

Change in ownership of an FIE

Q: I need help in the procedures in registering the change in ownership of a WOFE in China. Both the seller and buyer are offshore holding companies. What documents are needed for such a transaction? Thanks!

A: You need to have the following documents:

1. Since the change of investor requires a change of the articles of association, you need to obtain approval from the original approval authority;
2. The notarized copy of the company secretarial documents of the new investor (the transferee);
3. Board resolution of the original and new investors on the transfer of equity in the WFOE;
4. Evidence showing that there is no change in ultimate ownership if you would like to apply for an income tax exemption on the equity transfer (this exemption may not be available after 2008.1.1).
5. Original copy of the approval certificate;
6. Business license showing that the WFOE has passed the annual examination.