changes to be approved before amending registration

Description

Since many documents especially the articles of association involved in setting up a foreign invested company have to be approved by foreign investment department (â€œ**Approving Authority**â€•) beforehand prior to registering the company with the company registration agent, the State Administration of Industry and Commerce and its local counterparts of various levels (â€œ**SAIC**â€•), it is understandable that after the establishment of the company, any change to those documents shall require the approval of the Approving Authority before being registered with SAIC. With the enactment of the new Company Law and relevant regulations aiming to adjust and reconcile the old foreign investment regime with the new Company Law, it has been clarified and made straight that except for eight (8) items of changes whose approval by the Approving Authority shall precede their registration with SAIC, other changes concerning modification of the articles of association may go directly for registration with the SAIC and then within thirty (30) days thereafter, be filed with the Approving Authority. Said eight (8) items are as follows:

(1) registered capital;
(2) type of corporate organization;
(3) business scope;
(4) term of operation;
(5) the amount of registered capital subscribed by the shareholders or promoters and the manner of their capital contribution;
(6) merger and division of foreign invested companies;
(7) change of address out of the jurisdiction of the Approving Authority concerned;
(8) transfer of equity stake (except for transfers not affecting the items specified in the business license and approval certificate).

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