least one shareholder should be a foreign natural person, enterprise or other organisation.



## Number of shareholders and their nationality

- A FIE in the form of a limited liability company shall be established with a capital contribution of fewer than 50 shareholders.
- The shareholders may be any foreign natural person, enterprise or other organisation.
- Hong Kong, Macao and Taiwan residents or companies are considered foreign investors.

## Number of directors and their nationality

- A limited liability company with a small number of shareholders and a small scale of operation may have 1 sole executive director instead of a board of directors. The executive director may concurrently serve as the company manager.

## Number of supervisors and their nationality

- A limited liability company with a small number of shareholders and a small scale of operation may have 1 to 2 supervisors instead of a supervisory committee. A limited liability company shall have a supervisory committee made up of at least 3 persons.
- Directors and executives shall not serve concurrently as supervisors.

## Manager

- A limited liability company shall have a manager, who shall be engaged or dismissed by the board of directors. The manager shall be responsible to the board of directors.
- A foreign-invested enterprise with a small number of shareholders and a small scale of operation may have its executive director serve concurrently as the company manager.

## Legal representative

- A legal representative is the major representative of the legal entity exercising civil rights and duties in accordance with the law.
- Directors, executive directors and managers can serve as the legal representative and register in accordance with the law.

## Registered capital and business address

- FIEs must have a business address. Investors must lease an office and sign a contract before the application.
- There is no minimum registered capital for a limited liability company.
- Shareholders of a wholly foreign-owned enterprise may autonomously agree on the amount of capital to be contributed, the method of capital contribution, and the period of capital contribution, which shall be recorded in the articles of association.
- The shareholders of the company are bound by the articles of association to pay the capital in full within a period of up to 30 years, which can be extended.
- Shareholders may make capital contributions in money or in kind, through intellectual properties, land use rights and other non-monetary property that can be valued in money and can be transferred in



accordance with the law, except for property that is prohibited from being used as capital contributions under the laws and administrative regulations.

- Non-monetary property for capital contribution shall be evaluated and verified and shall not be overestimated or underestimated for capital contribution. All applicable provisions of the laws and regulations on appraisal and valuation shall be complied with.

## Addressee of service of domestic legal documents (the authorised) .....

- The overseas promoter or shareholder of the company shall authorise the relevant local unit or individual in advance to sign and receive legal documents on behalf of the company and report the authorised person to the company registration authority for filing. The service of the company registration authority on the authorised person shall be deemed to be the service on the overseas promoter or shareholder of the company.



## Corporate tax registration staff .....

- Generally, this includes the legal representative, the person in charge of finance, the tax preparer, and the invoice buyer. Their authority for tax preparation decreases in the order given.
- For a start-up enterprise, the simplest enterprise tax staff member is the legal representative, who also serves as financial officer, tax preparer and invoice buyer. Different duties can be taken up by different personnel if the enterprise has more staff.
- Enterprises with no local staff to handle tax matters can appoint an accounting firm or a professional financial agency to handle related matters.



## Business scope .....

Under the premise of the “Special Administrative Measures (Negative List) for Foreign Investment”, enterprises can choose a matching business scope according to their own business. The official statement of the business

scope is now fixed in many regions (such as Shenzhen and Hainan Province). Enterprises can choose their business scope according to the actual situation through the registration system of the State Administration for Market Regulation.



Business scope is divided into the general business item and the licensed business item:

### 1 General

- This primarily covers regular business scopes. After registration, the enterprise can operate its business – for example, enterprise information consultation and software development.

### 2 Licensed

- **Pre-approval** means the approval of the corresponding regulatory department is required before the registration of a FIE. For example, a foreign-invested equity investment fund management enterprise has to get approval from the financial regulatory department before registration.
- **Post-approval** is, in general, for enterprises looking to start their business after receiving their business licence, which need to seek filing or approval from the relevant regulatory department. For example, an enterprise selling face masks must apply for a Class II medical device licence before beginning operation, while an enterprise in human resources must apply for a HR service licence or staffing business licence.



#### Special Administrative Measures (Negative List) for Foreign Investment Access (2021 edition)

(In Chinese only)

<http://big5.www.gov.cn/gate/big5/www.gov.cn/zhengce/zhengceku/2021-12/28/5664886/files/5b1aecc9c9704b05b7a930eb6fd74e29.pdf>



## Material requirements (in the case of Shenzhen) \*

To establish a FIE, the general materials required are:

- 1 Application form (“one licence, one code”) for registration of enterprise establishment
- 2 Articles of association
- 3 Certificates confirming the legal status of investors
- 4 A copy of the corporate officer’s identity document (legal representative, executive director/chairman, directors, supervisors, managers)
- 5 Power of attorney for service of legal documents
- 6 Certificates on the legal status of the authorised person for service of legal documents or their identity document if they are classed as natural persons



There are two types of certificates regarding the legal status of investors:

### 1 Overseas natural person

If the investor is an overseas natural person, he/she is required to sign and be photographed at the counter of the State Administration for Market Regulation. If the natural person is overseas, he/she is required to apply for notarisation or a notarised certification document of his/her identity at a qualified law firm overseas. If the document is not in Chinese, a translation must be provided.

### 2 Foreign enterprise

If the investor is a foreign enterprise, the notarisation or notarised document of the enterprise must be done at a local law firm; if the document is not in Chinese, a translation must be provided.

\* For the specific material requirements of different cities, please refer to the relevant official information.



## 3

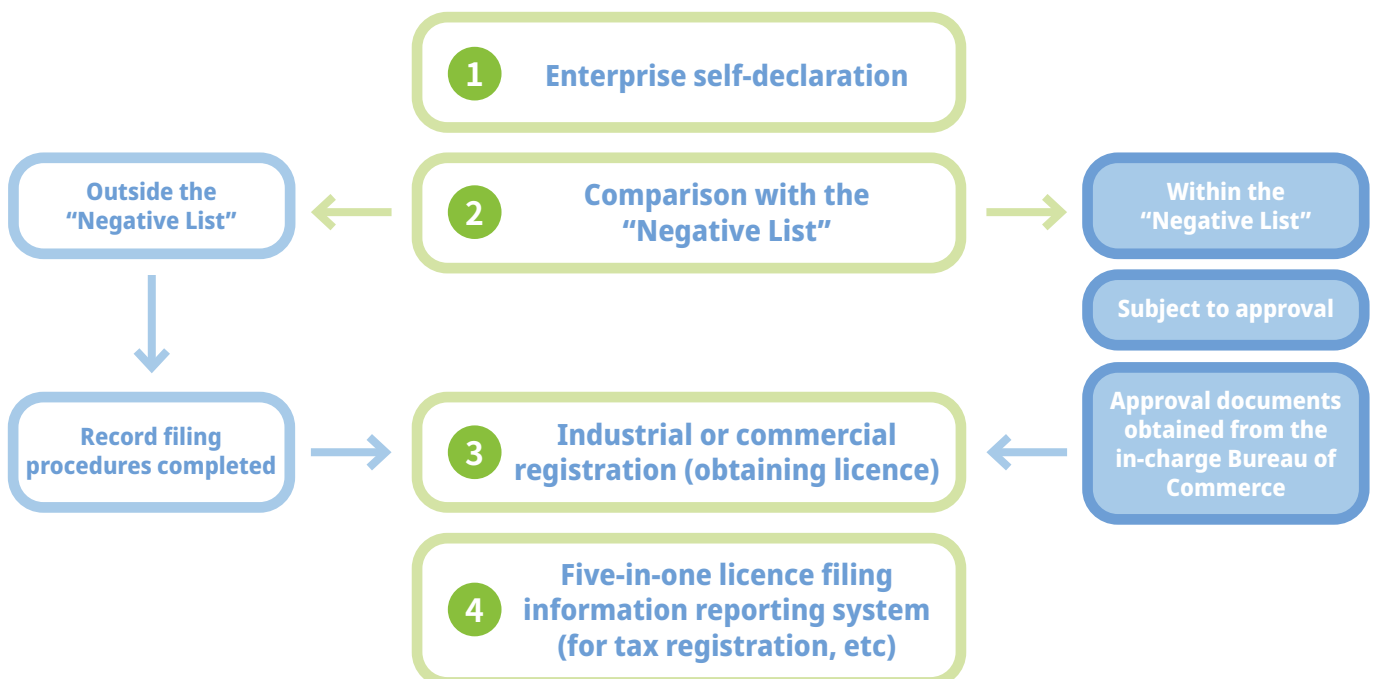
## Notes for foreign investors before investment



Foreign investors should first determine whether their **investment project** is categorised as **restricted, prohibited or encouraged**. Encouraged investment shall also refer to relevant incentive policies.

The establishment of FIEs mainly includes registration and record filing procedures with the Administration of Industry and Commerce and the Ministry of Commerce. Policies including “five certificates in one”, “one licence, one code” and “one-window processing” have been launched to simplify the procedures.

The mainland prohibits FIEs to invest or establish enterprises in certain industries listed in the “Special Administrative Measures (Negative List) for Foreign Investment Access (2021 edition)” and “Special Administrative Measures (Negative List) for the Access of Foreign Investment in Pilot Free Trade Zones (2021)”.





**Special Administrative Measures (Negative List) for Foreign Investment Access (2021 edition)**

(In Chinese only)

<http://big5.www.gov.cn/gate/big5/www.gov.cn/zhengce/zhengceku/2021-12/28/5664886/files/5b1aecc9c9704b05b7a930eb6fd74e29.pdf>



**Special Management Measures for Foreign Investment Access (Negative List) of Pilot Free Trade Zones (2021 Edition)** (In Chinese only)

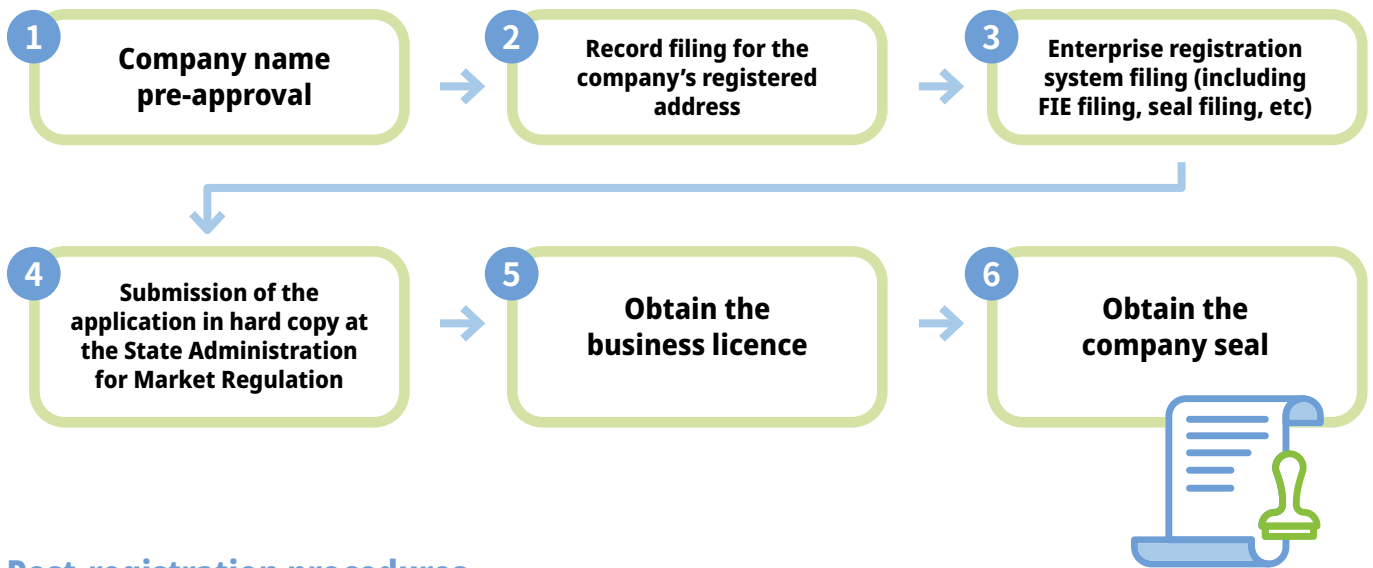
<https://www.ndrc.gov.cn/xxgk/zcfb/fzggwl/202112/P020211227540530036342.pdf>



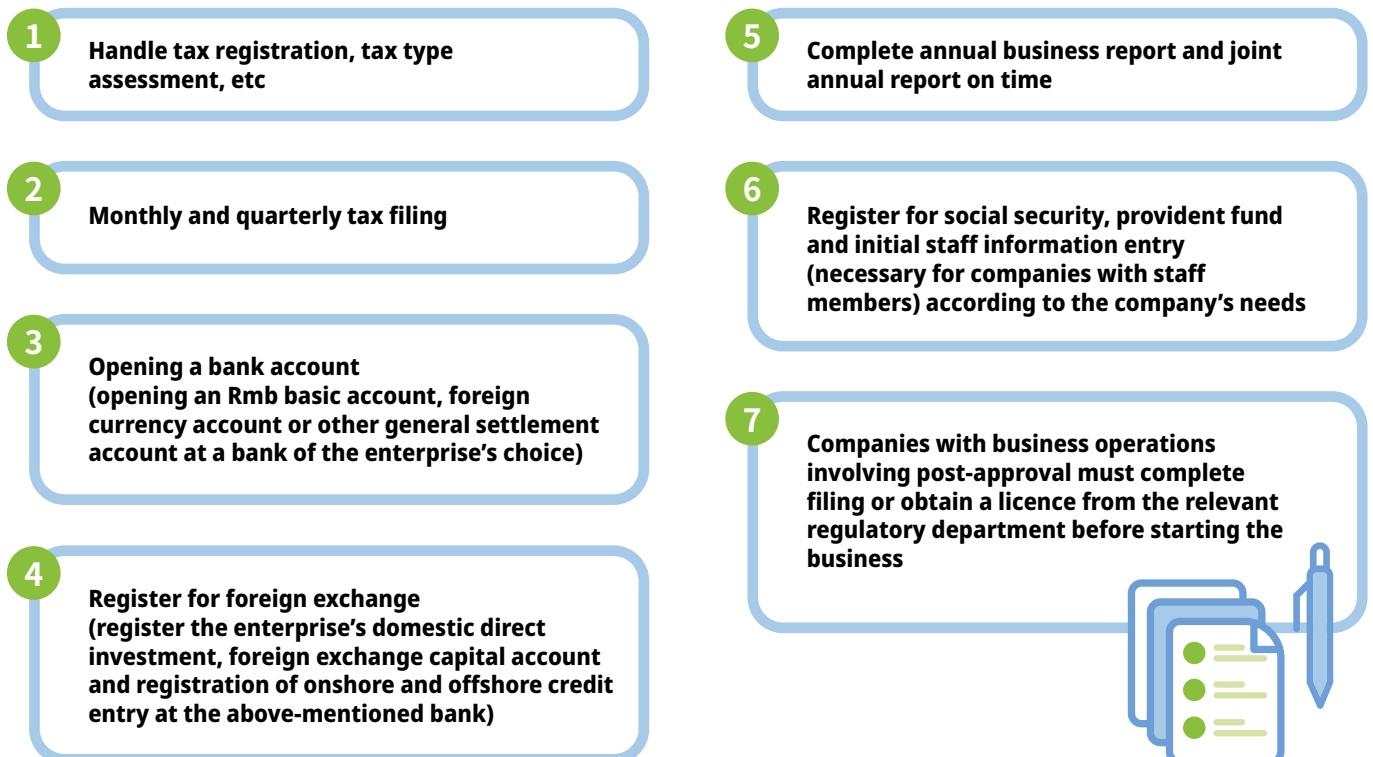
## 4

# Business set-up process

## Application for a business licence



## Post-registration procedures



## Timetable for registration\*

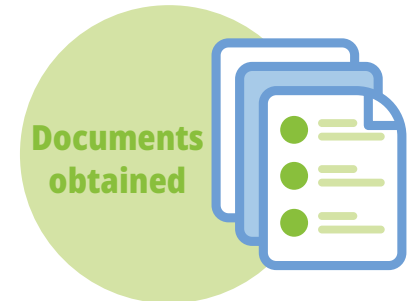
Preparation		Time required 🕒 >>>
<b>Item</b> 1 Information for enterprise registration 2 Identity documents of the shareholders, senior management and other relevant persons 3 Proof of rental address 4 Notarial certificates for foreign shareholders 5 Preparation of other documents and signed materials		<b>Subject to investors</b>
Registration procedures		Time required 🕒 >>>
<b>Item</b> 6 Company name pre-approval 7 Record filing for the company's registered address 8 Enterprise registration system filing (including FIE filing and seal filing, etc) 9 Submission of the application in hard copy format at the State Administration for Market Regulation 10 Obtaining the business licence 11 Obtaining the company seal		<b>10 working days</b>
Post-registration procedures		Time required 🕒 >>>
<b>Item</b> 12 Opening a bank account 13 Opening a capital account 14 Tax registration and reporting		<b>5 working days</b> <b>10-20 working days</b> <b>1 working day</b>



\* Please note the timetable is for reference only and may differ from the actual situation.

## Documents obtained after registration

- 1 A set of business licence (original and copy)
- 2 An enterprise name seal, a financial seal, a personal seal of the legal representative, etc (The enterprise may also apply for special seals for invoices and contracts.)
- 3 Notes on taxation
- 4 Application form for the registration of enterprise establishment
- 5 Articles of association
- 6 Power of attorney for service of legal documents
- 7 Letter of appointment for executives
- 8 Others



**Please refer to the below websites for the latest official updates and more detailed information:**

### Useful Links

**Department of Commerce of Guangdong Province**

(in Chinese only)

<http://com.gd.gov.cn/>



**Guangdong Administration for Market Regulation**

(in Chinese only)

<http://amr.gd.gov.cn/>



**Guangdong Government Service Network – one-stop service for business establishment**

(in Chinese only)

<http://qykb.gdzwfw.gov.cn/qcdzhdj/>



**Guangdong Government Service Network – Guangdong Province “multiple certificates in one” filing information declaration system** (in Chinese only)

<http://bsxt.gdbs.gov.cn/apprUnionApply/#/index>



**Hong Kong Economic and Trade Office in Guangdong – doing business and investing in the Mainland**

[https://www.gdeto.gov.hk/en/doing\\_business/other\\_areas.html](https://www.gdeto.gov.hk/en/doing_business/other_areas.html)



**Guangzhou Nansha Guangdong-Hong Kong-Macao Comprehensive Cooperation Demonstration Zone – one-stop service platform for Nansha policies that benefit Hong Kong and Macao** (in Chinese only)

<http://www.gzns.gov.cn/tzns/zmq/zmzc/>



**Shenzhen Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone – enterprise settlement guide** (in Chinese only)

[http://qh.sz.gov.cn/sygnan/qhzx/zthd\\_1/qyrz/index.html](http://qh.sz.gov.cn/sygnan/qhzx/zthd_1/qyrz/index.html)



**Hengqin Guangdong-Macao In-depth Cooperation Zone – services guide** (in Chinese only)

<https://qy.hengqin.gov.cn/hq-enterpriser/before/visitor/index/page/enterpriser-visitorsGuidance.html>



**Richful Deyong**

<http://en.rf.hk/>



# GoGBA

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The HKTDC has launched the GoGBA one-stop platform to provide digital information and business tools, advisory services and training as well as promotional and networking activities, offering multi-faceted support online and offline to help Hong Kong businesses navigate the Guangdong-Hong Kong-Macao Greater Bay Area. HKTDC GBA Centres and GoGBA Business Support Centres provide advisory services and training to Hong Kong companies; a series of flagship promotional events help Hong Kong companies expand their business networks; while the GoGBA website and WeChat mini-programme feature the latest policy and business updates and cross-border business tools.



GoGBA business tools  
[WeChat mini programme]



GBA updates  
[WeChat official account]