

China Corporate Bulletin

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Welcome to White & Case's monthly China Corporate Bulletin. This bulletin covers recent corporate regulatory developments and news in the PRC and Hong Kong, ensuring you stay up to date on the latest market issues.

State Council Promulgates a New Regulation on the Registration of Representative Organizations of Foreign Enterprises

On November 19, 2010, the State Council issued the *Administrative Regulations on the Registration of Permanent Representative Organizations of Foreign Enterprises* (外国企业常驻代表机构登记管理条例) (the "**Rule 584**") which will come into effect on March 1, 2011. On the effective date of Rule 584, the *Administrative Measures Regarding the Registration of Permanent Representative Organizations of Foreign Enterprises* (关于外国企业常驻代表机构登记管理办法) (the "**Old Rule**") issued by the State Administration for Industry and Commerce ("**SAIC**") on March 15, 1983 will be abolished.

Rule 584 provides more detailed registration procedures than the Old Rule. Highlighted below are the major changes to Rule 584.

- Representative organizations are required to submit an annual report to its registration authority between March 1 and June 30 each year. The content of the annual report shall include such information as the status of legal existence of the foreign enterprise, business activities carried out by the representative organization, and the fees, revenues and expenditures that have been audited by the relevant accounting firm.
- Whereas in the Old Rule, there had been no restriction on the maximum number of representatives allowed in a representative office, Rule 584 stipulates that a foreign enterprise shall now designate a chief representative and may designate one to three representatives based on business need. This clause is consistent with the provision of the *Circular Regarding Strengthening the Administration for the Registration of Representative Offices of Foreign Enterprises* promulgated by the SAIC and the Ministry of Public Security on January 15, 2010 stipulating that the maximum number of representatives allowed in a representative office is four.

- Rule 584 requires the foreign enterprise to submit more application documents to the registration authority than the Old Rule. Such application documents include: (i) a written application letter for the registration of the establishment of the representative organization; (ii) materials certifying the address of the foreign enterprise and its legal existence for more than two years; (iii) articles of association or organization agreement of the foreign enterprise; (iv) appointment letters for a chief representative or representatives by the foreign enterprise; (v) identity certificates and resumes of the chief representative or representatives; (vi) certificate of creditworthiness issued by a financial institution that has businesses with the foreign enterprise; (vii) materials certifying the legal use of the premises of the representative organization; and (viii) the approval documents for establishing the representative organization by the approval authority.

For more information on Rule 584, please visit the following Chinese language link:

http://www.gov.cn/zwgk/2010-11/25/content_1753484.htm

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Our market leading corporate practices have had the pleasure of receiving industry accolades including:

- Tier One in Global Corporate/M&A Practice—*Chambers Global*, 2008
- One of the Top Ten Law Firms for Global M&A 2007—*Thomson Financial/Bloomberg*
- Business Services sector M&A law firm of the year 2007—*Financial Times and Mergermarket M&A Awards*

Our Firm

White & Case is a leading global law firm with lawyers in 36 offices across 25 countries. We advise on virtually every area of law that affects cross-border business and our knowledge, like our clients' interests, transcends geographic boundaries. Our lawyers are an integral, often long-established part of the business community, giving clients access to local, English and US law capabilities plus a unique appreciation of the political, economic and geographic environments in which they operate. At the same time, working between offices and cross-jurisdiction is second nature and we have the experience, infrastructure and processes in place to make it happen effortlessly.

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- Top 10 Global Firm—*American Lawyer* 2009
- Won Five Firm of the Year Awards—*Asian Counsel* 2009
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