Direct Foreign investment in China

Current Regulations and incentives (according to the 2017 catalogue)

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Summary

China has released a new*Catalogue for the Guidance of Foreign Invested Industries.* The catalogue is a legal document listing what industries are open for foreign investors. It has been revised and re-released many times since its creation in 1995. The new edition is the 7th version since the catalogue's inception. The official 2017 catalogue was published on the 28th June 2017 and extended nationwide on the 28th of July 2017. Through the catalogue,several industries are becoming more deregulated and opened up for foreign investors. These deregulations involve removing shareholding limits or nationality requirements for partners on certain sectors for foreign investors as well as changing some restricted industries to permitted industries. The 2017 catalogue is structured into two categories; the 'Encouraged' category and the 'Special Administrative Measures for the Entry of Foreign Investment' (Negative List). The Negative List is split into two parts; restricted and prohibited.

- **PRC Parties control** means that the company must be controlled by Chinese nationals.
- **Shareholding limit** means that restrictions are placed on the percentage of the company a foreigner can own. This may vary depending on industry.
- **Nationality requirement** means that one major partner of a firm must have Chinese citizenship
- **Restricted** catalogue entries mean that foreign investors may face additional restrictions when investing in these industries.
- **Permitted** catalogue entries mean that foreign investors may take part in these industries with no additional restrictions or assistance. Every industry that is neither illegal in China nor mentioned in the *The Catalogue for the Guidance of Foreign Invested Industries* falls under the permitted category.
- **Encouraged** catalogue entries mean that these industries may be eligible for incentives or preferential treatment.
- **Prohibited** industries are off limits to investors
- **Encouraged and Restricted** catalogue entries means that foreign investors may see the benefits offered by PRC but are also subject to certain regulations and restrictions

Changes in the Catalogue from 2015 version to revised 2017 version are listed below;

Catalogue entries changed from **restricted** to **permitted**

- Exploration and mining of precious metals (gold, silver, platinum)
- Lithium mining and mineral processing
- The processing of Soybean oil, rapeseed oil, peanut oil, cottonseed oil, tea seed oil, sunflower oil, palm oil and other edible oils (PRC parties control) rice, flour, raw sugar processing and deep corn processing
- Production of bio-fuels such as ethanol and biodiesel (PRC parties control)
- Highway passenger transportation
- Ocean shipping tally (limited to equity/cooperative joint ventures)

- Credit investigation and rating services
- Motorcycle manufacturing

Catalogue entries with shareholding limit removed

- Mine gas utilization (limited to equity/cooperative joint ventures)
  -remained in encouraged category
- Rail transport equipment (limited to equity/cooperative joint ventures)
  -changed from encouraged to permitted category
- Manufacture and repair of marine engineering equipment (including models) (PRC parties control)
  -changed from encouraged to permitted category
- Manufacture of low and medium speed diesel engines and crankshafts for ships (PRC parties control)
  -changed from encouraged to permitted category
- Design and manufacture of civil satellite; manufacture of civil satellite payload (PRC parties control)
  -remained in encouraged category
- Comprehensive water conservancy project construction, operation (PRC parties control)
  -changed from encouraged to permitted category
- Manufacturing and R&D of automobile electronic bus network technologies
  –remained in encouraged category
- Manufacturing and R&D of electronic controllers for electric power steering systems
  –remained in encouraged category
- Manufacturing of automobile batteries
  –changed from encouraged to permitted category

Catalogue entries with nationality requirement removed

- Accounting and Auditing
  - changed from encouraged (with restrictions) to permitted category

Relevant Comments

Eleven prohibited industries were removed from the negative list because they are prohibited to both Chinese and foreign investors. These industries include ivory carving, tiger bone processing, gambling and lottery, large scale theme park construction, construction of golf courses and villas, administration of military, police, political, party, and other related educational institutions, projects that harm the security and efficiency of military installations, pornography, the processing of Chinese herbal medicines included in the *Wild Medicinal Resources Protection and Management Regulations* and the *Rare and Endangered Plants of China Catalogue,* as well asthe construction of certain coal-fired electric power stations. These industries all remain closed under Chinese law despite being removed from the negative list.

Under the 2017 catalogue foreign investors will not be allowed to set up any foreign-invested partnership in an industry where foreign equity ratio restrictions exist.

1. General regulations for all sectors in order for foreign-invested enterprise to invest in China

It is worth noting that foreign investors cannot directly apply for a Wholly Foreign Owned enterprise. They must submit all the documents to MOFCOM for approval by the authorities. Moreover, an NDRC approval is required for sections in the ‘encouraged’ and ‘restricted’ categories that exceed a certain monetary threshold. Those in the ‘restricted’ category will be subject to greater scrutiny.Foreign investments cannot be made in fields where foreign investment is prohibited and a wholly foreign owned enterprise can only conduct business within its approved sector.

Before a foreign-invested enterprise can enter China their previously established company’s registered capital must be paid off and it must have started to earn profits within their own country. In addition to this the company must have been acting within legal parameters and have no record of illegality throughout their duration of operations.

When a foreign-invested enterprise is entering China's markets their cumulative amount of investment within China cannot exceed 50% of its net assets. As of 1 March 2014, minimum registered capitals are not formally required but may be requested; this will vary dependent on the situation and the sector.

All limited companies must submit annual audit reports to the relevant authorities. In addition, repatriating the registered capital to home countries is forbidden during company operations.

NB. China does not have a unified written "Commercial Law", more specific laws can be found in various laws, regulations, and judicial interpretations. Such as; China's Civil Law, Contract Law, Partnership Enterprises Law, Security Law, Insurance Law, Enterprises Bankruptcy Law, Labor Contract Law and Implementing Regulations, and Supreme People's Court Interpretation on Several Issues Regarding the Application of the Contract Law.Furthermore, some local legislatures and governments may enact their own laws to regulate foreign investment within their areas.

For process of establishing a foreign-invested company in China see: http://www.lehmanbrown.com/insights-newsletter/establishing-company-china/

2. General Incentives for Foreign-invested enterprises

The Corporate Income Tax law which took effect from 1 January 2008 consolidated the two formerseparate enterprise income tax regimes, one for domestic-invested and one for foreign invested, into a single regime. The previous tax benefit granted to foreign investment had been abolished since then, and changed to "predominantly industry-oriented, limited geography-based" tax incentive policy.For example, currently China is encouraging investment in the development of technology, thus foreign-invested new high-technology enterprises receive enormous benefits upon working within China. New high-technology enterprises can enjoy a 15% reduced rate of tax as well as a 50% super deduction for qualifying research and development expenditure.Also, from 2011 to 2020, encouraged enterprises in the Western Regions are eligible for a reduced preferential CIT rate of 15%.

CIT incentives can be different between companies based on their industries. The following summarizes industry/projects-specific CIT deduction and exemption according to Corporate Income Tax Law of China.

- The following industries/projects enjoy **2+3 years tax holiday**, which tax is exempted for the first two years followed by 50 percent tax deduction for the next three years:

Industries/Projects	Valid Period
Qualified high new-technology enterprises established in Shenzhen, Zhuhai, Shantou, Xiamen, Hainan and Pudong New Area of Shanghai newly established after 1 January 2008	From the first income-generating year
Software enterprises	From the first profit-making year or 2017 whichever is earlier
Integrated circuits (IC) design enterprises	From the first profit-making year or 2017 whichever is earlier
IC production enterprises that product IC with a line-width of less than 0.8um	From the first profit-making year or 2017 whichever is earlier
IC packaging/testing enterprises	From the first profit-making year or 2017 whichever is earlier
Enterprises that manufacture key parts or equipment used for IC production	From the first profit-making year or 2017 whichever is earlier
Encouraged enterprises in underprivileged areas of Xinjiang	From the first income-generating year
Certified animation enterprises producing self-developed animation products	From the first profit-making year or 2017 whichever is earlier

- The following industries/projects enjoy **3+3 years tax holiday**, which tax is exempted for the first three years followed by 50 percent tax deduction for the next three years:

Industries/Projects	Valid Period
Specified basic infrastructure projects, including harbor, wharf, airport, railway, highway, city public transportation, electric power, water resources utilization projects, etc.	From the first income-generating year
Environmental protection projects and energy/water conservation projects, including public sewage treatment, public refuse treatment, comprehensive development and utilization of methane, technologies alteration for energy-saving and emission reduction, seawater desalination projects, etc.	From the first income-generating year
Qualified energy-saving service enterprises	From the first income-generating year
Projects involving clean development mechanism	From the first year during which the first disposal of certified emission reduction units takes place

- IC production enterprises that either have a total investment exceeding 8 billion RMB or have an operation period exceeding 15 years and produce IC with a line-width of less than 0.25 um canenjoy **5+5 years tax holiday**, which tax is exempted for the first five years followed by 50 percent tax deduction for the next five years:

There are also zone specific CIT incentives. For example, companies which are located in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone and Hengqin New Area in Zhuhai, and at the same time involve projects under the catalogue for CIT Preferential Treatments can enjoy a reduced CIT of 15 percent. Further, firms which are located in Pingtan Comprehensive Experimental zone in Fujian Province and involve projects under the catalogue for Encourage Industries of the zone are applicable for a CIT rate of 15 percent.

The CIT law of China also covers other particular tax incentives. Taxable income reduction can apply to enterprises which use State specified major raw materials as resources for the production of non-restricted and non-prohibited items, which only 90 percent of the firm's total income is taxable for CIT. In addition, venture capital firms that make equity investments in unlisted, small to medium-sized new high-technology enterprises for more than two years can offset taxable income equivalent to 70 percent of the total invested amount, after the holding period has exceeded two years. Similarly, firms which invest in plants and machinery for State specified environmental protection, energy and water conservation and production safety purposes can offset taxable income equivalent to 10 percent equipment investment.

The Chinese government has been encouraging innovation development in the country through abundant actions, including the introduction of R&D incentives and policies.One of the most straightforward R&D incentives has been the super deduction of CIT for new high-technology enterprises as aforementioned. In addition, from 1st January 2017 to 31st December 2019, tech SMEs can enjoy exclusive incentives regarding R&D costs. SMEs in the technological sector can deduct an additional 75 percent of the R&D costs that occurred before paying taxes to effectively lower taxable income. And for tech SMEs that chose to capitalize R&D costs as intangible assets in the current accounting period can amortize the asset at 175 percent of the original costs. The government has also been supporting the cooperation between domestic firms and FIEs regarding R&D purposes; and encourages FIEs to establish R&D centers, technical centers and post-doctoral research stations to realize more efficient technological development within the nation.FIEs and domestic firms have equal opportunities in participating state-sponsored science and technology projects.

On the other hand, China has set nation-wide strategic objectives regarding Intellectual Property (IP) protection. The National Intellectual Property Development Strategy was introduced in 2016, with the primary focus on improving national IP system which aims to "[build] China into a nation with high level of IP creation, utilization, protection and administration by 2020." And earlier in 2014, three specialized IP courts had been created in three cities, Beijing, Shanghai and Guangzhou, under judicial reforms. As monitored in 2016, the courts had been very efficient in processing IP cases by which the Beijing IP courts averagely concluded cases within only 125 days. Currently, the Chinese authorities are planning to create more IP courts to further upgrade IP protection in the country. In this case, FIEs in R&D sector can enjoy various incentives when operating in China.

Moreover, the State Council Opinions on Fair Competition Review System introduced in 2016 has helped to create a more beneficial investing environment for FIEs. The system aims to minimize China's local protectionism, industry barriers, as well as government intervention. For instance, FIEs are now allowed to participate in bidding for government procurement contracts, whilst their products used for the projects have to be made in China. Further, FIEs can now go public and issue bond in the Chinese local markets, to diversify financing channels. The Fair Competition Review System is guided coordinately by four authorities, including the National Development and Reform Commission (NDRC), the Legislative Affairs Office of the State Council (LAO), and Ministry of Commerce (MOFCOM), and the State Administration for Industry and Commerce (SAIC). The effective implementation of the system opens up more business opportunities to FIEs.

3. Permitted Foreign Investment Industries

Industries not mentioned in the Catalogue for the Guidance of Foreign Investment Industries are considered 'Permitted' meaning industries in this category are generally subject to less scrutiny in the approval procedure.

4. Current Sectors in the Encouraged Foreign Investment Industries Category (As of 2017)

NB. All 2017catalogue changes came into play on the 28th July 2017

I. Farming, Forestry, Animal Husbandry and Fishery industries

Currently foreign investors within this sector are entitled to exemption or 50% reduction of Corporate Income Tax in this sector.

II. Mining and Quarrying Industries

The*2017 changes* see the'Oil, natural gas exploration' (including oil and natural gas (coal bed methane, oil shale, oil sands and shale gas only) sector becoming both encouraged and restricted. For this sector the restrictions on exploration and development of oil shale, oil sands, shale gas and other unconventional oil and gas have been removed. It is still limited to equity/cooperative joint ventures. Furthermore the *2017 catalogue* removes shareholding limits in the sector 'Mine gas utilization'.

III. Manufacturing industries

In accordance with the *2017 catalogue* the sector'Manufacture and repair of marine engineering equipment' has been moved from the encouraged category to the permitted category. Furthermore, shareholding limits have been removed.

The *2017 catalogue* also dictates that the sectors'Manufacture of low and medium speed diesel engines and crankshafts for ships'and 'Rail transportation equipment'move from the encouraged category to the permitted category and shareholding limits be removed.

Furthermore the *2017 catalogue* states that the sector'Design and manufacture of civil satellite; manufacture of civil satellite payload' remains in the encouraged sector but the shareholding limit is removed.

The 2017 catalogue sees the 'Manufacture of key parts for new energy vehicles' having the requirement for an equity ratio removed.

IV. Production and supply of Power, Heating Power, Gas and Water

See following for the sector 'Construction and operation of grids'. This sector is under state control and thus subject to the planned economy model. Consequently, foreign investors must learn and follow the Chinese standards for smart grid technology. For all grid companies operating within China a Chinese party must hold a controlling interest. Furthermore, Foreign investors will be subject to examination on the investment concentration and when national security is involved further examination of potential national security issues will be conducted.

Foreign investors within this sector are exempt from customs duties as well as being able to take advantage of the impressive tax reduction (as seen above under new high-technology enterprises). Due to China's large investment in this sector foreign investors can receive Support from national scientific development projects and innovation capacity cultivation projects.Aside from the incentives granted by the government China in itself provides many opportunities for companies within this sector. China is the biggest electricity consumer in the world and; the largest grid company in China, the SGCC serves 1.1 billion people over about 88.8% of China. This is appealing to foreign investors due to the latest reforms from the Chinese Government being aimed at breaking this monopoly and opening the sale of electricity to the market thus providing an enormous market. Already, General Electric, Siemens, ABB etc. are cooperating with Chinese partners to expand their smart grid business into China. The main challenge to be aware of in this field is the policy uncertainties due to ongoing reform as well as difficulties dealing with the changing pricing rules for electricity.

The *2017 catalogue* shows that this sector will move to being both, and encouraged a restricted sector maintaining the limit on shareholding. However, the 'construction and operation of comprehensive water hubs' has been moved to the 'permitted' category.

V. Communication and Transportation, Storage, Post and Telecommunication Services

According to *2017* changes the sector'General aviation for agricultural forestry and fishery' will maintain the shareholding limit of equity/cooperative joint ventures only but adds a nationality requirement for the foreign investor legal representatives.
In addition, the *2017 catalogue* also moves the sector 'Rail transport equipment' from the encouraged category to the permitted category as well as removing shareholding limits.

The 2017 catalogue sawthe 'Scheduled or non-scheduled international marine transportation services' sector be moved to the 'permitted' category.The 21st century maritime silk road opens trading corridors by sea for reduced travel time and thus reduced cost of transport as well as increased trading opportunities as various countries become more accessible. Ultimately this means greater efficiency and productivity are possible within this sector.

Furthermore, under the *2017 catalogue* the sector'Construction and operation of urban subway, light railway and other track transport' must act as follows. There is no requirement for equity interest to be held by a Chinese Party meaning Wholly Foreign Owned Enterprises (WFOE) are possible.There is a huge push from the government for growth within this sector meaning greater support upon entering this sector. The predominant incentive in this field revolves around the fact that the increasingly urbanized population means increased demand for railway growth. Indeed, The NDRC estimates that China's urban rail systems will stretch to 2,000 kilometers in 2050 and will be capable of accommodating 50 to 80 per cent of public transport commuters.

According to the *2017 catalogue* within the sector 'Air Transportation companies'theforeign investors company must have Chinese parties as the controlling shareholders and the shareholding proportion of a single foreign investor and affiliates cannot exceed 25%.
Within the *2017 catalogue* this sector is moved to being both encouraged and restricted with the shareholding limit remaining. However, the 2017 catalogue adds a nationality requirement for the foreign investor legal representative.

VI. Rent and Business Service

With China constantly opening up to more sectors as seen in the 2017 '*catalogue for the guidance of foreign direct investment industries*' as well as the Belt and Road initiative there is an increased demand for this sector.

The *2017 catalogue*moves'Accounting and auditing' to the permitted category with the nationality requirement removed.

VII. Water, Environment and Public Facility Management Industry

Under the *2017 catalogue* the sector 'Comprehensive water conservancy project construction, operation' moves from the encouraged category to the permitted category. The shareholding limit is removed.

VIII. Public Health and Social Work

The currently used *2017 catalogue*seesthe following regulations and incentivesfor the sector 'Aged care institutions'. There is no requirement for equity interest to be held by a Chinese Party meaning Wholly Foreign Owned Enterprises (WFOE) are possible.

There is an enormous growing market available with China's population aged 60 and above is set to reach 300 million by 2025 (compared to 194 million in 2012).

In addition, the Chinese government is invested in the growth of this sector thus providing exemption from or reduction of taxes and administrative charges for foreign investors. (NB. The Chinese Government is unclear on exactly what this entails).

Finally, this sector is constantly becoming more popular with foreign investors for example, in 2011 the American care home company, Cascade Healthcare, built the first foreign-owned senior care facility. They have facilities in Beijing and Shanghai. in 2014, they built their 3rd senior care facility. The appeal of this sector is that it is rapidly growing yet it is still in the process of maturing thus meaning there is a large gap available for new companies to establish themselves before the sector fully takes off.

The only real issue in this sector is the cultural differences that may be experienced.Many of the elderly remain in their community instead of going to external caring homes. However, the Government is working on changing this to encourage more elderly to move in to care homes.

IX. Culture, Sports and Entertainment

The currently used *2017 catalogue*sees the following regulations and incentivesfor the sector 'Operation of performance sites'.There is no requirement for equity interest to be held by a Chinese Party meaning Wholly Foreign Owned Enterprises (WFOE) are possible.This is a newly opened sector meaning there is a lot of scope for new foreign investment

The following sectors within this category have not seen any changes since 2011:

X. Wholesale and Retail Trade Industry

XI. Scientific Research and Technical Services

XII. Education

5. Current Sectors in the Restricted Foreign Investment Industries Category (As of 2017)

NB. There is no set way of investing in a sector within the restricted category, instead the process is taken on a case by case situation depending on scale and industry

NB. 'Deleted': sector regulations no longer specific to foreign investors; covered through other laws which are applicable to both foreign and domestic investors

I. Mining Industries

Under the *2017 catalogue*the sectors'Precious metals (gold, silver, platinum group) exploration, mining'and'Lithium mining, mineral processing' were moved to the permitted category and deleted. The 'smelting of rare metals' has all restrictions apart from on Tungsten removed.

II. Manufacturing Industries

Under the *2017 catalogue*the sectors'Soybean Oil, Rapeseed oil, peanut oil, cottonseed oil, tea seed oil, sunflower oil, palm oil and other edible oil processing, rice, flour, raw sugar processing, deep corn processing' and 'Production of liquid bio-fuels' weremoved to the permitted category and deleted.

The 'manufacturing of automotive vehicles and special purpose vehicles' sector maintains its equity ratio requirement. However, the negative list removes 'motorcycles' from the restricted sector and cancels the restriction that one foreign investor may not establish more than two equity joint venture enterprises relating to this sector within China.

III. Production and supply of Power, Heating Power, Gas and Water

Under the *2017 catalogue*the sector'Construction and operation of, within small power grids, single capacity of 300,000 kilowatts and below coal-fired condensing steam power stations, single capacity of 100,000 kilowatts and below coal-fired condensing or extracting steam dual-purpose unit cogeneration power plants'was deleted.

IV. Communication and Transportation, Storage, Post and Telecommunication Services

The currently used *2017 catalogue*seesthe following regulations for the sector'Telecommunication companies'. Within this sector foreign investment cannot exceed 49%.
The sector 'Water transport companies' remains restricted but sees some changes in the required equity ratio in the 2017 catalogue.

V. Wholesale and Retail Trade Industries

Under the *2017 catalogue*the sector 'Ocean Shipping tally'and 'Construction and Operation of large scale agricultural product wholesale markets' move to the permitted category and deleted.

VI. Banking and Insurance industries

The currently used *2017 catalogue*sees the following regulations and incentives for the sector 'Banks'.For 1 single foreign financial institution and affiliates, shareholding proportion in one single commercial bank cannot exceed 20%.For multiple financial institutions and affiliates shareholding proportion in one single commercial bank cannot exceed 25%.

China's growing middle class means the growing demand for banks, there is thus a huge amount of profit to be made within this sector. For example, in December 2015 Deutsche bank sold their 19.99% share in Huaxia Bank Co for 23 billion Yuan (3.4 billion USD).

The currently used *2017 catalogue*sees the following regulations for the sector 'Securities companies'.For security companies in China the foreign shareholding ratio cannot exceed 49%.

VII. Leasing and Commercial Service Industry

Under the *2017 catalogue*the sectors 'Credit investigation and rating services', 'Railway passenger transportation' and 'Cargo handling'aremoved to the permitted category.
The currently used *2017 catalogue* sees the following regulations for the sector 'Services'. For the services sector, foreign investment cannot exceed 50% but this does not include e-commerce which can be wholly foreign owned.

The currently used *2017 catalogue*sees the following regulations for the sector 'Market investigations.Endeavors into this sector must be Equity joint venture or Cooperative joint venture. For ratings survey of radio or television broadcasting majority shareholder must be Chinese party.

VIII. Education

The currently used *2017 catalogue*seesthe following regulations for the sector 'Educational institutions'.For foreign investors, educational institutions must be cooperative joint venture with Chinese parties being the leading party. NB. 'leading party' means principal person in charge and at least half of the board of directors must hold Chinese citizenship.

IX. Public Health and Social Work

The currently used *2017 catalogue* sees the following regulations for the sector 'Medical institutions'.This sector requires foreign investors to respect that when investing in this sector companies must be Equity joint venture or cooperative joint venture.

X. Culture, Sports and Entertainment Industries

Under the *2017 catalogue*the sector 'Large-scale theme park construction, management' is deleted.

XI. Other industries that are restricted by laws and regulations and international treaties concluded or participated in by China (2017 changes: deleted)

The following sectors within this category have not seen any changes since 2011:

XII. Farming, Forestry, Animal Husbandry and Fishing Industries

XIII. Information Transmission, Software and Information Technology Services

XIV. **Scientific Research and Technical Services Industries**

6. Current Catalogue of Prohibited Foreign Investment Industries

NB. 2017 catalogue: 'Deleted': Within the 2017 cataloguesector regulations are no longer specific to foreign investors; covered through other laws which are applicable to both foreign and domestic investors

I. Farming, Forestry, Animal Husbandry and Fishery Industries

- Research, development, cultivation and growth of China's rare and unique precious breeds, and production of related propagating materials (including tine genes in plants industry, husbandry and aquatic products industry)
- Breeding of transgenic varieties of crops, livestock, poultry and aquatic fingerlings and production of transgenic seeds (seedling)
- Fishing in the sea area under the jurisdiction of China and in in-land water of China.

II. Mining and Quarrying Industries

- Exploring and mining of tungsten, molybdenum, tin, antimony, fluorite
- Exploring, mining and dressing of rare earth metal
- Exploring, mining and dressing of radioactive mineral products

III. Manufacturing Industry

(I) Medical and Pharmaceutical Products Industry

- Processing of traditional Chinese medicines that have been listed as *the Regulations on Conservation and Management of Wild Chinese Medicinal Material Resources* and *Rare and Endangered Plants in China(**2017 catalogue:'deleted'**)*
- Application of preparing technique of traditional Chinese medicines in small pieces ready for decoction, like steam, frying, moxibustion, calcining, and production of the products of secret recipe of traditional Chinese patent medicines

(II) Processing Industry of Petroleum, Coking and Nuclear Fuel

- Smelting and processing of radioactive mineral products and production of nuclear fuel

(III) Special Equipment Manufacture Industry

- Manufacturing of Weapons and Ammunition

(IV) Other Manufacturing Industries

- Ivory carving***(2017 catalogue:'deleted')***
- Tiger-bone processing***(2017 catalogue: 'deleted')***
- Production of Xuan-paper (rice paper) and ingot-shaped tablets of Chinese ink

IV. Production and Supply of Power, Heating Power, Gas and Water

- Construction and management of conventional coal-fired power of condensing steam plants whose unit capacity is not more than 300,000kW, within the large power grid, and the coal-fired power of condensing-extraction steam plants with dual use unit cogeneration with unit capacity of not more than 200,000KW***(2017 catalogue: 'deleted')***

V. Communication and Transportation, Storage. Post and Telecommunication Services

- Air traffic control
- Companies of postal services, and domestic express delivery of letters

VI. Wholesale and Retail Trade

- Wholesale and retail of tobacco leaf, cigarette and redried leaf tobacco, and other tobacco products

VII. Leasing and Commercial Service Industry

- Social investigation
- China legal affairs consulting (except for provision of information about environmental impact of Chinese law)

VIII. Scientific Research and Technical Services Industries

- Development and application of human stem cells and gene diagnosis therapy technology
- Geodetic survey, marine charting, aerial photography for mapping, administrative mapping, relief map, the world administrative map, the national administrative map, administrative map of the provincial level and below, national teaching map, compilation of local teaching map and three-dimensional map; compilation of navigation electronic map; surveys relating to regional geological mapping, mineral geology, physical geography, geochemistry, hydrogeology, environmental geology, geological disaster and remote sensing geology

IX. Irrigation, Environment and Public Utilities Management

X. Education

- Institutions of compulsory education and special education, like military, policeman, politics and party school***(2017 catalogue: 'deleted')***
    - ***NB:*** 'Compulsory education' remains prohibited whilst the other categories see restrictions removed.

XI. Art, Sports and Entertainment Industries

- News agencies
- Publication of books, newspaper and periodical
- Publication and production of audio and visual products and electronic publications
- Radio stations, TV stations, radio and TV transmission networks at various levels (transmission stations, relaying stations, radio and TV satellites, satellite up-linking stations, satellite receiving stations, microwave stations, monitoring stations, cable broadcasting and TV transmission networks)
- Companies of publishing and playing of broadcast and TV programs
- Companies of films making, issuing, business
- News website, network audiovisual service, Internet service location, internet art management (except music)
- Auction companies and antique shops engaging in antique auction
- Construction of golf course and villa***(2017 catalogue: 'deleted')***

XII. Other Industries

- Projects that endanger the safety and performance of military facilities***(2017 catalogue: 'deleted')***
- Gambling industry (including gambling turf) **(2017 catalogue: 'deleted')**
- Eroticism/Pornography **(2017 catalogue: 'deleted')**
- Construction and Operation of natural reserves and wetlands of international importance **(2017 catalogue: 'deleted')**

XIII. Other industries restricted by national laws and regulations or international treaties that China has concluded or taken part in*(2017 catalogue: 'deleted')*

Notes: *CEPA agreement between the Mainland and Hong Kong* and supplemental agreement, *CEPA agreement between the Mainland and Macao*and supplemental agreement, *Cross-strait Economic Cooperation Framework Agreement* and supplemental agreement, free trade agreement signed by China and other related countries and investment agreement shall prevail if there are any separate regulations.

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At LehmanBrown we recognise that you are unique, that you have unique requirements and we are committed to providing individually tailored financial solutions. LehmanBrown is dedicated to providing personalised service by working closely with our

关于我们

雷博国际会计成立于 2001 年，是一家获得许可，主要从事有关中国范围内会计、税务和财务咨询服务的公司，在北京、上海、香港、澳门、深圳、广州和天津设有专门办事机构，正积极在全国范围内建立广泛的联合专业服务网络。

综合多年的国际经验和对中国市场的深刻理解和实践体验，我们向广大国内外的客户提供高质量的专业服务和意见帮助。在雷博国际会计的服务过程中，我们作为市场中的佼佼者，您将得到来自中国本土以及其它国家的高级资深专家热忱的咨询帮助。

我们深刻认识到每一位客户都是独一无二的，并都有其独特的业务需求。雷博国际会计承诺将根据客户的不同业务需求，为客户提供个性化的财务解决方案。我们的专业人员将密切与您合作，以充分了解您独特的业务需求，从而提供满足您所需要的高时效、高质量的专业服务。

Professional Services

Audit & Assurance

External Audit

China Statutory Audit

US GAAP Audit

IFRS Audit

Hong Kong Statutory Audit

Internal Audit

Fraud Investigation

Forensic Accounting

Special Purpose Audit

Foreign Currency Audit

Royalty Audit

Capital Verification Audit

Valuation Services

Corporate Valuation

Damage Assessment Valuation

Intellectual Property Valuation

Asset Valuation

Special Purposes Valuation

Corporate Finance

Debt Restructuring

Acquisition, Disposal & Financing

Mergers & Acquisitions

Transaction Advisory

M&A Divesture

M&A Integration

Financial Due Diligence

Business Services

Company Registration & Maintenance

Market Entry Advisory

Updating Company Certificates

Annual Inspection & Reporting

Company Secretarial Services

Company Ownership Transferring/Corporate Restructuring

Background/Credit Checking

Company Deregistration & Bankruptcy

HR Support Services

China Visa Services for Expatriates

Social Welfare Structures

Outsourcing Services

Accounting & Bookkeeping

Budgeting & Forecasting

Financial Statement Preparation

Head Office Reporting

Financial Management

Interim Financial Management

Finance Manager Function

CFO Function

Cash Flow Management

Treasury Management

Set-up of Bank Account

Payroll Services

Payroll Processing Setup

Expatriate Employees

Local Employees

Secondment & Temping Service

Chop Custodian Services

Taxation Services

Individual Tax Planning (IIT)

Tax Immigration & Investment Review

US & Overseas Personal Income Tax Planning & Filing

IIT Tax Payment Facilitation

Application for Individual Income Tax Refund

Expatriate Staff Individual Income Tax Staff Filing

Local Staff Individual Income Tax

Company Taxation (CIT)

Tax Consulting

Corporate Tax Planning

Business Restructuring

Value Chain Review

Onshore / Offshore Investment

Transfer Pricing

Tax Compliance

Tax Due Diligence

Tax Deregistration

Negotiation of Tax Penalties

Tax Refund Application

Tax Representatives for Tax Audit

VAT & Customs Duty Clearance

PRC Tax Receipt Verification

VAT Application

VAT & Sales Tax Filing

Corporate Income Tax Reporting

Specialist Accounting & Risk Management

Internal Controls

Systems

Risk Management

Sarbanes - Oxley (SOX 404)

GAAP, SEC & IFRS Compliance

US GAAP

US GAAP Financial Statement Preparation

US GAAP Conversion

Other GAAP

GAAP Conversion

Public Company Compliance

Financial Statement Preparation

IFRS

IFRS Accounting Repackaging

IFRS Financial Statement Preparation

IFRS Public Company Compliance

SEC

SEC Public Company Compliance

Legal Services

Legal Advisory

Labour Legal Advisory

Workforce Downsizing Advisory

Labour Tribunal Assistance & Advisory

Labour Law Review & Audits

Review & Preparation of Employment Contracts

Corporate Legal Advisory

Legal Due Diligence

Corporate Restructuring Advisory

Review & Preparation of Articles of Association (AoA)

Review & Preparation of JV Contracts

Review & Preparation of Repatriation Agreements

Other Legal Services

Dispute Mediation & Advisory

Trademark & Intellectual Property Advisory

Debt Collection Assistance

Litigation Support

LEHMANBROWN
雷 博 國 際 會 計
International Accountants

Contact Us 联系我们

For further information about how we can add value and support your individual or business needs, please contact us.

如需为个人或企业获取更多的增值服务及业务协助信息，请与我们联系。

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