



# Doing Business In China

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中英华税务师事务所有限责任公司  
Zhong Ying Hua Certified Tax Agents Co., LTD



# Investment Environment in China

- On 12 Nov 2001, China was admitted to become a full member of the WTO, which has resulted in greater liberalization of many services and industry sectors, as well as a reduction in customs duty. Foreign investors operating in distribution, logistics, financial services, telecommunications etc have benefited from it.
- China today is the second-largest economy in the world, with sustained average economic growth of 9.5% for about the past three decades.



# Investment Environment in China

- Although many industries are largely state-owned, the non-state sector, made of collectively-owned, foreign-owned and private companies, is rapidly gaining importance in the Chinese economy.
- China has been proactive in removing tariff and non-tariff barriers for trade in goods through the negotiation and implementation of regional free trade agreements.
- Certain foreign exchange restrictions are in place.
- The Chinese government actively encourages foreign investment, particularly in priority industries.



# Types of Business Presence in China

- Wholly Foreign Owned Enterprise (WFOE)
- Representative Office
- Joint Venture
- Partnership Enterprise (PE)



## H.K. company

- Forming a H.K. company and use it to invest into China
- Advantage: Special tax arrangement between Mainland China & H.K.
- Risk: Chinese tax authorities may deny the existence of the H.K. company, if it is set up for tax avoidance, and doesn't have the business substance



# Company Registration

- RMB 100,000~ RMB 500,000 is minimum registered capital for Consulting, Service, Hi-Tech WFOE registration.
- Different cities of China have different policies on minimum registered capital



# Chinese Tax System

## Principal taxes:

- Business tax: 5% on total revenue
- VAT: -17% on added value  
-3% on total revenue, only applies to small-size entities
- Corporate Income Tax: 25% on gross profit
- Individual Income Tax: 5%-45%
- Customs duties
- Consumption tax



# Preferential Tax Policy

- Enterprises or projects with a focus on technological development, environmental protection, energy or water conservation, production safety etc, are entitled to various types of income tax incentives.
- Qualified small and low-profit enterprises are subject to reduced income tax rates.
- Technology transfer, technology development and related services are exempt from business tax (BT).
- Tax refund policy in certain cities.
- ...





# Business Tour to China

## Before making decision on registration location:

- Tailored business tour to the major cities: Beijing, Shanghai, Guangzhou, Tianjin, Dalian, Xiamen, Suzhou, Shenzhen...
- Meeting with the local government and tax authority to get the information of the local policy
- On-site investigation: Transportation, office facility, environment...
- Sightseeing
- 6-10 days



# CAS' Cooperator in China — Zhong Ying Hua Certified Tax Agents Co., Ltd

Established in 1999, ZhongYingHua is made up of professionals who have worked in Tax Authorities for many years and those who have had rich experience in finance and taxation consultation.

Taking the advantage of the professional knowledge, advanced international management, scientific technical service system, high quality talented team, The firm are offering various kinds of finance and taxation services to meet the requirements of the clients.



# Honor & Awards

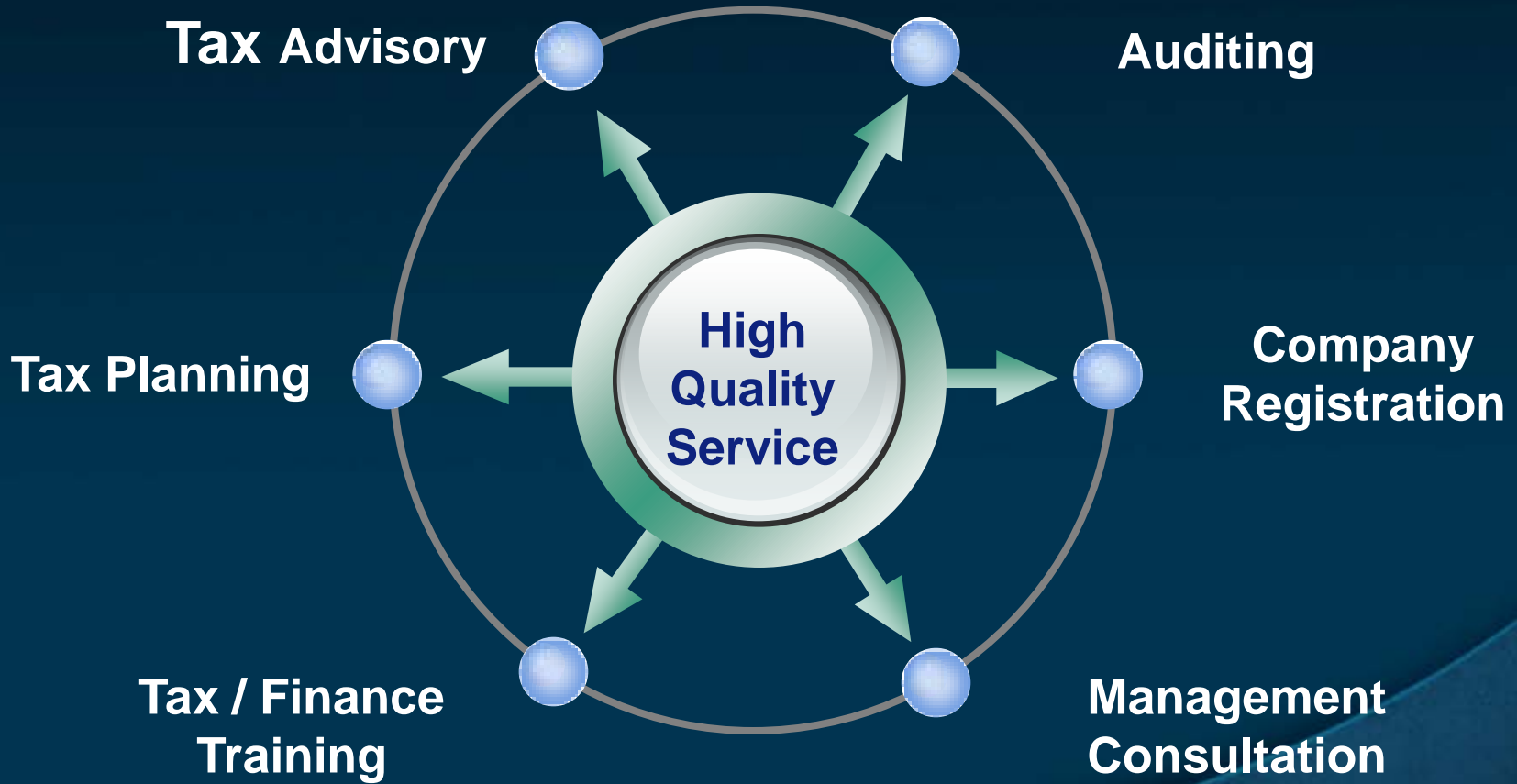
—— Was consecutively awarded as the ‘Outstanding Tax Firm’ during each evaluation by Beijing Certified Tax Agents Association and Beijing Certified Tax Agents Management Center (10 firms out of 400 were awarded each time).

—— The total revenue of 2008 ranked the 3rd place in all the taxation firms in Beijing.

—— Is one of the 10 firms which have been recommended to the large-size enterprises by the State Administration of Taxation

—— Won the bid in Oct 2010, became the cooperator of Beijing Audit Bureau.

# Service





# Packaged Service

**Set-up Stage**

**Operation Stage**

**Year-end Settlement**

**Advice on registration  
venue**

**Company Registration**

**Taxation Registration**

**Accounts setting &  
Book-keeping**

**Long-term consultant**

**Tax Planning**

**Tax Filing**

**Specific cases**

**Training**

**Tax Audit**

**Income Tax  
Settlement**

**Tax issues during  
M&A, liquidation**



# Our Strengths

**Core Competitiveness**

**Customer  
Focus**

**Government  
Relation**

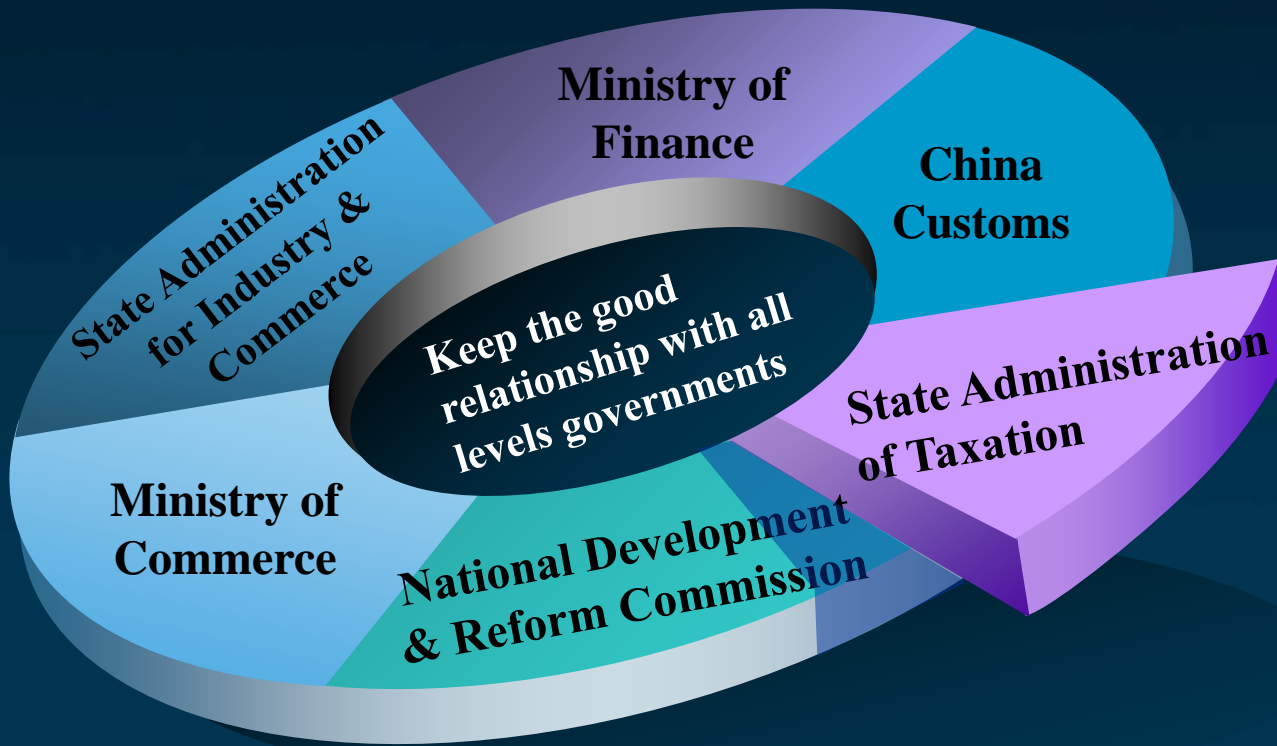
**Management  
Team**

**Professional  
Competences**

**International  
Cooperation**



# Government Relation





# Management Team

- **Mr. Chen Lian Bo**      **General Manager**

**Certified Public Accountant, Certified Tax Agent**

**Mr. Chen Graduated from Xiamen University majored in Economics. Prior to setting up ZhongYingHua, he acted as the Director General of the International Taxation Department and the Plan & Statistics Department respectively in State Administration of Taxation. During the 36-year working period in SAT, he directly participated numerous tax reforms, tax laws/regulations adjustments, developed rich experience especially in tax laws for foreign entities. Mr. Chen is a leading authority on the relevant tax laws.**





# Management Team

- **Mr. Tan Xin Yue**                      **Deputy General Manager**

## **Certified Tax Agent**

**Mr. Tan graduated from Northeast University of Finance & Economics. Prior to joining ZhongYingHua, he worked for SAT and China International Taxation Consulting Co., Ltd. During the years in SAT, he participated the establishment and reform of China foreign tax system including the tax legislations for foreign investment and the income tax for foreign enterprises in 1987. With sufficient tax agent experience, Mr. Tan has provided successful tax services to many foreign enterprises.**



# Management Team

■ **Dr. Shinlong J. Kong**                      **Deputy General Manager**

**A CPA, he is the visiting Professor at the National Accounting Institute, People's University of China and Hong Kong Baptist University**

**Dr. Kong is a past chief representative of Hong Kong Certified Public Accountants, China Office**

**He acts Independent Director for china listed companies: China Merchants Property Development, Hebei Chengde Lolo, Chifeng Fulong and East China Engineering Science & Technology co., Ltd**

**Before joining our firm, Dr. Kong worked as CFO for various multinational corporations**



# Part of ZhongYingHua's Clients

## — Foreign Entities & Foreign Invested Entities

**BP (China) Company Ltd**

**Panasonic Electric Works China Co.,Ltd**

**Mitsubishi Heavy Industries Group**

**UPM-Kymmene Corporation**

**Mitsui & Co., (China) Ltd**

**Magnequench (Tianjin) Company Ltd**

**Legrand (Beijing) Electrical Co., Ltd**

**MacDonald (China) Development Co., Ltd**

**SITA Greater China Holding Pte**

**Louis Vuitton (China) Sales Co.,Ltd**

**Elanders Beijing Printing Co. Ltd**

**Thomson Financial Information Services  
(Beijing) Co., Ltd.**

**BASF (China) Co., Ltd.**

**Hitachi (China) Company Ltd**

**Anglo American**

**Johnson & Johnson (China) Ltd.**

**Epson (China) Company Ltd**

**Japan TOMEN Corporation**

**Seven-Eleven (China) Co., Ltd**

**Avon (China) Co.,Ltd**

**POSCO China**

**Sakura Bank Limited**

**Jyllands-Posten**

**IONA Technologies PLC**

**Wacoal China Co., Ltd.**



# Part of ZhongYingHua's Clients

## — Domestic clients

**China National Offshore Oil Corp.**

**China National Electronics Impt and Expt Corp.**

**China International Trust & Investment Corp.**

**Greater Beijing Region Expressways Ltd**

**Shandong Mineral Engineering Consulting Co.**

**TravelSky Technology Limited**

**Beijing Minmetal Liguo International Co., Ltd**

**Beijing Xiangshui Mingzhu Catering Co., Ltd**

**Beijing Flame Tree Cultrue & Media Co., Ltd**

**Beijing Tiantan Biological Products Co., Ltd**

**BGRIMM Magnetic Materials & Tech Co., Ltd**

**Shuohuang Railway Development Co., Ltd**

**China Xinxing Baoxing Construction Corp.**

**Pingdingshan Yaomeng Power Co., Ltd**

**PetroChina Co., Ltd**

**Huaneng Power International Inc**

**ShenHua Group Co., Ltd**

**China Road & Bridge Corp.**

**Tianjin Longwit Grains and Oils  
Industrial Co., Ltd**

**QingDao Canned Food Co., Ltd**

**Taiyuan Heavy Industry Co., Ltd**

**Beijing No. 608 Factory**

**Business Media China AG**

**7 Days Inn Group**

**Ethnic Publishing House**

**Consumption Daily**

**China Harbor Engineering Co.,Ltd**

# Future's Opportunities

*Serve the taxpayers  
wholeheartedly*





**Thank You !**

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