

## Tannet Group Limited

### Beijing Tannet Consulting Company Limited

Address: Room1506, UnitA, Fudun center, Dongshanhuan South Rd 58, Chaoyang District, BJ China

Tel: [010-58674406](tel:010-58674406)

Fax:010-58674405

Email:[bjtannet@163.com](mailto:bjtannet@163.com)

Web: [www.beijing-company.net](http://www.beijing-company.net)

## Beijing Company Registration(RO)

Editor: Consultant Spring, [Beijing Tannet Consulting Company Limited](#)

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### **ONE. OVERVIEW OF BEIJING**

Beijing, the Capital city of China, is the political and cultural centre. The area is 16,808 square kilometers. There is a population of over 10 million in Beijing which means the huge potential market. It plays significant role in the high-level economic, science and technological and cultural exchanges. Beijing is well on its way to becoming a modern metropolis. In 2008, the Beijing GDP growth is 9% which has exceeded 1,000 billion. The currently level of economic development in Beijing takes up the leading position in domestic. With its transformation led by the Zhongguancun Science Park (China's "Silicon Valley"), CBD (Central Business District), Finance Street, the Beijing Economic and Technological Development Zone, There are more than 160 countries have set up embassies in Beijing so that can provide you the most convenient business liaison with your country. In Beijing you can enjoy the great economic achievements and commercial atmosphere. You can take lots of advantages and opportunities leading you to success.

### **TWO. CONCEPT OF BEIJING COMPANY REGISTRATION (RO)**

A Chinese representative office (RO) is an institute setup in China, representing its parent company for liaison with Chinese counterparts. A RO is not considered to be a separate legal entity. It cannot directly engage in business operation. However, through which its parent company can enter into contracts with its supplier/customers in China in its own name, but not under the name of RO. A representative office is popular for those who are willing to enter China at the test period of business and investment.

### **THREE. REPRESENTATIVE OFFICE NAME OF BEIJING COMPANY REGISTRATION (RO)**

The Chinese government has a name format for anyone who wants to setup a RO in China, the format is: country (area) + parent company name + Beijing Representative Office.

### **FOUR. THE PRIVILEGE AND FUNCTION OF BEIJING COMPANY REGISTRATION (RO)**

1. The RO enjoys a great popularity among foreign investors since its easier setup & management. Unlike foreign investment enterprises ("FIEs"), representative offices are not required to meet stringent requirements for items such as capital injection.
2. The functions of a RO are as follows:
  - a. It can handle market research, sourcing, project investigation, quality control for parent company, liaison with customers and suppliers

- b. It cannot enter into purchase/sales contracts and receive payment for services, issue invoices.
- c. A RO can open bank accounts and employ staff for above- mentioned purposes.
- d. Apply for work permit and residence permit.
- e. A RO is still subject to tax liability, so monthly tax return should be carried out regularly.
- f. If a RO is set up in Beijing, it is qualified to get a car without entrance tax.

#### **FIVE. DOCUMENTS PROVIDED BY CLIENTS FOR BEIJING COMPANY REGISTRATION (RO)**

- 1. Copy of the business license or certificate of incorporation of parent company;
- 2. The original and copy of identification documents (ID card, passport) of representatives, and five color photos;
- 3. The Chinese resume of the chief representative
- 4. One original bank reference letter (from investor's bank) indicating foreign investors' credibility, issued within 6 months in both English and Chinese version;
- 5. The lease of commercial office between lesser and lessee. The lessee should be acted by chief representative, or parent company. Make sure to get the formal invoice after leasing.
- 6. Copy of the business license of the property management company with their stamp.

As for other documents, Tannet are ready for providing assistance.

#### **SIX. WORKING ROCEURE OF BEIJING COMPANY REGISTRATION (RO)**

Prepare all the needed documents→ fill out the application form with Tannet→ pay for the services→ submit all the needed documents→ name reservation→ apply for the business license and working card→ go to the public security bureau for stamp-make→ apply for Organization Code License & card → apply for Registration license of National &Local Administration of Taxation

#### **SEVEN. TANNET SERVICES OF BEIJING COMPANY REGISTRATION (RO)**

- 1: TANNET package services include:
  - a. Both original and duplicate copy of business license; b. Registration license of the Local & National Taxation Bureau. c. Seal carving registration card; d. Organization Code License & card (IC card); e. Three stamps.
- 2: If the RO's representative is Chinese, the dispatching letter is needed, there is an extra RMB 4000(USD 588) for each Chinese representative). For more information, please contact Tannet at 86-10-58674909
- 3: Terms of Payment: The applicant can pay by cash, check or T/T to Tannet's bank account before the service begins.

#### **EIGHT. BUSINESS FOLLOW UP**

TANNET can provide a series of business follow-up services such as transfer RO to WFOE, monthly bookkeeping and tax return, annual return services, internal auditing, financial planning and tax layout, China policy & market study. Other services include domain name registration, webpage design, website promotion, China trademark registration, Work Permit, Residence Permit, etc. in order to pave a smoother and wider way for your China business success.

#### **NINE. PROCESSING TIME NEEDED**

Once all the necessary documents for application are ready for submission, government approval can be got within 25-35 working days.

## TEN. TAXATION OF BEIJING COMPANY REGISTRATION (RO)

Although a RO is not to conduct business, it attracts tax as stated below:

### 1. Individual Income Tax (IIT)

IIT stands for Individual Income Tax which rates from 5% to 45% based on salary income exceeding more than RMB2000 for local employee and RMB 4800 for overseas employee. All the RO staff is subject to IIT if his income exceeds the limit. IIT is calculated according to such a formula:  $IIT = (\text{income} - \text{limit}) \times \text{rate}$ .

### 2. Business Tax (BT)

BT stands for business tax which is based on monthly business operational expense, the rough rate is 5% based on your expenses. It is calculated according to the formula like this:  $BT = \text{expenses} / (1 - 15\%) \times 5\%$ .

### 3. Enterprise Income Tax (EIT)

EIT stands for enterprise income tax which is based on quarterly business operational expenses, the rate is 25%. It is calculated according to the formula:  $EIT = \text{expenses} / (1 - 15\%) \times 10\% \times 25\%$ .

## ELEVEN. TANNET ADVANTAGES

1. Tannet is a professional business service outsourcing company, serving the world of business professionally and reliably since 1999.
2. Tannet is based in grand China, with an international focus, targeting at valued investment and strategic developments.
- 3 Tannet has built up nine service centers forming a massive international service platform, especially for SMEs. You are welcome to visit [www.tannet-group.net](http://www.tannet-group.net) for more.
- 4 In ten years' growth, Tannet developed rapidly to more than 38 holding subsidiaries, 88 equity participants, over 3,000 cooperators, and in excess of 20,000 reliant clients globally. You can exchange resources among the Tannet's clients.
- 5 Tannet is staffed by a professional team of industrial advisers, lawyers, accountants, engineers and consultants, with a wealth of experience, both in their respective professions with global expertise.
6. Through a ten year reputation, Tannet can provide its valued clients with the best 24/7 quality services, especially tailor-made to the customer's needs.

## TWELVE. IMPORTANT HINTS

1. Because of language difference, all the documents submitted to the Chinese government should be translated into Chinese and endorsed by the appointed translation agency.
2. Tannet is responsible to inform the clients for the collection of the company kit at the designated office. If the client fails to collect the company kit within the mandatory three month period without reasonable excuse, the client will be regarded as forfeiting the right to the registered company; Tannet can dispose the company as it wishes.
3. Make sure to get the formal invoice from the lesser after leasing is done.

4. The follow-up services are not included in the service package, and are subject to further charge according to the clients' requirements.

### **THIRTEEN. CONTACT US**

Beijing Tel: 86-10-58674909/58674406

Beijing Fax: 86-10-58674405

Hong Kong Tel: 852-27826888

Shenzhen Tel: 86-755-82143697

E-mail: [bjtannet@163.com](mailto:bjtannet@163.com)

Website: [www.tannet-group.net](http://www.tannet-group.net)

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**Tannet—Global Corporate Solution Provider, Serving the World of Business, Professional and trustworthy.**