

# Foreign Companies Sell Real Properties in China?

## Description

This is not anything new. Occasionally, we receive phone calls or email inquiries from foreign companies asking us about how they can [sell real properties in China](#).

Here by "foreign companies", I refer to those companies incorporated or registered in foreign countries, not the "foreign invested companies" in China. Essentially, foreign companies are often foreign legal persons, and foreign invested companies in China are Chinese legal persons.

## The Dilemma: the Background

It requires a bit of history to explain the dilemma or difficulties faced by [foreign companies owning real properties](#) when it comes to sell these properties.

Before 2006, foreign buyers, either individuals or companies, are allowed to buy real properties in China, no requirement, no restriction on ownership. Indeed, at the beginning of China reforming and opening up its real estate markets to foreign investment, Chinese property developers often went all out to neighbors like Singapore, Malaysia or Hong Kong to woo buyers.

Then the development of China property market has been jaw-dropping for two decades defying any prediction of peaking moments, almost like windfall for those earlier buyers of properties in first-tiered cities like Shanghai, Beijing, Shenzhen or Guangzhou. It was out of control partly driven by hot money from outside of China speculating in China property markets, esp residential properties.

China central government pressed on the brakes in 2006 and stepped up the so called "[Decree 171](#)" in which foreign buyers, either natural person or foreign companies, shall meet the requirement of "economic presence" test before they were eligible to buy Chinese properties. Namely, after Decree 171 foreign companies were no longer able to buy Chinese properties and [foreign individuals may only buy when they have been living in China for up to one year](#). Decree is still in effect as of today I wrote this post.

Now the peak moment of China property market has well gone, and indeed, with the demographic drop, pandemic hit and now the Trump global tariff war, Chinese property market has been going down for a few years already, there doesn't seem to be any turnaround any time soon.

## The Dilemma: No RMB Bank Account, No Money Repatriation

So it is time to sell China properties and cash in and [get the money out of China](#).

But wait a minute!

Those foreign companies suddenly find that they cannot even [open a RMB bank account](#) in China to receive the sale price of their China properties due to China banking regulations.

Without a bank account in China, the foreign property owner may only look for a buyer who can pay price to them outside China, and this is extremely difficult, almost mission impossible.

So the key for any way out of the dilemma is to find a way to open a bank account in China.

Consequently, if the owner doesn't have a bank account in China, there is no way for them to send the sale proceeds out of China even if they manage to receive the sale proceeds using others' bank accounts, which is very often a risk to take.

Yes, those foreign companies may use [underground banking](#) to repatriate sale proceeds out of China but it is again a risky move. China foreign exchange authority has been watching closely for those underground rats.

### **Proper Way out of the Deilemma**

The problem is clear: a RMB bank account.

China foreign exchange authority, [State Administration of Foreign Exchanges](#) ("SAFE"), has never said the foreign corporate owners cannot send their sale proceeds out of China. In practice, the SAFE will tell the foreign owners to approach a bank to deal with this matter, and in practice, most banks don't know how to do it. We used to work with a bank that has a solution, but later on they stopped.

Now in the banking industry, it is very difficult for any bank to openly undertake such matters.

Most importantly, we do still have one bank office that is willing to help such foreign corporate owners of China property to open account and [repatriate money out of China](#).

So write an email to us now!



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