

Foreign-invested banks registration in China

Application requirements:

- The investor of the solely-funded bank or the foreign sector of the equity joint bank must be financial organizations.
- The only or the largest shareholder of both the solely-funded bank or the foreign sector of the equity joint bank have to be commercial banks and their capital adequacy rates should not be lower than 8%
- The only or the largest shareholder of the solely-funded bank must already have set up their representative branch in China for more than 2 years. The only or the largest shareholder of the foreign sector of the equity joint bank must already have set up their representative branch in China (Share holders including Bank of Hong Kong and Bank of Macau of the foreign sector of the equity joint bank do not need to set up any representative branches.) A representative branch indicates an organization which is under the CBRC 's supervision
- The only or the largest shareholder of the solely-funded bank and the only share holder of the equity joint bank or the largest shareholder of its foreign sector must have net assets no less than 10 billion US dollars and no less than 6 billion US dollars if the shareholders are Bank of Hong Kong or Bank of Macau at the end of their last financial year before the time of set-up
- The investor of the solely-funded bank or the foreign sector of the equity joint bank should have appropriate rules and legislations for financial supervision in their own countries or regions and they should also be under effective supervision by local bureaus in their countries or regions
- The investor of the solely-funded bank or the foreign sector of the equity joint bank should have permission from their domestic authorities which are in charge
- Minimum registered capital for both solely-funded and equity joint banks: 1,000,000,000 RMB or equivalent value in foreign currencies which can be converted freely. Notice that registered capital should be contributed capital
- Branches located in China of solely-funded foreign and equity joint banks, should receive at least 100,000,000 RMB or equivalent value in foreign currencies which can be converted freely from their headquarters for operation at no cost. However, the sum should not exceed 60% headquarters?total capital
- Branches of foreign banks, should receive at least 200,000,000 RMB or equivalent value in foreign currencies which can be converted freely from their headquarters for operation at no cost.

To set up solely-funded or equity joint banks, applicants must also satisfy the following "prudent?requirements:

- Having reasonable legal person's governance structure
- Having good persistent operational achievement
- Producing financial reports according to the accounting concept of "prudence? and the accounting firm should have clean report for the 3 years before application
- No severe law violation, no bad credit record
- Having good business reputations and social status
- Financial investors have to be suitable for all other requirements stated by law and legislation
- All other "prudent?requirements regulated by CBRC

Solely-funded and Sino-foreign equity joint banks wish to set up their branches, must satisfy the following conditions:

- Must have been in operation for at least 5 years in China, have no record of law violation or any other misbehavior, and making profits for 3 consecutive years before application
- With paid-in capital of no less than 200,000,000 RMB
- Having average monthly credit balance for more than 100,000,000 US Dollars and healthy assets quality

Branches of the foreign banks wish to set up sub-branches, have to satisfy the following conditions:

- Must have been in operation for at least 3 years in China, have no record of violating the law or any other misbehavior, and making profits for 2 consecutive years before application
- Having average monthly credit balance for more than 100,000,000 US Dollars and healthy assets quality

Furthermore, People's Bank of China will also look at if the country which the foreign bank comes from treat China's bank equally when dealing with the applications.

Both solely-funded foreign bank and equity joint bank should put more foreign funds in equivalence of at least 100,000,000 RMB for operation in addition of its initial paid-in capital. Foreign banks apply to set up sub-branches, have to give its branch in China in foreign currencies, at least equivalent to 50,000,000 RMB as the operating funds. According to "Regulations of the People's Republic of China Governing Financial Institutions with Foreign Capital" 30% of the fund have to be saved into the local branch of People's Bank of China

Application procedure and documents:

To apply for the establishment of solely-funded or equity joint banks, applicants should provide the following documents:

- Application forms (letters) for establishing banks should be signed jointly by chairmen, presidents (CEOs, General managers) of all contributing bodies. The application forms (letters) for establishing solely-funded banks must include the name of the bank which they apply for, names of all the contributors for the joint ventures, value of the registered capital,, and type of traffic they want to apply for. The application forms (letters) for establishing equity joint banks must include the name of the bank which they apply for, names of all the contributors for the joint ventures, value of the registered capital, contribution ratio, and type of business they want to apply for.
- Articles for the solely-funded or equity joint banks applied
- Operating agreements for the equity joint bank applied
- Copies of license or other financial operation permits released by the investors?domestic authorities
- Submissions from the domestic authorities where of the investors?home country/region
- Circumstances of the domestic financial system and related law and legislation for financial supervision for applicants who have never established a solely-funded or a equity joint bank before.
- Articles of the applicants
- Rules and system for fighting money laundering by the applicant

- Other documents requested by CBRC

Applicants have to submit 2 copies of each document to CBRC and one copy of each document to the local CBRC where the banks are going to be located.

Application procedure and documents

1、Application for setting up WFOE

Examination and Approval Department:

Banking Regulatory Institutions

Time limit:

6-9 months

Required documents:

Application forms including the name and location of the bank applied for, value of registered or operational capital and type of business applied for..

Feasibility report

Articles draft for the solely-funded or equity joint banks applied

Articles of shareholders who apply for setting up solely-funded and equity joint banks and foreign banks who apply for setting up branches

Organizational structure of the applicants and their enterprises, name list of major shareholders, list of overseas branches and associates

Annual reports of the investors for the solely-funded or equity joint banks for last 3 years

Policies for fighting money laundering by the applicant

Copies of business license or financial service permits issued by finance administration departments of applicant's home country, reports about the application issued by these authorities

Other documents required by State Banking Regulatory Departments

2、Applicants must have completed preparation work within 6 months after its application has been permitted. If preparation work has not been done within 6 month, the applicant should provide reasonable explanations. This process can be delayed for a further 3 months after being approved by local Banking Regulatory Department. If preparation work has still not been done, the permit for setting up WFOE becomes invalid automatically

3、Application for permit of financial services and operation

Examination and Approval Department:

Banking Regulatory Institutions

Time limit:

Within 2 months

Required documents:

Application form
Name list and resumes of chief executive officers for the proposed project
Appointment letter of the chief executive officer
Capital verification certificate issued by legal capital verification institutions
Safety measures and documents of other facilities for business
Letter of Guarantee of foreign banks which bear the responsibilities of tax and liabilities for their branches
Other documents required by State Banking Regulatory Departments
Identification of member of board of directors
List of member of board of directors
Proof of legal qualifications of all the investors.(foreign investors should provide main body qualifications proof or the identification notarized by their domestic notary organ and also the Chinese embassy in those their home countries. Investors from Hong Kong, Macau, Taiwan must also provide documents notarized by their domestic notary organ (documents from Hong Kong should be stamped and forwarded by the China Legal Service (H.K.) Ltd, Valid Mainland Travel Permits can be personal identification for Taiwan investors and do not need to be notarized.) If countries of which the foreign investors have not established or have already ended foreign relations with China, their main body qualifications proof or the identification should be notarized by their domestic authorities and then by third country's embassy which the country has established foreign relations with China. All the notarized documents have to be notarized by the Chinese embassy located in the third country.)
Credit certificate of investor (issued by the bank)
Proof of the use of premises (including rental contract, proof of premises)
Notice for pre-approval name
Letter of Authorization for legal documents service
Instrument of commitment
The copies of the IC and the power of attorney of the personnel

**4、 Industry and Commerce registration of WFOE
Examination and Approval Department:**

Administration of Industry and Commerce

Time limit:

7 working days

Required documents:

Application form of setting up WFOE
Article of association
Proof of legal qualifications of all the investors.(foreign investors should provide main body qualifications proof or the identification notarized by their domestic notary organ and also

the Chinese embassy in those their home countries. Investors from Hong Kong, Macau, Taiwan must also provide documents notarized by their domestic notary organ (documents from Hong Kong should be stamped and forwarded by the China Legal Service (H.K.) Ltd, Valid Mainland Travel Permits can be personal identification for Taiwan investors and do not need to be notarized.) If countries of which the foreign investors have not established or have already ended foreign relations with China, their main body qualifications proof or the identification should be notarized by their domestic authorities and then by third country's embassy which the country has established foreign relations with China. All the notarized documents have to be notarized by the Chinese embassy located in the third country.)

Credit certification of investor (issued by the bank)

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Notice for pre-approval name of the enterprise, name list of the pre-approval investor

Letter of Authorization

Corporate secretary (contact) registration form

Letter of Authorization for legal documents service

Besides, the printed name list of the investor, member of the board of director, general manager and supervisor, one copies each.

5、To record in Public Security Bureau Examination and Approval Department:

Municipal Public Security Bureau (the administration center of embarkation and disembarkation)

Time limit:

6 working days

Required documents:

The registration application for record

The identification of legal representative

Business license, approval letter, photocopy of approval

6、To engrave of chop of enterprise Examination and Approval Department:

Engrave of chop organization proposed by police station

Time limit:

2 working days

Required document:

Application form of chop engrave

**7. Apply code of enterprise
Examination and Approval Department:**

State Bureau of Technical Supervision (The Administration Center of Organization Code)

Time limit:

3 working days after acceptance

Required materials:

Application form
Returning paper of proposed agency code
The identification of legal applicant
Business license, approval letter, photocopy of approval

**8. Tax registration
Examination and Approval Department:**

Municipal Local Taxation Bureau

Time limit:

5 working days

Required document:

Identification of legal representative
Business license, approval letter, photocopy of approval
Housing contract
Registration form of tax

**9. Registration of administration of foreign exchange
Examination and Approval Department:**

center of foreign exchange control

Time limit for handling:

20 working days after acceptance

Required materials:

Written application (stamped by chop)

Copy of business license provided by the legal representative, non-legal representative enterprise shall provide original and photocopy of business license
Approval documents for approving the setting up of enterprise issued by the Commerce Department, the original and photocopy of the certificate.
Effective contract of foreign-invested enterprise (except for wholly-owned foreign enterprise), original article of association and its photocopy.
Original and photocopy of code of enterprise

**10. Financial registration
Examination and Approval Department:**

The financial bureau

Time limit for handling:

2 working days after acceptance

Required materials:

Business license, approval certificate, photocopy of approval
Financial registration form

**11. Statistic registration
Examination and Approval Department:**

The statistical bureau

Time limit for handling:

2 working days after acceptance

Required materials:

Copy of Business license, approval certificate, photocopy of approval
Statistic registration form

**12. Customs procedure to register WFOE
Examination and approval department:**

Customs

Time limit:

Within 5 working day

Required documents:

Copy of Business license
Approval certificate, photocopy of approval
Photocopy of article of association photocopy.
Photocopy of tax registration
Photocopy of bank account certificate
Photocopy of certificate of proposed agency code
Moulage of chop of enterprise, juridical person and apply to customs
Registration form for apply customs
Registration form of management for apply customs