Appendix:

**Operating Guidelines for Foreign Exchange Transactions for Direct Investment**

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**Introduction of Operating Guidelines for Foreign Exchange Transactions for Direct Investment**

I. Registration of the foreign exchange for direct investment (including spot exchange and RMB, similarly hereinafter) is a precondition for an applicant to operate the subsequent foreign exchange transactions for direct investment. An applying entity shall at first apply for registration of foreign exchange for direct investment with its local bank, and obtain the business registration certificate (affixed with the bank’s special seal), as an evidence to operate the subsequent business including account opening and funds transfer.

II. The applicant and bank shall operate relevant transactions in strict accordance with these Guidelines. The applicant is liable for the authenticity and lawfulness of items applied for, and the documents submitted for the application are important evidences to ensure the accuracy of the items.

III. A bank shall conduct the foreign exchange registration for direct investment through the capital account information system of the SAFE; perform, with reference to the registration information and quota limit and other information in the said system, the subsequent foreign exchange transactions for the applicant; establish a sound internal control system compatible with these Guidelines and the said system, in order to ensure the accuracy, completeness and timeliness of such operations; and maintain a full set of documents relevant to the transactions (which can be disposed of two years upon cancellation of the foreign exchange registration for direct investment by relevant market entity), for reassessment and reexamination.

IV. The related documents to be collected or examined under these Guidelines are limited to those required by the SAFE; upon application for transactions, other related documents must be submitted by the applicant in accordance with the provisions prescribed by other competent authorities, the three principles for bank business development (“know your customer”, “understand your business” and “due diligence”) and its own internal control system. Besides originals of the application and registration forms needed, the bank shall, in collecting or reviewing relevant documents, verify the originals and maintain the photocopies affixed with official seal of the applicant (or personal signature in case of an individual).

V. When undertaking foreign exchange transactions under direct investment for a relevant market entity, a bank shall at first verify whether the applicant has reported the data of its accumulated equity in direct investment for prior years on a timely, accurate and complete basis. Where the data is not reported in accordance with regulations, the bank shall request the applicant to report the data to the foreign exchange authority as required before undertaking the foreign exchange transactions under direct investment for the applicant.

VI. Foreign exchange funds under direct investment can be transferred directly between accounts of the same name and type (other than accounts for capital account transactions - accounts for settled foreign exchange funds to be paid) upon verification by a bank on the evidentiary documents for the authenticity of transactions. Where domestic transfer of foreign exchange funds is necessary for an account holder to grant entrusted loan in foreign currency, participate in foreign currency fund pool, extend overseas loans, purchase principal-protected wealth management product and conduct other capital account transactions registered or approved, the bank can proceed with the transfer directly upon verification on the evidentiary documents for the authenticity of the transactions. Where the funds under domestic transfer is required to be returned through the original route, the bank shall not close the transfer-out account of the enterprise.

VII. Interest or yield on the foreign exchange account related to direct investment under these Guidelines can be retained by the applicant in such account, and afterwards, may be transferred to and retained in the settlement account under the current account or directly settled into RMB by the bank.

VIII. Where a bank should adjust or modify any information previously registered in the capital account information system of the SAFE, the bank shall timely notify the foreign exchange authority and resubmit the updated information in accordance with relevant reporting requirements.

IX. For regions participating in pilot reform of foreign exchange administration on direct investment, relevant banks and applicants can conduct foreign exchange transactions for direct investment in accordance with the pilot polices.

X. Where a bank is, while processing transactions, requested for registration of preliminary expenses over prescribed limit under direct investment for objective reasons, supplementary registration of foreign exchange for the establishment of special purpose vehicles by domestic residents, and for conducting other transactions not clearly specified, the bank shall timely report the request to the foreign exchange authority where the relevant market entity is registered for processing according to the collective review system and on a case-by-case basis.

**Part One Foreign Exchange Transactions for Domestic Direct Investment**

**1.1 Registration of Basic Information on Preliminary Expense for Domestic Direct Investment**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).3. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013]).4. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies for Foreign Exchange Administration under the Capital Account (Huifa No. 2 [2014])5. Other Relevant Laws and Regulations |
| **Documents Required** | 1. Application Form for Registration of the Basic Information on Domestic Direct Investments (I).Notice of pre-approval of company name issued by the administrative authority for industry and commerce, or relevant certificate issued by competent industrial authority. |
| **Processing Principles** | 1. A foreign investor shall register the basic information on preliminary expenses with the bank at the place where the foreign-invested enterprise is subsequently incorporated before opening an account and deposit funds in such account for preliminary expenses.2. The preliminary expenses duly registered may be deemed as capital contribution by the foreign investor to the foreign-invested enterprise subsequently incorporated.3.The preliminary expenses registered for each investment project shall not, in principle, exceed the equivalent value of USD 300,000; where the expenses exceed the limit due to special circumstances or actual requirements, the foreign investor shall apply to the foreign exchange authority where the foreign-invested enterprise is subsequently incorporated for processing （the foreign exchange authority shall process according to the collective review system and on a case-by-case basis)4. The effective period of a foreign exchange account for preliminary expenses is 6 months (from the date of opening). If there are sound objective reasons, the entity opening the account may apply to the bank for an extension not exceeding 12 months by presenting a written explanation.5. Unless otherwise prescribed, foreign investors making direct investment into domestic banks and non-bank financial institutions (including insurance companies) are subject to these Guidelines (e.g., foreign investors making direct investment in domestic banks may submit the approval document issued by the banking regulatory authority for registration of basic information on preliminary expenses for domestic direct investment in the name of a preparatory group). |

**1.2 Registration of Basic Information on Newly Established Foreign-invested Enterprises**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the Ministry of Foreign Trade and Economic Cooperation, the State Administration of Taxation, the State Administration for Industry and Commerce, and the State Administration of Foreign Exchange on Relevant Issues Concerning Strengthening Examinations and Approvals, Registration, and Foreign Exchange and Tax Administration of Foreign-invested Enterprises (Waijingmaofafa No. 575 [2002]). 3. Circular of the State Administration for Industry and Commerce, the Ministry of Commerce, the General Administration of Customs, and the State Administration of Foreign Exchange on Printing and Distributing the Implementation Opinions on Several Issues Concerning Application of the Law in the Administration of the Examination, Approval, and Registration of Foreign-invested Companies (Gongshangwaiqizi No. 81 [2006]).4. Circular of the State Administration of Foreign Exchange and the Ministry of Construction on Issues Related to Regulating Foreign Exchange Administration of the Real Estate Market (Huifa No. 47 [2006]). 5. Announcement of the State Administration of Taxation and the State Administration of Foreign Exchange on Issues Concerning the Filing for the Tax Record for External Payments under Trade in Services and Other Items (Announcement No. 40 [2013] of the State Administration of Taxation and the State Administration of Foreign Exchange).6. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).7. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013]).8. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Return Investment by Domestic Residents (Huifa No. 37 [2014])9. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Application Form for Registration of the Basic Information on Domestic Direct Investments (I).2. Organizational code certificate and a duplicate of the business license (an enterprise which shall handle capital verification before registration with the industry and commerce authority in accordance with the relevant provisions, is not required to submit a duplicate of the business license).3. Establishment approval document from the relevant competent authority (unless not required by the relevant provisions) and the certificate of approval for foreign-invested enterprises, if any, shall be submitted (a foreign-invested partnership enterprise is only required to submit the enterprise basic information sheet which contains all the registration items of the foreign-invested partnership enterprise, affixed with the seal of the industry and commerce authority).4. A foreign-funded real estate enterprise shall also submit evidentiary materials attesting to having filed for the record with the competent commerce authority.5. Where a foreign investor invests its lawful income derived in China in a newly established foreign-invested enterprise in China, the original tax voucher issued by the competent tax authority shall be submitted (Filing Form of Taxes for External Payments for Trade in Services and Other Accounts, unless not required by the relevant provisions). |
| **Processing Principles** | 1. A foreign-invested enterprise shall handle the registration of the basic information with a bank at the place of incorporation after obtaining a business license and shall obtain the business registration certificate; Where a foreign-funded investment company makes domestic reinvestment with foreign exchange funds in newly established foreign-invested enterprise, the registration of the basic information on the receipt of domestic reinvestment shall be completed; where the foreign-funded investment company makes co-investments with foreign investors, the invested enterprise shall respectively handle the registration of the basic information on the receipt of domestic reinvestment and the registration of the basic information on newly established foreign-invested enterprise. Specifically, the foreign-funded investment company shall be registered as Chinese shareholder when handling the registration of the basic information on newly established foreign-invested enterprise.2. The applicant shall faithfully disclose whether the domestic residents, directly or indirectly, hold shares of or control the foreign investors. Where the domestic residents, directly or indirectly, hold shares of or control the foreign investors, the bank shall mark it as "round-trip investment" in the capital account information system of the SAFE upon handling the foreign exchange registration procedures for the foreign-invested enterprise.3. Registration of the basic information shall be completed with reference to the Operational Guidelines for the establishment of other foreign-invested institutions not as a legal person (other than branches, such as representative offices).4. The foreign-invested enterprise shall register all the modes and amounts of capital contributions by foreign investors; The total cross-border inflows of spot exchange and RMB shall not exceed the total amount of registered funds that may be remitted inward in cross-border transactions by the foreign investors. Where the investment amount is not specified in the approval document issued by the competent authority, the bank shall, in light of the evidentiary documents issued by the supreme authority of the enterprise and following the principle of actual requirements, register the amount which can be remitted inward for the enterprise.5. When handling registration in the capital account information system of the SAFE, the bank shall distinguish the mode of contribution by the foreign investors upon establishment of a foreign-invested enterprise; where a foreign investor makes domestic reinvestment or capital increase with profit lawfully derived in China, the mode of contribution shall be registered as reinvestment with RMB profit; where a foreign investor makes domestic reinvestment with income from domestic equity transfer, capital reduction, early recovery of investment, or liquidation, and increases capital with surplus reserve, capital reserve, or principal and interest of the external debt of the invested enterprise, the means of the contribution shall be registered as reinvestment with non-RMB profit; in case of transfer in the original currency of its other domestic foreign exchange account under the capital account, the mode of contribution shall be registered as domestic foreign exchange.6. After completion of the registration, the bank shall indicate the registered items, the registered amount, and the date, and shall affix the special business seal of the bank on the original tax voucher issued by the competent tax authority, and shall retain a copy thereof with such indication and the special business seal.7. Where not all the preliminary expenses of a foreign investor have been converted into RMB, the funds in original currency shall be transferred to the capital account for further use after the foreign exchange settlement, and the means of the contribution shall be registered in the capital account information system of the SAFE as remittance from overseas. The preliminary expenses already converted into RMB may also be used as capital contribution by the foreign investor and the mode of contribution shall be registered as foreign exchange settlements of the preliminary expenses.8. With respect to Sino-foreign cooperative projects for energy exploitation, where the foreign investors and the specific projects obtain business licenses separately in different regions, the enterprise may choose a local bank therein to handle the foreign exchange registration procedures.9. Foreign investors (newly) establishing banks and non-bank financial institutions (including insurance companies) through domestic direct investment are subject to these Guidelines. |

**1.3 Registration of Basic Information on Foreign-invested Enterprises for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the Ministry of Foreign Trade and Economic Cooperation, the State Administration of Taxation, the State Administration for Industry and Commerce, and the State Administration of Foreign Exchange on Relevant Issues Concerning Strengthening Examination and Approval, Registration, Foreign Exchange, and Tax Administration of Foreign-invested Enterprises (Waijingmaofafa No. 575 [2002]).3. Circular of the State Administration for Industry and Commerce, the Ministry of Commerce, the General Administration of Customs, and the State Administration of Foreign Exchange on Printing and Distributing the Implementation Opinions on Several Issues Concerning Application of the Law in the Administration of the Examination, Approval, and Registration of Foreign-invested Companies (Gongshangwaiqizi No. 81 [2006]).4. Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (Decree No. 10 [2006] of the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange).5. Circular of the State Administration of Foreign Exchange and the Ministry of Construction on Issues Related to Regulating Foreign Exchange Administration of the Real Estate Market (Huifa No. 47 [2006]).6. Announcement of the State Administration of Taxation and the State Administration of Foreign Exchange on Issues Concerning the Filing for the Tax Record for External Payments under Trade in Services and Other Items (Announcement No. 40 [2013] of the State Administration of Taxation and the State Administration of Foreign Exchange).7. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).8. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013]).9. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Round-trip Investment by Domestic Residents (Huifa No. 37 [2014])10. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Application Form for Registration of the Basic Information on Domestic Direct Investments (I).2. Organizational code certificate and a duplicate of the business license after changing into a foreign-invested enterprise (an enterprise which shall handle capital verification before registration with the industry and commerce authority in accordance with the relevant provisions, is not required to submit a duplicate of the altered business license; where alteration to the business license is not required in accordance with the relevant provisions, the relevant filing materials shall be submitted).3. The establishment approval document from the relevant competent authorities (unless not required by the relevant provisions), and the approval certificate for foreign-invested enterprises, if any, shall be submitted (a foreign-invested partnership enterprise is only required to submit the enterprise basic information sheet which contains all the registration items of the foreign-invested partnership enterprise, affixed with the seal of the industry and commerce authority).4. Where a special purpose vehicle makes round-trip investment in the form of M&As between affiliates, the establishment approval document from the competent commerce authority shall be presented; a foreign-funded real estate enterprise shall also submit evidentiary materials attesting to having filed for the record with the competent commerce authority.5. Where a foreign investor establishes a foreign-invested enterprise in China by M&As with its lawful income derived in China, the original tax voucher issued by the competent tax authority shall be submitted (Filing Form of Taxes for External Payments for Trade in Services and Other Accounts, unless not required by the relevant provisions). |
| **Processing Principles** | 1. A foreign-invested enterprise shall handle the registration of the basic information with the bank at the place of incorporation after obtaining a business license and shall obtain the business registration certificate. The foreign-invested enterprise shall provide the transferor of equity with the business registration certificate to open an asset realization account. Where a foreign-funded investment company makes domestic reinvestment with foreign exchange funds to establish foreign-invested enterprise by M&A, the registration of the basic information on the receipt of domestic reinvestment shall be completed. Where a foreign-funded investment company makes co-investments with foreign investors, the invested enterprise shall complete the registration of the basic information on the receipt of domestic reinvestments and the registration of the basic information on foreign-invested enterprise established by M&As respectively. Specifically, the foreign-funded investment enterprise shall be registered as Chinese shareholder when going through the registration of the basic information on foreign-invested enterprises established by M&As.2. The applicant shall faithfully disclose whether domestic residents, directly or indirectly, hold shares of or control its foreign investors (by reference to the second paragraph of the processing principles in "1.2 Registration of the Basic Information on Newly Established Foreign-invested Enterprises" of these Guidelines).3. Where a merged and acquired domestic enterprise obtains a certificate of approval and a business license with annotations in accordance with the Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, the bank shall indicate the wording "Effective within 14 months from the date of issuance" in the capital account information system. The wording shall be deleted through an alteration in the capital account information system after the enterprise obtains a certificate of approval and a business license without annotations. Where the certificate of approval and the business license without annotations are not obtained within the prescribed time limit, the bank shall timely report it to the foreign exchange authority where the enterprise is registered, which shall suspend the relevant business of the foreign-invested enterprise by the business control function of the capital account information system.4. Where a foreign investor has acquired 25% or over 25% shareholding of an A-share listed company, and the acquired company has obtained an approval certificate indicated with the wording “foreign-invested joint stock company (through acquisition of 25% or over 25% A-shares)”, the bank shall indicate such wording at the notes column in the capital account information system of the SAFE.5. Where a foreign investor merges and acquires a domestic company with overseas equity, the wording "Effective within 8 months as of the date of issuance" shall be indicated in the capital account information system of the SAFE. The wording shall be deleted after the enterprise obtains a certificate of approval and a business license without annotations. Before deletion of the wording, the enterprise shall not distribute profits to its shareholders or provide guarantees to its affiliated companies, and shall not make external payments under the capital account for equity transfer, capital reduction, or liquidation. Where the domestic and foreign companies fail to complete the formalities for change in equity within 6 months upon grant of business license with annotations by the administrative authority for industry and commerce, the bank shall timely report to the foreign exchange authority at the place where the enterprise is registered, while the foreign exchange authority shall suspend relevant transactions through the control function in the capital account information system of the SAFE and restore the shareholding structure to the status prior to the M&A.6. The foreign-invested enterprise shall register all the modes and amounts of capital contributions by foreign investors; The total cross-border inflows of spot exchange and RMB shall not exceed the total amount of registered funds that may be remitted inward in cross-border transactions by the foreign investors.7. Registration of the basic information shall be completed by reference to the Operational Guidelines for the establishment of other foreign-invested institutions not as legal persons by M&As.8. When handling the registration in the capital account information system of the SAFE, the bank shall distinguish the mode of contribution by the foreign investors upon the M&A.9. After completion of the registration, the bank shall indicate the registered items, the registered amount, and the date, and shall affix the special business seal of the bank on the original tax voucher issued by the competent tax authority, and shall retain a copy thereof with such indication and the special business seal.10. Foreign investors engaging in M&As of domestic banks and non-bank financial institutions (including insurance companies) are subject to these Guidelines. |

**1.4 Alteration of Registration and De-registration of the Basic Information on Foreign-invested Enterprises**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the Ministry of Foreign Trade and Economic Cooperation, the State Administration of Taxation, the State Administration for Industry and Commerce, and the State Administration of Foreign Exchange on Relevant Issues Concerning Strengthening Examination and Approval, Registration, Foreign Exchange, and Tax Administration of Foreign-invested Enterprises (Waijingmaofafa No. 575 [2002]). 3. Circular of the State Administration of Foreign Exchange on Forwarding the Circular of the General Office of the State Council on Relevant Issues Concerning the Proper Handling of Existing Projects with Guaranteed Fixed Returns on Investments by Foreign Parties (Huifa No. 105 [2002]).4. Circular of the State Administration for Industry and Commerce, the Ministry of Commerce, the General Administration of Customs, and the State Administration of Foreign Exchange on Printing and Distributing the Implementing Opinions on Several Issues Concerning Application of the Law on Administration of the Examination, Approval, and Registration of Foreign-invested Companies (Gongshangwaiqizi No. 81 [2006]).5. Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (Decree No. 10 [2006] of the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange).6. Circular of the State Administration of Foreign Exchange and the Ministry of Construction on Issues Related to Regulating Foreign Exchange Administration of the Real Estate Market (Huifa No. 47 [2006]).7. Announcement of the State Administration of Taxation and the State Administration of Foreign Exchange on Issues Concerning the Filing for the Tax Record for External Payments under Trade in Services and Other Items (Announcement No. 40 [2013] of the State Administration of Taxation and the State Administration of Foreign Exchange).8. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).9. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013]).10. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Round-trip Investment by Domestic Residents (Huifa No. 37 [2014])11. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Alteration of Registration in Capital Changes, such as Capital Increases, Capital Reductions, and Equity Transfers.1. Application Form for Registration of the Basic Information on Domestic Direct Investments (I).2. Approval documents from the relevant competent authority (unless not required by the relevant provisions), and the certificate of approval for foreign-invested enterprises, if any, shall be submitted (where the foreign-invested partnership enterprise has any change to its registered items, it is only required to submit the enterprise basic information sheet which contains all the registration items on the foreign-invested partnership enterprise, affixed with the seal of the industry and commerce authority). Where the foreign shareholders reduce their shares in the A-share listed company by no more than 5 percent of the total share capital, they are only required to submit the evidentiary materials issued by the securities registration and clearing institution for the changes in the shareholding of the foreign shareholders. The materials evidencing having filed for the record with the competent commerce authority shall also be submitted for the alteration of the registration for capital increase by the foreign investors of a foreign-funded real estate enterprise, equity transfers by Chinese investors to foreign investors, or the addition of property development in the business scope of a foreign-invested enterprise; where the currency of the registered capital is changed, the materials evidencing the change in currency of the registered capital issued by the relevant competent authority shall also be submitted.3. Where a foreign investor increases the capital of the foreign-invested enterprise in China with its lawful income derived in China, and where the equity transfer is made and external payment for the consideration of the equity transfer is required, the original tax voucher issued by the competent tax authority (Filing Form of Taxes for External Payments for Trade in Services and Other Accounts) shall be submitted (unless not required by the relevant provisions).II. Alteration (Migration) of the Place of Incorporation (Competent Foreign Exchange Authority)1. Application Form for Registration of the Basic Information on Domestic Direct Investments (I).2. Supporting documents for the approval of the alteration items of the enterprises or financial institutions by the relevant competent authorities.III. Alteration of Registration of Items Other than Capital Changes and Migration1. The altered certificate of approval from the competent commerce authorities or the relevant filing documents.2. Duplicate of the altered business license or other certificates for such a change.IV. Registration of and Alteration to Registration of the Basic Information on the Early Recovery of Investments by Foreign Investors in Chinese-Foreign Cooperative Enterprises1. Application Form for Registration of the Basic Information on Domestic Direct Investments (I).2. Approval documents from the relevant competent authorities (where the competent authorities do not issue approval documents for the early recovery of the investment, the cooperation contract and the resolution issued by the highest authorities of the enterprise with respect to the early recovery of the investment by the foreign investors shall be submitted).V. De-registration of the Basic Information1. Application Form for Registration of the Basic Information on Domestic Direct Investments (I).2. For de-registration due to liquidation, the following materials shall be submitted: in the event of a liquidation due to expiry of the term of operation, the liquidation notice required by the Company Law shall be submitted; In the event of a liquidation before expiry of the term of operation or a special liquidation required to be approved by the competent authorities, the approval document for the liquidation of the enterprise issued by the competent authorities shall be submitted; otherwise, the announcement on (or document evidencing) the revoking of the business license by the industry and commerce authority, or the relevant documents evidencing the fact that the people's court has issued a judgment to dissolve the company, shall be submitted.3. Cancellation certificate for the tax registration.4. In the event of a common liquidation, the liquidation audit report issued by the accounting firm shall be submitted, and in the event of a special liquidation, the liquidation report confirmed by the competent authority shall be submitted (Not required for cancellation due to merger through absorption); |
| **Processing Principles** | I. Alteration of Registration of the Basic Information1. Where a foreign-invested enterprise experiences any change in the basic information (including but not limited to the enterprise name, business scope, legal representative, address, etc.), any change in the investment information (including but not limited to the registered capital, total investment, mode of contribution, currency of registered capital, investor, and the amount of capital contribution subscribed to by the investor, etc.), and enterprise combination, division, migration, or any change in the currency of the registered capital, etc., it shall go through the formalities for altering registration of the basic information with the bank at the place of incorporation after approval by or recording with the competent authorities.2. The applicant shall faithfully disclose whether domestic residents, directly or indirectly, hold shares of or control its foreign investors (by reference to the second paragraph of the processing principles in "1.2 Registration of the Basic Information on Newly Established Foreign-invested Enterprises" of these Guidelines). Where the domestic residents no longer, directly or indirectly, hold shares of or control the foreign investors of the domestic enterprise after the alteration of registration, the bank at the place of incorporation may delete the mark related to round-trip investment in the capital account information system of the SAFE in accordance with the relevant provisions, after the domestic residents or the authority of the special purpose vehicle submits the relevant materials evidencing authenticity.3. Upon alteration of registration in a capital reduction, the proceeds from the capital reduction (which may be used for outward remittances or domestic reinvestments) shall be limited to those from a reduction of the paid-up capital by the foreign investors, excluding the capital reserve, surplus reserve, undistributed profit, and other owners' equity; Where the proceeds from the capital reduction are used to make up for book losses or to reduce the obligation of the foreign investors for capital contribution, the proceeds from the capital reduction shall be set as zero.4. Where a foreign-invested enterprise experiences a combination, the surviving enterprise shall complete the registration of the capital increase with the bank at the place of incorporation, and the acquired enterprise shall complete the de-registration with the bank at the place of incorporation; where a new foreign-invested enterprise is established, registration of the new establishment shall be completed, and the wording "combination" indicated in the notes column. Where a foreign-invested enterprise experiences a division, the surviving enterprise shall complete the registration of the capital reduction, the newly established enterprise through the division shall complete the registration of a new establishment, and the wording "division" shall be indicated in the notes column. Where the original foreign-invested enterprise is de-registered, the enterprise shall complete the de-registration with the bank at the place of incorporation. The mode of contribution to the surviving or newly-established enterprise shall be “combination” or “division”.5. After completing the alteration of registration, the bank shall indicate the registered items, registered amount and date on the original tax voucher with the special business seal of the bank affixed, and shall retain a copy thereof with such indication and the special business seal.6. The foreign-invested enterprise shall register all the modes and amounts of capital contributions by foreign investors; The total cross-border inflows of spot exchange and RMB shall not exceed the total amount of registered funds that may be remitted inward in cross-border transactions by the foreign investors.7. The alteration of registration handled by the foreign-invested institution not as a legal person shall be completed with reference to the Operational Guidelines.8. Where foreign shareholders of a domestic listed company apply for outward remittance of proceeds due to decrease in the shareholding, the said shareholders, shall apply to the foreign exchange authority where the listed company is incorporated provided that the transaction is under cross-border securities investment.9. Where a foreign investor ("Equity Contributor") makes a capital contribution to the domestic enterprise ("Invested Enterprise B") with its equity in another domestic enterprise ("Equity Enterprise A") held by the Equity Contributor, the following sequence shall be followed: First, the bank where the Equity Enterprise is registered shall handle the procedures of change registration for the Equity Enterprise A and deliver the printed change registration certificate to the foreign investor after checking that the Equity Enterprise A has fully contributed the capital; next, the Invested Enterprise B may apply to the bank at the place of incorporation for establishment registration, alteration of registration of a capital increase or equity transfer by presenting change registration certificate.10. Where a foreign investor acquires the equity of Chinese shareholders of the foreign-invested enterprise, the foreign-invested enterprise shall complete the alteration of foreign exchange registration and shall obtain the subsequent business registration certificate, before providing the Chinese shareholders with the business registration certificate for opening asset realization accounts.II. Registration of and Alteration to Registration of the Basic Information on the Early Recovery of Investments by Foreign Investors in Chinese-Foreign Cooperative Enterprises1. The bank shall examine whether the information contained in the application forms of the enterprises is consistent with the information contained in the approval documents from the relevant competent authorities or the agreement of the cooperation contracts, and shall not handle the registration procedures if they are not consistent.2. The outward remitted funds in aggregate due to an early recovery of the investments by a foreign investor shall not exceed the funds actually invested by such foreign investor. The excess shall be handled by reference to a profit remittance.III. De-registration of the Basic Information1. Where a foreign-invested enterprise is canceled due to such causes as bankruptcy, dissolution, expiration of the operation period, combination, or division, it shall complete the de-registration of the basic information with the bank at the place of incorporation after the expiry of the liquidation notice period.2. Where a foreign-invested enterprise is changed into a domestic-funded enterprise due to capital withdrawals by its foreign investors, such as capital reductions, equity transfers, or early recovery of investments, it shall complete the alteration to registration of the basic information with the bank at the place of incorporation after obtaining the altered business license.3. Where the original foreign-invested enterprise is canceled due to combination or division, the item "Reinvestment" shall be selected under the "Disposal Plan for the Income of the Foreign Shareholders upon Liquidation" in the capital account information system of the SAFE, when the original enterprise completes the de-registration of the basic information.4. Where a listed company is changed into domestic-funded enterprise due to shares reduction by its foreign shareholders, the listed company shall complete the procedures for alteration to registration of the basic information with the bank at the place of incorporation after obtaining the altered business license.5. Where a foreign-invested enterprise is canceled due to liquidation, in principle, the de-registration of the basic information shall be completed before the de-registration with the industry and commerce authority. Where the foreign-invested enterprise applies for de-registration of foreign equity after completing the de-registration with the industry and commerce authority, the applying entity shall be the liquidation group of the foreign-invested enterprise and the application materials shall include; the application signed by the principal of the liquidation group and affixed with the common seals of all the shareholders of the original foreign-invested enterprise (if a common seal is not available, it shall be signed by the legal representative); the approval documents from the relevant competent authority regarding the liquidation and cancellation of the original foreign-invested enterprise or other supporting documents (such as a court decision or an administrative revocation document); the de-registration certificate issued by the industry and commerce authority; evidentiary materials issued by the industry and commerce competent authority regarding the lawful establishment of the liquidation group; the identity certificate of the foreign shareholder; the liquidation report, and the guarantee issued by all the shareholders of the original foreign-invested enterprise (the content of which shall be as follows: all shareholders guarantee that the liquidation group has liquidated the original foreign-invested enterprise in accordance with the law, all the documents submitted by the applicant to the bank are true and valid, and all shareholders will assume all responsibilities arising from any breach of the above guarantee).IV. Unless otherwise prescribed, relevant business handled by foreign-invested banks and non-bank financial institutions (including insurance companies) are subject to these Guidelines. |

**1.5 Registration and Change of Basic Information on the Entity Opening Foreign Exchange Account for Security Deposit**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).3. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013]).4. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Application Form for the Registration of the Basic Information on Domestic Direct Investments (II).2. Documents evidencing the actual requirements for a domestic institution to open a foreign exchange account for security deposit. |
| **Processing Principles** | 1. The entity opening the account shall apply for registration or change of basic information with the bank at the place where the entity is incorporated.2. For remittance into the security deposit account from overseas, the bank shall, upon registration of basic information on the entity opening the account, register the FDI security deposit in the module for agreement information, while the domestic entity shall apply to the bank for account opening and other relevant transactions by presenting the business registration certificate. For domestic transfer to the security deposit account, the bank only needs to register the basic information on the entity opening the account. |

**1.6 Registration and Change of Basic Information on Receipt of Domestic Reinvestment**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council)2. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])3. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013])4. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Application Form for the Registration of the Basic Information on Domestic Direct Investments (II).2. In case that approval of relevant competent authority must be obtained, the approval document shall be presented; otherwise, the agreement on capital contribution shall be presented. |
| **Processing Principles** | 1. Domestic institutions shall, when receiving foreign exchange reinvestment by foreign-invested enterprises whose principal activity is investment (foreign-funded investment company, foreign-funded venture capital enterprise or foreign-funded equity investment enterprise) or other domestic entities, apply for registration of basic information on receipt of domestic reinvestment with the bank at the place of incorporation before opening the special account for domestic reinvestment.2. Domestic institutions or individuals shall, when receiving the consideration in foreign exchange given by domestic entities on the transfer of equity, apply for registration of basic information on receipt of domestic reinvestment with the bank at the place of incorporation (where the main personal assets are located) before opening the special account for domestic reinvestment. |

**1.7 Registration of Accounting Entry of Monetary Contribution for Domestic Direct Investment**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])3. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013])4. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Application Form for Registration of Accounting Entry of Monetary Contribution for Domestic Direct Investment.2. Business registration certificate. |
| **Processing Principles** | 1. Upon receipt of capital remitted from overseas or transferred domestically by a foreign investor (capital contribution in any other manner is not subject to the registration of accounting entry), the receiving bank shall urge the target enterprise to submit the application for registration of monetary contribution entry as soon as possible, and complete the registration on a timely basis (in principal, within 5 working days) through the capital account information system of the SAFE.2. Where the contributor is inconsistent with the investor, the bank shall indicate the inconsistency in the registration of capital contribution entry.3. The exchange rate used for the registration of capital contribution entry shall be the middle rate of RMB or cross rate between different foreign currencies released by the People’s Bank of China on the entry date of capital; where there is no corresponding middle rate of RMB, the posted exchange rate of the opening bank shall prevail on the entry date of capital.4. The handling fees collected by domestic banks upon inward remittance shall be deemed as registration of accounting entry of capital contribution by foreign investors.5. The bank shall, in the capital account information system of the SAFE, check and align the information in the application, the registered basic information collected by the system and data of funds inflow. |

**1.8 Registration of Accumulated Equity for Domestic Direct Investment (Yearly)**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])3. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013])4. Other Relevant Laws and Regulations. |
| **Documents Required** | Statement of Foreign Equity for Domestic Direct Investment, as submitted through the capital account information system of the SAFE to the foreign exchange authority by the foreign-invested enterprise itself or via an accounting firm or bank． |
| **Processing Principles** | 1. During the period from January 1 to September 30 of each year, the foreign-invested enterprise shall report relevant data on the accumulated equity in domestic direct investment for the last year through the enterprise terminal, bank terminal or accounting firm terminal of the capital account information system of the SAFE.2. The foreign-invested enterprise shall be liable for the authenticity and accuracy of the information provided, which is not to be examined on an item-by-item basis by the local foreign exchange authority at the place of incorporation.3. The foreign exchange authority where the foreign-invested enterprise is registered shall conduct random inspection on the registration of accumulated equity for domestic direct investment as reported by the enterprise; in case of cover-up or fraud, the foreign exchange authority shall suspend the related business of such enterprise through control function of the capital account information system based on relevant procedures, and impose penalties according to the law.4. The bank shall confirm whether the foreign-invested enterprise has registered accumulated equity for domestic direct investment in accordance with regulations and whether it has been under control before undertaking foreign exchange business under the capital account for the enterprise. The bank shall not undertake the foreign exchange business under the capital account for the enterprise which hasn’t completed the registration in accordance with regulations or has been under control.5. Registration of accumulated equity for domestic direct investment by foreign-invested banks and non-bank financial institutions (including insurance companies) are subject to these Guidelines. |

**1.9 Opening, Accounting Entry and Use of Foreign Exchange Accounts for Preliminary Expenses**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Regulations on the Administration of Domestic Foreign Exchange Accounts (Yinfa No.416 [1997]).3. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])4. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013])5. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Account opening and accounting entry1. Business registration certificates.2. The inflow quota list for the preliminary expenses printed at the bank terminal of the capital account information system of the SAFE.II. Use of funds in the accounts1. Documents are required for foreign exchange settlement in accordance with Section 1.14 Foreign Exchange Settlement of Funds in Foreign Exchange Accounts Involved in Domestic Direct Investment of these Guidelines. Approval documents issued by the CSRC are required for the foreign exchange settlement of preliminary expenses invested strategically by foreign investors to listed companies.2. Documents are required for transfer of funds in accordance with Section 1.15 Transfer in Original Currency from the Foreign Exchange Account for Preliminary Expenses of a Foreign Investor of these Guidelines.3. Documents are required for payments under the current account in accordance with the relevant requirements on authenticity examination under the current account; the registration documents issued by the foreign exchange authorities (banks) or approval documents by the foreign exchange authorities are required for payments under the capital account. |
| **Processing Principles** | I. Account opening and accounting entry1. An account shall be opened, in principle, in the name of the foreign investor (according to relevant regulations, when capital verification is required for an enterprise or financial institution before registration with the administrative authority for industry and commerce, the notice of pre-approval of company name issued by such authority or relevant certificate issued by competent industrial authority shall be required for account opening in the name of related domestic entity). Banks shall open the accounts according to the inflow quota list for preliminary expenses.2. When establishing one foreign-invested enterprise or foreign-invested financial institution, a foreign investor may, in principle, open only one foreign exchange account for preliminary expenses; the account shall be opened, in principle, at the place where such foreign-invested enterprise or financial institution is expected to be incorporated.3. Scope of receipts through the account: Preliminary expenses remitted by foreign investors from overseas for establishing foreign-invested enterprise or financial institution, which are within the amount registered in the capital account information system of the SAFE, and funds for capital verification.4. Scope of payments through the account: domestic utilization through foreign exchange settlement with reference to the management principle for foreign exchange settlement of capital, outward payments under the current account upon authenticity examination, return overseas via original route, transfer in the foreign exchange capital account of foreign-invested enterprise subsequently established, and payments under the capital account as registered by the foreign exchange authorities (banks) or approved by the foreign exchange authorities.5. The source of funds in the account is limited to remittance from overseas (deposit accounts or offshore accounts of nonresidents are deemed as overseas sources), excluding cash deposits.6. Banks shall check the capital account information system of the SAFE before handling the accounting entry according to the outstanding balance in the inflow quota list for preliminary expenses.II. Use of funds in the accounts1. Foreign exchange settlement is subject to the principles in Article I Foreign Exchange Settlement of Funds in the Account for Foreign Exchange Capital of Section 1.14 Foreign Exchange Settlement of Funds in Foreign Exchange Accounts Involved in Domestic Direct Investment in these Guidelines (but the documents in Item 5 are not required).2. Foreign exchange payments under the current account are subject to the principles for authenticity examination under the current account.3. The balance of funds in the account can be transferred into the capital account upon establishment of the foreign-invested enterprise or foreign-invested financial institution. Where a foreign-invested enterprise or financial institution is not established, foreign investors shall apply to the bank for closure of such account, and the remaining funds in the account shall be returned overseas via original route.4. The funds in the account shall not be used for extending pledged or entrusted loans.III. Other requirements1. After handling the business, the banks shall submit the relevant information through the capital account information system of the SAFE in a timely manner.2. The effective period of a foreign exchange account for preliminary expenses is 6 months (from the date of opening). If there are sound objective reasons, the entity opening the account may apply to the bank for an extension not exceeding 12 months by presenting a written explanation. |

**1.10 Opening, Accounting Entry and Use of Foreign Exchange Capital Account**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Regulations on the Administration of Domestic Foreign Exchange Accounts (Yinfa No.416 [1997]).3. Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 142 [2008])4. Circular of the State Administration of Foreign Exchange on Releasing the Provisions for the Centralized Operations and Administration of Foreign Exchange Funds of Internal Members of Domestic Enterprises (Huifa No. 49 [2009])5. Supplementary Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 88 [2011])6. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])7. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013])8. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Account opening and accounting entry1. Business registration certificates.2. The capital inflow quota list printed at the bank terminal of the capital account information system of the SAFE.II. Use of funds in the accounts1. Documents are required for foreign exchange settlement in accordance with Section 1.14 Foreign Exchange Settlement of Funds in Foreign Exchange Accounts Involved in Domestic Direct Investment of these Guidelines.2. Documents are required for transfer of funds in accordance with Section 1.16 Transfer in Original Currency from the Foreign Exchange Capital Account of Foreign-Invested Enterprise of these Guidelines.3. Documents are required for payments under the current account in accordance with the relevant requirements on authenticity examination under the current account; the registration documents issued by the foreign exchange authorities (banks) or approval documents by the foreign exchange authorities are required for payments under the capital account. |
| **Processing Principles** | I. Account opening1. The account shall be opened in the name of a foreign-invested enterprise. Banks shall open the accounts according to the capital inflow quota list.2. More than one account can be opened at different banks or places. 3.Scope of receipts through the account: foreign exchange capital inward remitted or capital subscribed and contributed by foreign investors (including contributions from non-resident deposit accounts, offshore accounts, and domestic foreign exchange accounts of foreign individuals); foreign exchange capital or capital subscribed by foreign investors as inward remitted via the special accounts for security deposits of overseas remittances; Funds transferred out from this account into and subsequently returned from special account for security deposit domestically transferred, account for entrusted loan, special account for centralized funds management, special account for overseas lending and special account for principal-protected investment products of banks; funds transferred from capital account of the same name; funds returned due to cancellation of transaction; and other receipts registered by the foreign exchange authorities (banks) or approved by the foreign exchange authorities (such as funds transferred from accounts under the current account or from accounts for external debts).4. Scope of payments through the account: Utilization after foreign exchange settlement within business scope in accordance with regulations; domestic transfers in the original currency according to the regulations (to the special account for security deposit domestically transferred, capital account of the same name, account for entrusted loan, special account for concentrated funds management, special account for overseas lending, principal-protected investment products of banks, special account for domestic reinvestment); outward remittances owing to capital reductions or withdrawals by foreign investors; outward payments under the current account upon authenticity examination; and payments under the capital account registered with the foreign exchange authorities (banks) or approved by the foreign exchange authorities.II. Account closure1. Where an enterprise needs to close its account according to requirements of its normal business operation, the bank can close the account upon the application of the enterprise.2. Where the foreign exchange registration of a foreign-invested enterprise is canceled upon conversion into a domestic enterprise, the capital account can be closed after the balance in the account has been used up.III. Accounting entry1. Banks shall check the capital account information system of the SAFE before handling the accounting entry for the enterprise according to the outstanding balance in the capital inflow quota list.2. Banks shall report the balance of payments by source of fund (remittance from overseas or domestic transfer) and nature. Upon receipt of funds domestically transferred in the original currency, banks shall verify the source and purpose of the funds with the entity opening the account. The funds incompliant with the scope of receipts shall be returned via original route.3. Where the actual inflow exceeds the outstanding balance in special circumstances such as exchange rate variation, the accumulated difference shall not, in principle, exceed the equivalent value of USD 30,000.4. Where the investor is inconsistent with the contributor and the funds transferred to the account are not accepted by other competent authority as capital contribution, the bank shall return the funds overseas via original route. Where the funds have been registered for accounting entry of monetary contribution for domestic direct investment, such funds can be returned only after the deregistration, and shall be included in declaration of the balance of payments in accordance with regulations.5. Cash deposit is not allowed for the account.IV. Use of funds in the accounts1. The bank shall check the registration form for accounting entry of monetary contribution for domestic direct investment corresponding to the contribution of the capital as submitted by the entity opening the account (the bank may verify relevant information through the capital account information system of the SAFE). The funds not registered for accounting entry of monetary contribution shall not be used (for purposes including but not limited to foreign exchange settlement, foreign exchange payment and domestic transfer).2. Foreign exchange settlement, remittance and transfer and outward payment within business scope in accordance with regulations3. Domestic transfer-out is subject to the requirement in Section 1.16 Transfer in Original Currency from the Foreign Exchange Capital Account of Foreign-Invested Enterprise of these Guidelines.4. Payments under the current account shall be made in accordance with the principle of authenticity examination under the current account; the registration documents issued by the foreign exchange authorities (banks) or approval documents by the foreign exchange authorities are required for payments under the capital account.V. Other requirements1. After handling the business, the banks shall submit the relevant information through the capital account information system of the SAFE in a timely manner.VI. Unless otherwise prescribed, relevant business handled by foreign-invested banks and non-bank financial institutions (including insurance companies) are subject to these Guidelines (the banks involved are not required to open capital accounts). |

**1.11 Opening, Accounting Entry and Use of Domestic Asset Realization Account**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Regulations on the Administration of Domestic Foreign Exchange Accounts (Yinfa No.416 [1997]).3. Measures for the Administration of Individual Foreign Exchange (Decree No. 3 [2006] of the People’s Bank of China)4. Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (Decree No. 10 [2006] of the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange). 5. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Detailed Rules on Implementation of the Measures for the Administration of Individual Foreign Exchange (Huifa No. 1 [2007])6. Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 142 [2008])7. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])8. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013]).9. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Account opening and accounting entry1. Business registration certificates.2. The inflow quota list for equity transfer printed at the bank terminal of the capital account information system of the SAFE.II. Use of funds in the accounts1. Documents are required for foreign exchange settlement in accordance with Section 1.14 Foreign Exchange Settlement of Funds in Foreign Exchange Accounts Involved in Domestic Direct Investment of these Guidelines.2. Documents are required for transfer of funds in accordance with Section 1.17 Transfer in Original Currency of Funds in the Account for Domestic Asset Realization of these Guidelines.3. Documents are required for payments under the current account in accordance with the relevant requirements on authenticity examination under the current account; the registration documents issued by the foreign exchange authorities (banks) or approval documents by the foreign exchange authorities are required for payments under the capital account. |
| **Processing Principles** | I. Account opening1. The account shall be opened in the name of a domestic equity transferor. Banks shall open the accounts according to the inflow quota list for equity transfer in the capital account information system of the SAFE.2. The equity transferor can only open one account for domestic asset realization for each transaction of equity transfer (installment payments for equity transfer are not deemed as multiple transactions); the account can be opened at another place.3.Scope of receipts through the account: consideration for equity transfer inward remitted by foreign investors (including contributions from non-resident deposit accounts, offshore accounts, and domestic foreign exchange accounts of foreign individuals); consideration for equity transfer as remitted by foreign investors from the special account for security deposit remitted from overseas; funds transferred out from this account into and subsequently returned from special account for security deposit domestically transferred, account for entrusted loan, special account for centralized funds management, special account for overseas lending and special account for principal-protected investment products of banks; and other receipts registered or approved by the foreign exchange authorities (banks).4. Scope of payments through the account: Utilization after foreign exchange settlement within business scope in accordance with regulations; domestic transfers in the original currency according to the regulations (to the special accounts for security deposits domestically transferred, accounts for entrusted loans, special accounts for concentrated funds management, special accounts for overseas lending, special accounts for principal-protected investment products of banks, special accounts for domestic reinvestments); external payments under the current account after authenticity verification; and payment under the capital account registered with or approved by the foreign exchange authorities (banks);II. Closing of accountsWhere an enterprise needs to close its account according to requirements of its normal business operation, the bank can close the account upon the application of the enterprise.III. Accounting entry1. Banks shall handle the accounting entry according to the outstanding balance in the inflow quota list for equity transfer.2. Banks shall report the balance of payments by source of fund (remittance from overseas or domestic transfer) and nature. Upon receipt of funds domestically transferred in the original currency, banks shall verify the source and purpose of the funds with the entity opening the account. The funds incompliant with the scope of receipts shall be returned via original route.3. Where the actual inflow exceeds the outstanding balance in special circumstances such as exchange rate variation, the accumulated difference shall not, in principle, exceed the equivalent value of USD 30,000.4. Cash deposit is not allowed for the account.IV. Use of funds in the accounts1. Foreign exchange settlement, remittance and transfer or outward payment within business scope in accordance with regulations.2. Domestic transfer-out is subject to the principle of Section 1.17 of these Guidelines—Transfer in Original Currency of Funds in the Account for Domestic Asset Realization.3. Payments under the current account shall be made in accordance with the principle of authenticity examination under the current account; Payments under the capital account shall be registered with the foreign exchange authorities (banks) or approved by the foreign exchange authorities.V. Other requirements1. After handling the business, the banks shall submit the relevant information through the capital account information system of the SAFE in a timely manner.VI. Unless otherwise prescribed, relevant business handled by foreign-invested banks and non-bank financial institutions (including insurance companies) are subject to these Guidelines. |

**1.12 Opening, Accounting Entry and Use of the Special Account for Domestic Reinvestment**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Regulations on the Administration of Domestic Foreign Exchange Accounts (Yinfa No.416 [1997]).3. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])4. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013]).5. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Account opening and accounting entry1. Business registration certificates.2. The inflow quota list for domestic reinvestment printed at the bank terminal of the capital account information system of the SAFE.II. Use of funds in the accounts1. Documents are required for foreign exchange settlement in accordance with Section 1.14 of these Guidelines—Foreign Exchange Settlement of Funds in Foreign Exchange Accounts Involved in Domestic Direct Investment.2. Documents are required for transfer of funds in accordance with Section 1.18 of these Guidelines—Transfer in Original Currency of Funds in the Special Account for Domestic Reinvestment.3. Documents are required for payments under the current account in accordance with the relevant requirements on authenticity examination under the current account; the registration documents issued by the foreign exchange authorities (banks) or approval documents by the foreign exchange authorities are required for payments under the capital account. |
| **Processing Principles** | I. Account opening1. The account shall be opened in the name of the entity receiving domestic reinvestment in foreign exchange or consideration for equity transfer in foreign exchange. The bank shall open the account according to the inflow quota list for domestic reinvestment.2. Only one such account can be opened; this account can be opened at a different place.3. Scope of receipts through the account: Funds for domestic reinvestment as transferred from the account for foreign exchange capital or domestic asset realization; funds transferred out from this account into and subsequently returned from special account for security deposit domestically transferred, account for entrusted loan, special account for centralized funds management, special account for overseas lending and special account for principal-protected investment products of banks; and other domestic reinvestment in foreign exchange registered or approved by the foreign exchange authorities (banks).4. Scope of payments through the account: Utilization after foreign exchange settlement within business scope in accordance with regulations; domestic transfers in the original currency according to the regulations (to the special accounts for security deposits domestically transferred, accounts for entrusted loans, special accounts for concentrated funds management, special accounts for overseas lending, and special accounts for principal-protected investment products of banks); external payments under the current account after authenticity verification; and payment under the capital account registered with or approved by the foreign exchange authorities (banks);II. Closing of accountsWhere an enterprise needs to close its account according to requirements of its normal business operation, the bank can close the account upon the application of the enterprise.III. Accounting entry1. Banks shall handle the accounting entry according to the outstanding balance in the inflow quota list for domestic reinvestment.2. Inconsistency between the investor and the contributor is not allowed for domestic reinvestment in foreign exchange. Upon receipt of funds domestically transferred in the original currency, banks shall verify the source and purpose of the funds with the entity opening the account. The funds incompliant with the scope of receipts shall be returned via original route.3. Where the actual inflow exceeds the outstanding balance in special circumstances such as exchange rate variation, the accumulated difference shall not, in principle, exceed the equivalent value of USD 30,000.4. Cash deposit is not allowed for the account.IV. Use of funds in the accounts1. Registration of accounting entry of monetary contribution for domestic direct investment is not required for funds in such account.2. Foreign exchange settlement is subject to the principles in Section 1.14 of these Guidelines—Foreign Exchange Settlement of Funds in Foreign Exchange Accounts Involved in Domestic Direct Investment.3. Domestic transfer-out is subject to the principles in Section 1.18 of these Guidelines—Transfer in Original Currency of Funds in the Special Account for Domestic Reinvestment.4. Payments under the current account shall be made in accordance with the principle of authenticity examination under the current account; Payments under the capital account shall be registered with the foreign exchange authorities (banks) or approved by the foreign exchange authorities.V. Other requirements1. After handling the business, the banks shall submit the relevant information through the capital account information system of the SAFE in a timely manner. |

**1.13 Opening, Accounting Entry and Use of the Special Account for Security Deposit in Foreign Exchange**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Regulations on the Administration of Domestic Foreign Exchange Accounts (Yinfa No.416 [1997]).3. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])4. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013])5. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Account Opening1. Business registration certificate.2. The quota list for receipt of security deposit from overseas printed at the bank terminal of the capital account information system of the SAFE.3. Where an account for security deposit transferred domestically is opened, only the identity document of the entity and documents evidencing demand for opening such account should be submitted.II. Accounting entryUpon receipt of security deposits remitted from overseas or transferred domestically, documents evidencing the authenticity of receiving such security deposit are required (upon receipt of security deposit remitted from overseas for land bidding or equity transaction, public announcement relevant to the transaction and application of the entity participating in the bidding or related confirmation shall be submitted).III. Transfer outwardDocuments evidencing authenticity and lawfulness of transactionsIV. Return overseasDocuments evidencing the authenticity of unsuccessful transaction for which the security deposit shall be returned overseas via original route (e.g., document confirming the unsuccessful bid issued by the land administration authority shall be submitted regarding security deposit for land bidding; document confirming the unsuccessful transaction issued by the equity exchange shall be submitted regarding security deposit for equity transaction). |
| **Processing Principles** | I. Account opening1. Banks shall open the accounts according to the quota list for receipt of security deposit from overseas in the capital account information system of the SAFE.2. This account is classified into two types, i.e., special account for security deposit remitted from overseas and special account for security deposit domestically transferred, which shall not be for mixed use. Every entity opening the account may, in principle, open one special account for security deposit remitted from overseas, and more than one account for security deposit transferred domestically.3. The account shall be opened at the place where the entity opening the account is incorporated, and shall not be opened at any other place.4. Scope of receipts through the account: Security deposits under domestic direct investment as remitted (transferred) for transactions including bidding.5. Scope of payments through the account: Return via original route, lawful domestic capital contribution or domestic/overseas payment of consideration by foreign investors.II. Account closureWhere an enterprise needs to close its account according to requirements of its normal business operation, the bank can close the account upon the application of the enterprise.III. Accounting entryCash deposit is not allowed for the account.IV. Use of funds in the accounts1. Banks shall examine the authenticity of transaction background for payment of security deposit; any fictitious transactions are prohibited.2. Funds in the account shall be only used as security deposit for the transactions, but not for foreign exchange settlement nor for pledged loans.3. Funds in the special account for security deposit transferred domestically shall be returned to the original account receiving the transfer, irrespective of the success or failure of the bid. Funds in the special account for security deposit remitted from overseas may be used as domestic capital contribution to the foreign-invested enterprise subsequently established upon successful bid, or shall be returned overseas via original route upon unsuccessful bid.V. Other requirements1. After handling the business, the banks shall submit the relevant information through the capital account information system of the SAFE in a timely manner. |

**1.14 Foreign Exchange Settlement of Funds in Foreign Exchange Accounts Involved in Domestic Direct Investment**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 142 [2008])3. Supplementary Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 88 [2011])4. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])5. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013])6. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Foreign exchange settlement of funds in the account for foreign exchange capital1. The Letter of Payment Order for the RMB funds derived from the foreign exchange settlement of capital (The Letter of Payment Order refers to a written order issued and signed by an enterprise or an individual, based on which a bank makes an external payment with the RMB obtained from the settlement of capital).2. Documents certifying the purpose of the RMB obtained from the settlement of capital (including the commercial contract or the payment notice provided by the payee. The payment notice shall contain the main clauses of the business contract, the amount of money, the name and bank account number of the payee, the purpose of the capital). This item requires checking the originals and retaining the copies affixed with the enterprise’s official seal or financial seal.3. Invoice and other relevant vouchers for the external payments of the RMB funds derived from the preceding foreign exchange settlement of capital in accordance with the Letter of Payment Order (the originals shall be verified and the photocopies affixed with the enterprise’s official seal or special financial seal, and with the annotation by the foreign exchange settlement bank indicating the amount and date of foreign exchange settlement shall be retained), the printed copy of the results of the authenticity inquiry with the tax authorities on the online invoices, which are affixed with the enterprise’s official seal or financial seal, and the breakdown list of the use of such RMB funds (where the current foreign exchange settlement is in a lump sum, or the last installment of the foreign exchange settlement by installments, the enterprise shall submit the above materials to the bank within 20 working days after the foreign exchange settlement).4. Special voucher, demand notice or tax payment certificate is required for payment with RMB funds derived from foreign exchange settlement for taxes and fees to state organs or public institutions (the original copy shall be verified, while the photocopy affixed with official seal or special financial seal of the enterprise shall be retained).5. The bank shall check whether the foreign exchange settlement has been duly registered for accounting entry of monetary contribution correspondent to domestic direct investment through the capital account information system of the SAFE, and print and retain the relevant registration form.6. For the foreign exchange settlement of the reserve in an amount equivalent to USD 50,000 or less, the enterprise need not submit the above documents as listed in item 2 and 3 for the reserve.7. The foreign exchange settlement of the interest in the capital account can be directly handled with the interest list provided by the bank.8. Foreign exchange funds in the capital account for Chinese-foreign cooperative petroleum project can be settled directly upon submission of the foreign exchange settlement plan by the enterprise and authenticity examination.9. Other supplementary documents required when deeded as necessary.II. Documents are required for foreign exchange settlement of funds in foreign exchange accounts for preliminary expenses, foreign exchange accounts for domestic asset realization and special accounts for domestic reinvestment opened by domestic institutions according to the Article I "Foreign Exchange Settlement of Funds in the Account for Foreign Exchange Capital" of these Guidelines (but the documents in Item 5 are not required).III. Foreign exchange settlement of funds in the special accounts for domestic reinvestment and accounts for domestic asset realization opened by domestic individuals1. Relevant tax payment certificate is not required in case that there is no income from transfer of shares.2. Other supplementary documents required when deeded as necessary.IV. Payment of disposal costs through foreign exchange settlement of funds in the account opened in the name of a Chinese-foreign cooperative project related with offshore or onshore exploitation of oil & gas field1. Reply by the competent commerce authority to the overall development plan for the cooperative project related with exploitation of oil & gas field.2. Preliminary (Revised) Plan for Disposal Costs of Cooperative Project or the Implementation Plan for Disposal Costs of Cooperative Project, which has been filed with the relevant competent authority.3. Other evidentiary documents relevant to the disposal costs of cooperative project related with offshore oil & gas field. |
| **Processing Principles** | I. Foreign exchange settlement of funds in the account for foreign exchange capital1. Banks shall not conduct settlement of foreign exchange capital for foreign-invested enterprises which have not duly registered for accumulated equity in domestic direct investment according to the provisions; the foreign exchange capital not registered for accounting entry of monetary contribution for domestic direct investment shall not be settled, remitted/transferred or paid.2. The RMB obtained from the settlement of capital of a foreign-funded enterprise shall be used within the business scope granted, registered or put on record by the approval department; Where the RMB is used for securities investment, the enterprise shall follow the relevant provisions of the state.3. The RMB obtained from the settlement of capital of a foreign-funded enterprise shall not be used for domestic equity investment. Where the foreign-invested enterprises including foreign-funded investment company, foreign-funded venture capital enterprise or foreign-funded equity investment enterprise which have been approved by relevant competent authorities to be mainly engaged in equity investment conduct domestic equity investment with their foreign exchange capitals, and domestic entities conduct domestic equity investment with foreign exchange funds in the accounts for asset realization, the foreign exchange funds shall be transferred in the original currency into the special accounts for domestic reinvestment opened by the invested enterprise but payment with foreign exchange settled is not allowed, unless otherwise prescribed.4. The RMB obtained from the settlement of capital of a foreign-funded enterprise shall not be used for the extension of entrusted loans, repayments of inter-enterprise borrowings (including third-party advances), and repayments of bank loans already refinanced to any third party. Where foreign-invested enterprises repay bank loans (including entrusted loans) after complete use with RMB proceeds from settlement of foreign exchange capital, banks shall request the enterprises settling foreign exchange to submit the original loan contracts (or entrusted loan contracts), invoices regarding RMB loan funds used for the purposes prescribed in the loan contracts, account statements issued by the original lending banks, and other evidentiary documents for the complete use of the loan funds, the photocopies of which shall be kept for future reference.5. Transactions including term deposit, forward settlement and sale of foreign exchange, swap, structured deposit, as undertaken by banks for foreign-invested enterprises using the capital, shall be limited to principal-protected products, while the capital shall not be settled into RMB in a disguised manner. Where the funds in a capital account have been transferred out for the above reasons and not yet returned, the account shall not be closed.6. Where a foreign-invested enterprise makes payment for land transfer fees using the RMB proceeds from settlement of foreign exchange capital, the bank shall request the enterprise to submit documents including the State-owned construction land transfer contract and corresponding non-tax demand notice, and examine the consistency among the relevant contract, demand notice and the special fiscal account for foreign exchange settlement and payment in a strict manner.7. A non-real estate foreign-invested enterprise shall not pay the relevant fees for real estate purchased not for its own use with RMB proceeds from settlement of foreign exchange capital.8. Where the capital account and the RMB account of a foreign-funded enterprise are opened at the same bank, the bank settling foreign exchange shall complete the procedures for the settlement of capital and entry into the RMB account and transfer for external payment on the same day; where the two accounts are not opened at the same bank, when transferring the RMB proceeds from the settlement of capital, the bank shall indicate the wording "settlement of capital" on the capital transfer voucher. The bank receiving the RMB shall handle the transfer procedures of the capital in line with the Letter of Payment Order within 2 working days (including the day of the inward transfer).9. In case of foreign exchange settlement in the name of reserve, the amount of each transaction shall not exceed the equivalent value of USD 50,000, with total amount for each month not exceeding the equivalent value of USD 100,000.10. The bank shall examine the authenticity and legality of the purposes of the RMB obtained from the settlement of capital of the enterprise. If the documents are inconsistent or contradict one another, the bank shall not handle the relevant business for the enterprise. Banks shall carefully verify invoices with respect to the purpose of funds from settlement of capital. Where the authenticity of an invoice is found problematic through online verification or as identified by tax authority, the bank shall timely report the relevant information to the foreign exchange authority. Upon completion of foreign exchange settlement of capital, the bank shall indicate the transaction amount and date and affix the bank seal on the invoice and other relevant original vouchers, and retain the photocopies of invoices and other relevant vouchers duly indicated.11. Where an enterprise is not fully compliant with existing regulations on foreign exchange settlement of capital but has the genuine need for payments, the bank may conduct foreign exchange settlement upon reasonable examination on the relevant documents, and shall indicate “special filing” at the column of settlement purpose in the capital account information system of the SAFE and retain the documents on the special filing for on-site and off-site inspections by the foreign exchange authority.12. Where the sum of the accumulated amount of foreign exchange settled in a single capital account (including amount of foreign exchange settled for the “reserve”) and the amount of foreign exchange paid in such capital account (including domestic transfer) reaches 95% of the accumulated amount of credit entries in such account, the bank shall conduct authenticity examination on the invoices and vouchers corresponding to the above foreign exchange settlement (excluding the reserve), and indicate “the invoices for settlement of 95% of funds in the account have been examined (excluding foreign exchange payments)” and the date of examination and affix the bank seal on the application form of the enterprise for foreign exchange settlement, before conducting settlement or payment of the remaining capital according to requirements of the foreign exchange payment and settlement system. Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 142 [2008]) The foreign exchange settlement prior to the release of these Guidelines is not subject to the examination.13. In case of return of goods, cancellation of transaction or revocation of invoice following the foreign exchange settlement and payment of capital of an enterprise, the bank shall retain the relevant special filings for on-site inspection by the foreign exchange authority.II. The funds in foreign exchange accounts for preliminary expenses, special accounts for domestic reinvestment opened by domestic institutions and accounts for domestic asset realization opened by domestic institutions shall be settled with reference to the administration on settlement of funds in foreign exchange capital accounts. Where domestic institutions conduct domestic equity investment by using funds in the accounts for domestic asset realization, the funds can be transferred in the original currency into the special accounts for domestic reinvestment opened by the invested enterprise, but payment with foreign exchange settled is not allowed.III. Where a domestic individual pays the tax on the income from the asset realization by using the RMB proceeds from settlement of funds in an account for asset realization or special account for domestic reinvestment, the foreign exchange settlement can be made directly against the tax notice and the tax payment certificate relevant to the asset realization is not required.IV. Where a foreign partner needs to pay the disposal costs through foreign exchange settlement of funds in the account opened in the name of a Chinese-foreign cooperative project regarding offshore or onshore oil & gas field exploitation, the bank can make the payment directly, without approval by the foreign exchange authority.V. Upon completion of a transaction, the bank shall report timely the relevant data through the capital account information system of the SAFE and the purpose of funds required to be indicated shall be reported accurately. |

**1.15 Transfer in Original Currency from the Foreign Exchange Account for Preliminary Expenses of a Foreign Investor**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Interim Regulations on the Administration of Domestic Foreign Exchange Transfers (Huiguanhanzi No. 250 [1997])3. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])4. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013])5. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Written application (including the reason and purpose of the funds transferred out, the transferring and receiving entities, name and account number of the transferring and receiving banks, amount and currency of the funds transferred out, and other important information).2. Document of approval for establishment and certificate of approval issued by the competent commerce (or industry) authority with respect to the foreign-invested enterprise (or foreign-invested financial institution) subsequently established. |
| **Processing Principles** | 1. Banks shall examine the authenticity and lawfulness of funds transfer.2. The receiving account shall be the foreign exchange capital account of the invested enterprise; the foreign investor must be the equity investor of the entity opening the receiving account.3. Upon completion of funds transfer, the transferring bank shall timely complete the declaration of balance of payments on the domestic transfer of funds in the original currency, and keep watch on the result of such transfer; in case that the transfer is mistaken, the funds shall be transferred out again upon their return while the declared information on balance of payments shall be adjusted according to regulations.4. Upon receipt of the funds, the receiving bank shall verify whether the funds is compliant with the scope of the receipts for the account, and check the transfer of such funds with the entity opening the account to confirm the accuracy of the transaction: where the funds received are not compliant with the scope of receipts and the provisions on domestic transfer, or the transfer is mistaken upon verification, the receiving bank shall return the funds via original route. |

**1.16 Transfer in Original Currency from the Foreign Exchange Capital Account of Foreign-Invested Enterprise**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Interim Regulations on the Administration of Domestic Foreign Exchange Transfers (Huiguanhanzi No. 250 [1997])3. Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 142 [2008])4. Supplementary Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 88 [2011])5. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])6. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013]).7. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Transfer into a capital account of the same name (applicable to change in opening bank)1. Written application (including the reason and purpose of the funds transferred out, the transferring and receiving entities, name and account number of the transferring and receiving banks, amount and currency of the funds transferred out, and other important information).2. Application Form for Registration of Accounting Entry of Monetary Contribution for Domestic Direct Investment.II. Transfer into the special account for security deposit domestically transferred (applicable to participation in competitive bidding relevant to domestic direct investment), special account for domestic reinvestment (applicable to capital contribution to a subsidiary or acquisition of a Chinese shareholder’s equity in a domestic enterprise by a foreign-funded investment company using domestic foreign exchange), account for entrusted loan, special account for centralized funds management, special account for overseas lending and special account for principal-protected investment products of banks.1. Written application (including the reason and purpose of the funds transferred out, the transferring and receiving entities, name and account number of the transferring and receiving banks, amount and currency of the funds transferred out, and other important information).2. Application Form for Registration of Accounting Entry of Monetary Contribution for Domestic Direct Investment.3. Documents evidencing the authenticity of the actual use of such funds transferred out for the corresponding purpose. |
| **Processing Principles** | 1. Banks shall examine the authenticity and lawfulness of funds transfer.2. Banks shall not transfer funds that are not duly registered for accounting entry of monetary contribution for domestic direct investment.3. Upon completion of funds transfer, the transferring bank shall timely complete the declaration of balance of payments on the domestic transfer of funds in the original currency, and keep watch on the result of such transfer; in case that the transfer is mistaken, the funds shall be transferred out again upon their return while the declared information on balance of payments shall be adjusted according to regulations.4. Upon receipt of the funds, the receiving bank shall verify whether the funds is compliant with the scope of the receipts for the account, and check the transfer of such funds with the entity opening the account to confirm the accuracy of the transaction: where the funds received are not compliant with the scope of receipts and the provisions on domestic transfer, or the transfer is mistaken upon verification, the receiving bank shall return the funds via original route. |

**1.17 Transfer in Original Currency of Funds in the Account for Domestic Asset Realization**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Interim Regulations on the Administration of Domestic Foreign Exchange Transfers (Huiguanhanzi No. 250 [1997])3. Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 142 [2008])4. Supplementary Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 88 [2011])5. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])6. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013])7. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Transfer out into a special account for security deposit domestically transferred (applicable to participation in competitive bidding relevant to domestic direct investment)1. Written application (including the reason and purpose of the funds transferred out, the transferring and receiving entities, name and account number of the transferring and receiving banks, amount and currency of the funds transferred out, and other important information).2. Documents evidencing the authenticity and lawfulness of the actual use of such funds transferred out for the purpose as security deposit.II. Transfer out into a special account for domestic reinvestment (applicable to capital contribution to a subsidiary or acquisition of a Chinese shareholder’s equity in a domestic enterprise by a foreign-funded investment company using domestic foreign exchange)1. Written application (including the reason and purpose of the funds transferred out, the transferring and receiving entities, name and account number of the transferring and receiving banks, amount and currency of the funds transferred out, and other important information).2. Documents evidencing the authenticity of actual use of such funds transferred out for the purpose of domestic capital contribution (where the approval or filing by competent authority is required, relevant approval or filing documents shall be submitted). |
| **Processing Principles** | 1. Banks shall examine the authenticity and lawfulness of funds transfer.2. Upon completion of funds transfer, the transferring bank shall timely complete the declaration of balance of payments on the domestic transfer of funds in the original currency, and keep watch on the result of such transfer; in case that the transfer is mistaken, the funds shall be transferred out again upon their return while the declared information on balance of payments shall be adjusted according to regulations.3. Upon receipt of the funds, the receiving bank shall verify whether the funds is compliant with the scope of the receipts for the account, and check the transfer of such funds with the entity opening the account to confirm the accuracy of the transaction: where the funds received are not compliant with the scope of receipts and the provisions on domestic transfer, or the transfer is mistaken upon verification, the receiving bank shall return the funds via original route. |

**1.18 Transfer in Original Currency of Funds in the Special Account for Domestic Reinvestment**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Interim Regulations on the Administration of Domestic Foreign Exchange Transfers (Huiguanhanzi No. 250 [1997])3. Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 142 [2008])4. Supplementary Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 88 [2011])5. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])6. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013]).7. Other Relevant Laws and Regulations |
| **Documents Required** | I. Transfer out into a special account for security deposit domestically transferred (applicable to participation in competitive bidding relevant to domestic direct investment)1. Written application (including the reason and purpose of the funds transferred out, the transferring and receiving entities, name and account number of the transferring and receiving banks, amount and currency of the funds transferred out, and other important information).2. Documents evidencing the authenticity of the actual use of such funds transferred out for the purpose as security deposit.II. Transfer out into a differently named special account for domestic reinvestment (applicable to capital contribution to a subsidiary or acquisition of a Chinese shareholder’s equity in a domestic enterprise by a foreign-funded investment company using domestic foreign exchange)1. Written application (including the reason and purpose of the funds transferred out, the transferring and receiving entities, name and account number of the transferring and receiving banks, amount and currency of the funds transferred out, and other important information).2. Documents evidencing the authenticity of actual use of such funds transferred out for the purpose of domestic capital contribution (where the approval or filing by competent authority is required, relevant approval or filing documents shall be submitted).III. Return of funds to the original capital account, special account for domestic reinvestment or account for domestic asset realization due to decrease or cancellation of investment including capital decrease, equity transfer and liquidation 1. Written application (including the reason and purpose of the funds transferred out, the transferring and receiving entities, name and account number of the transferring and receiving banks, amount and currency of the funds transferred out, and other important information).2. Documents evidencing the actual requirement for the return to the investor account from which funds have been transferred out previously (relevant approval or filing documents shall be submitted, if necessary). |
| **Processing Principles** | 1. Banks shall examine the authenticity and lawfulness of funds transfer.2. Upon completion of funds transfer, the transferring bank shall timely complete the declaration of balance of payments on the domestic transfer of funds in the original currency, and keep watch on the result of such transfer; in case that the transfer is mistaken, the funds shall be transferred out again upon their return while the declared information on balance of payments shall be adjusted according to regulations.3. Upon receipt of the funds, the receiving bank shall verify whether the funds is compliant with the scope of the receipts for the account, and check the transfer of such funds with the entity opening the account to confirm the accuracy of the transaction: where the funds received are not compliant with the scope of receipts and the provisions on domestic transfer, or the transfer is mistaken upon verification, the receiving bank shall return the funds via original route.4. For return of funds to the original capital account, special account for domestic reinvestment or account for domestic asset realization due to decrease or cancellation of investment including capital decrease, equity transfer and liquidation, the balance of payments on the refunds shall be declared on a timely basis. |

**1.19 Transfer in Original Currency from the Foreign Exchange Special Account for Security Deposit**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Interim Regulations on the Administration of Domestic Foreign Exchange Transfers (Huiguanhanzi No. 250 [1997])3. Measures for the Administration of Individual Foreign Exchange (Decree No. 3 [2006] of the People’s Bank of China)4. Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (Decree No. 10 [2006] of the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange)5. Circular of the State Administration of Foreign Exchange and the Ministry of Construction on Issues Related to Regulating Foreign Exchange Administration of the Real Estate Market (Huifa No. 47 [2006])6. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Detailed Rules on Implementation of the Measures for the Administration of Individual Foreign Exchange (Huifa No. 1 [2007])7. Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 142 [2008])8. Supplementary Circular of the General Affairs Department of the State Administration of Foreign Exchange on Business Operational Issues Concerning Improving Administration for the Payment and Settlement of the Foreign Exchange Capital of Foreign-Invested Enterprises (Huizongfa No. 88 [2011])9. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])10. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013]).11. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Transfer of funds from the special account for security deposit remitted from overseas into a domestic receiving account due to successful transaction (limited to capital account and domestic asset realization account)1. Written application (including the reason and purpose of the funds transferred out, the transferring and receiving entities, name and account number of the transferring and receiving banks, amount and currency of the funds transferred out, and other important information).2. Documents evidencing the authenticity and lawfulness of successful transaction for which the security deposit shall be transferred into a domestic receiving account (e.g., confirmation document issued by the land administration authority on the successful bid shall be submitted regarding security deposit for land bidding; confirmation document issued by the equity exchange on the successful transaction shall be submitted regarding security deposit for equity transaction).II. Return of funds in the special account for security deposit domestically transferred to the original account due to successful or unsuccessful transaction1. Written application (including the reason and purpose of the funds transferred out, the transferring and receiving entities, name and account number of the transferring and receiving banks, amount and currency of the funds transferred out, and other important information).2. Documents evidencing the authenticity and lawfulness of security deposit to be returned to the original account due to successful or unsuccessful transaction |
| **Processing Principles** | 1. Banks shall examine the authenticity and lawfulness of funds transfer.2. Upon completion of funds transfer, the transferring bank shall timely complete the declaration of balance of payments on the domestic transfer of funds in the original currency, and keep watch on the result of such transfer; in case that the transfer is mistaken, the funds shall be transferred out again upon their return while the declared information on balance of payments shall be adjusted according to regulations.3. Upon receipt of the funds, the receiving bank shall verify whether the funds is compliant with the scope of the receipts for the account, and check the transfer of such funds with the entity opening the account to confirm the accuracy of the transaction: where the funds received are not compliant with the scope of receipts and the provisions on domestic transfer, or the transfer is mistaken upon verification, the receiving bank shall return the funds via original route. |

**1.20 Outward Remittance of Proceeds from Liquidation or Capital Decrease by Foreign Investor**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. The Company Law of the People’s Republic of China (Decree No. 42 [2005] of the President of the People’s Republic of China)3. Circular of General Office of PBOC on Relevant Issues Concerning the Decrease in Stakes by Foreign Stockholders of A-share Listed Companies, the Opening of Dividend-related Accounts, and Foreign Exchange Administration (Yinbanfa No. 178 [2009])4. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])5. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013])6. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Business registration certificates.2. The outflow quota list for capital decrease or liquidation printed at the bank terminal of the capital account information system of the SAFE. |
| **Processing Principles** | 1. A bank shall handle the outward remittance for the applying entity according to the outflow quota list for capital decrease or liquidation. Where a bank or foreign exchange authority makes remark at the notes column, the remitting bank shall handle the transaction with reference to the remark.2. After handling the business, the bank shall complete the declaration of the balance of payments in a timely manner. |

**1.21 Outward Remittance of Funds for Acquisition of Equity from Foreign Investor by Domestic Institution and Individual**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Announcement of the State Administration of Taxation and State Administration of Foreign Exchange on Issues Concerning the Tax Record-filling for External Payments under Service Trade and Other Items (Announcement No. 40 [2013] of the State Administration of Taxation and the State Administration of Foreign Exchange ) 3. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])4. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013]).5. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Business registration certificates.2. The outflow quota list for equity transfer printed at the bank terminal of the capital account information system of the SAFE. |
| **Processing Principles** | 1. A bank shall handle the outward remittance for the applying entity according to the outflow quota list for equity transfer. Where a bank or foreign exchange authority makes remark at the notes column, the remitting bank shall handle the transaction with reference to the remark.2. After handling the business, the banks shall complete the declaration of the balance of payments in a timely manner. |

**1.22 Outward Remittance of Proceeds from Advance Recovery of Investment by Foreign Investor**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Announcement of the State Administration of Taxation and State Administration of Foreign Exchange on Issues Concerning the Tax Record-filling for External Payments under Service Trade and Other Items (Announcement No. 40 [2013] of the State Administration of Taxation and the State Administration of Foreign Exchange )3. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])4. Circular of the State Administration of Foreign Exchange on Printing and Distributing the Provisions on Foreign Exchange Administration of Domestic Direct Investments by Foreign Investors and the Supporting Documents (Huifa No. 21 [2013]).5. Circular of State Administration of Foreign Exchange on Printing and Distributing of the Regulations for Foreign Exchange Administration on Trade in Services (Huifa No. 30 [2013])6. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Business registration certificates.2. The outflow quota list for advance recovery of investment printed at the bank terminal of the capital account information system of the SAFE. |
| **Processing Principles** | 1. A bank shall handle the outward remittance for the applying entity according to the outflow quota list for advance recovery of investment. Where a bank or foreign exchange authority makes remark at the notes column, the remitting bank shall handle the transaction with reference to the remark.2. After handling the business, the bank shall complete the declaration of the balance of payments in a timely manner. |

**1.23 Foreign Exchange Settlement for Purchase of Domestic Commercial Housing by Domestic Branch or Representative Office of Foreign Institution and Foreign Individual**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Opinions of the Ministry of Construction, the Ministry of Commerce, the National Development and Reform Commission, the People’s Bank of China, the State Administration for Industry and Commerce, and the State Administration of Foreign Exchange on Regulating Access and Administration of Foreign Investment in the Real Estate Market (Jianzhufang No. 171 [2006])3. Circular of the State Administration of Foreign Exchange and the Ministry of Construction on Issues Related to Regulating Foreign Exchange Administration of the Real Estate Market (Huifa No. 47 [2006])4. Circular of the Ministry of Housing and Urban-Rural Development and the State Administration of Foreign Exchange on Further Regulating Administration of Housing Purchases by Overseas Institutions and Individuals (Jianfang No. 186 [2010])5. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])6. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Valid certificate for registration shall be provided for domestic branch or representative office of foreign institution; the Mainland Travel Permit for Hong Kong and Macau Residents for Hong Kong and Macau residents, the Mainland Travel Permit for Taiwan Residents for Taiwan residents, identification certificate for overseas Chinese issued by an overseas Chinese affairs office for overseas Chinese, passport for other overseas individual, and other valid identity certificate.2. Sale contract or presale contract on commercial housing3. Documents evidencing registration/filing of presale contract on commercial housing issued by the competent housing authority in the city where the nonresident lives and other relevant certificates (for purchase of marketable or second-hand housing, the relevant ownership registration certificate issued by the competent housing authority is required).4. For a transaction delegated to other person, the notarized power of attorney and valid identity certificate of the proxy shall be submitted. |
| **Processing Principles** | 1. The bank shall settle the foreign exchange funds for purchase of domestic commercial housing by a nonresident into RMB and transfer the proceeds directly into the RMB account of the real estate development enterprise or that of the assignor of the second-hand housing. However, the domestic transfer in the original currency for the transaction is not allowed.2. After purchase of housing under foreign exchange mortgage loan or RMB loan secured by foreign exchange, the contractual repayment through foreign exchange settlement is subject to approval and examination according to the Circular of the State Administration of Foreign Exchange and the Ministry of Construction on Issues Related to Regulating Foreign Exchange Administration of the Real Estate Market (Huifa No. 47 [2006]).3. Funds in the current account of a domestic representative office shall not be settled into RMB for purchase of commercial housing.4. The joint purchase of domestic commercial housing by a married couple is subject to this provision, provided that one spouse is a domestic individual and the other is a foreign individual, resident in Hong Kong, Macau or Taiwan, or overseas Chinese. |

**1.24 Outward Remittance of Foreign Exchange Purchased with RMB Funds Returned due to Failed Purchase of Housing by Domestic Branch or Representative Office of Foreign Institution and by Foreign Individual**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Opinions of the Ministry of Construction, the Ministry of Commerce, the National Development and Reform Commission, the People’s Bank of China, the State Administration for Industry and Commerce, and the State Administration of Foreign Exchange on Regulating Access and Administration of Foreign Investment in the Real Estate Market (Jianzhufang No. 171 [2006])3. Circular of the State Administration of Foreign Exchange and the Ministry of Construction on Issues Related to Regulating Foreign Exchange Administration of the Real Estate Market (Huifa No. 47 [2006])4. Circular of the Ministry of Housing and Urban-Rural Development and the State Administration of Foreign Exchange on Further Regulating Administration of Housing Purchases by Overseas Institutions and Individuals (Jianfang No. 186 [2010])5. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])6. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Original voucher for foreign exchange settlement.2. Documents evidencing the rescission of commercial housing purchase and sales contract with the real estate development enterprise or assignor of the second-hand housing.3. Evidentiary document issued by competent housing authority on the cancellation of purchase of commercial housing.4. For a transaction delegated to other person, the notarized power of attorney and valid identity certificate of the proxy shall be submitted. |
| **Processing Principles** | 1. In case of refund after foreign exchange is settled into RMB, the foreign exchange funds purchased with RMB shall be returned via original route to the foreign exchange account of the foreign institution or individual, or to the original domestic foreign exchange account (only applicable to the original payment for housing purchase with RMB settled from foreign exchange in domestic foreign exchange account).2. The reasonable interest accrued on the funds for housing purchase during the period of domestic deposit is allowed for outward remittance at the same time.3. After handling the business, the bank shall complete the declaration of the balance of payments in a timely manner. |

**1.25 Foreign Exchange Purchase and Payment with Proceeds from Transfer of Domestic Commercial Housing by Domestic Branch or Representative Office of Foreign Institution and by Foreign Individual**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Opinions of the Ministry of Construction, the Ministry of Commerce, the National Development and Reform Commission, the People’s Bank of China, the State Administration for Industry and Commerce, and the State Administration of Foreign Exchange on Regulating Access and Administration of Foreign Investment in the Real Estate Market (Jianzhufang No. 171 [2006])3. Circular of the State Administration of Foreign Exchange and the Ministry of Construction on Issues Related to Regulating Foreign Exchange Administration of the Real Estate Market (Huifa No. 47 [2006])4. Circular of the Ministry of Housing and Urban-Rural Development and the State Administration of Foreign Exchange on Further Regulating Administration of Housing Purchases by Overseas Institutions and Individuals (Jianfang No. 186 [2010])5. Announcement of the State Administration of Taxation and State Administration of Foreign Exchange on Issues Concerning the Tax Record-filling for External Payments under Service Trade and Other Items (Announcement No. 40 [2013] of the State Administration of Taxation and the State Administration of Foreign Exchange )6. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])7. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Identity certificate or registration certificate.2. Contract on the transfer of commercial housing and registration certificate.3. Filing Form of Taxes for External Payments for Trade in Services and Other Accounts (not required for a transaction amount of USD50, 000 and below) or other documents evidencing tax payment.4. For a transaction delegated to other person, the notarized power of attorney and valid identity certificate of the proxy shall be submitted. |
| **Processing Principles** | 1. The amount of outward remittance shall not exceed the balance of the transferred commercial housing less taxes and fees on the transfer.2. The bank shall verify whether the amount indicated on the taxation certificate is consistent with that of outward remittance applied for; where the amount under application exceeds that on the taxation certificate, the outward remittance is not allowed.3. The outward remittance of funds can be handled only after the competent housing authority has transferred the ownership of the commercial housing. 4. After handling the business, the bank shall complete the declaration of the balance of payments in a timely manner. |

**Part Two Foreign Exchange Transactions for Overseas Direct Investment**

**2.1 Registration of the Preliminary Expenses for Overseas Direct Investments by Domestic Institutions**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Issuing the Regulations on Foreign Exchange Administration for Overseas Direct Investments by Domestic Institutions (Huifa No. 30 [2009]).3. Circular of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration of Overseas Direct Investments by Domestic Banks (Huifa No. 31 [2010]).4. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies for Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).5. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Foreign Exchange Administration Policies for the Capital Account (Huifa No.2 [2014]).6. Other Relevant Laws and Regulations. |
| **Documents Required** | I. The following documents shall be submitted for outward remittance of preliminary expenses for overseas direct investment:1. An Application Form for Registration of Foreign Exchange for Overseas Direct Investments.2. The business license and the organizational code certificate.II. Where a domestic institution purchases overseas housing for its overseas branch or representative office which is not an independent accounting entity, the following documents shall be submitted:1. An Application Form for Registration of Foreign Exchange for Overseas Direct Investments.2. Approval/filing document or registration certificate for the establishment of the overseas branch or representative office which is not an independent accounting entity.3. Contract or agreement on the purchase of overseas housing.4. Other Authentic Evidentiary Materials. |
| **Processing Principles** | 1. The accumulated amount of preliminary expenses remitted overseas by domestic institutions (including domestic enterprises, banks and non-bank financial institutions, similarly hereinafter) shall not, in principle, exceed USD 3 million and 15% of the total Chinese investment.2. The preliminary expenses remitted overseas by the domestic institutions may be included in their total amount of overseas direct investments.3. After the bank handles the registration of the preliminary expenses for overseas direct investments for the domestic institution via the capital account information system of the SAFE, the domestic institution may handle the procedures for foreign exchange purchases and payments in relation to the follow-up funds directly with the banks upon the strength of the business registration certificate.4. Where the domestic investors fail to establish the overseas investment projects or purchase overseas housing within 6 months as of the date of the outward remittance of the preliminary expenses, they shall report their use of the preliminary expenses to the foreign exchange authorities at the place of incorporation and return the remaining funds. Where there is an objective reason, the entity opening the account may apply to the original registering bank for an extension by presenting a written explanation. The 6-month period may be extended as appropriate upon approval of the bank, but the period shall not exceed 12 months.5. Where there is an objective reason, the accumulated amount of preliminary expenses remitted overseas exceeds USD 3 million or 15% of the total Chinese investment, the domestic investors shall, by presenting a written explanation, apply to the foreign exchange authority at the place of incorporation for collective review on a case-by-case basis. |

**2.2 Foreign Exchange Registration for Overseas Direct Investments by Domestic Institutions**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Provision on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (Decree No. 10 [2006] of the Ministry of Commerce of the People’s Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange).3. Circular of the State Administration of Foreign Exchange on the Issuance of the Regulations on Foreign Exchange Administration for Overseas Direct Investments by Domestic Institutions (Huifa No. 30 [2009]).4. Circular of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration of Overseas Direct Investments by Domestic Banks (Huifa No. 31 [2010]).5. Circular of the State Administration of Foreign Exchange on Foreign Exchange Administration Issues concerning Encouraging and Guiding the Healthy Development of Private Investments (Huifa No. 33 [2013]).6. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies for Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).7. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Round-trip Investment by Domestic Residents (Huifa No. 37 [2014])8. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. An Application Form for Registration of Foreign Exchange for Overseas Direct Investments.2. Business license or certificate of incorporation/registration, and the organizational code certificate (where more than one domestic institution jointly participates in the same overseas direct investment project, the business license or the certificate of incorporation/registration and the organizational code certificate of each domestic institution shall be submitted).3. In case of overseas investments by non-financial enterprise, the Enterprise Overseas Investment Certificate issued by the competent commerce authority shall be submitted; In case of overseas investments by a financial institution, the approval document or No Comment Letter from the relevant competent financial authority on such investment shall be provided.4. Where the foreign investors carry out a M&A of domestic companies with the overseas equity, as a result of which the domestic companies or their shareholders hold the equity of the overseas companies, the Certificate of Approval for Foreign-invested Enterprises with an annotation and the business license of the foreign-invested enterprise with an annotation shall additionally be submitted. |
| **Processing Principles** | 1. The domestic institutions shall apply to the bank at the place of incorporation for registering the foreign exchange for overseas direct investments before making a capital contribution to an overseas enterprise with their domestic or overseas lawful assets or equity (including but not limited to currency, negotiable securities, intellectual property or technology, equity, or creditor's rights). The total investment specified on the Corporate Overseas Investment Certificate issued by the competent commerce authority shall be registered in the capital account information system of the SAFE and the enterprise shall be permitted to grant overseas loans on the basis of actual needs in accordance with the provisions in force. Financial overseas investments shall go through relevant registration in accordance with the approval document or No Comment Letter of the competent industry authorities.2. Where a domestic institution makes overseas direct investment with overseas funds or other overseas assets or equity as capital contributions, the said institution shall apply to the bank at the place of incorporation for foreign exchange registration of overseas direct investment. The bank shall examine the compliance of the retention of the overseas funds or the acquisition of the overseas revenue. Where the domestic institution is suspected of making overseas investments with assets or equity illegally retained overseas, the bank shall not handle the registration of foreign exchange for its overseas direct investment. The capital account management department of the foreign exchange authority shall strengthen the post examination on registration of overseas investment by domestic institutions with overseas funds or other overseas assets or equity, and hand over any case of suspected violation to the foreign exchange inspection authorities.3. Where more than one domestic institution jointly participates in the same overseas direct investment, an appointed domestic institution shall apply to the bank at the place of incorporation for the registration of the foreign exchange for the overseas direct investment． After the bank completes the registration of foreign exchange for overseas direct investment via the capital account information system of the SAFE, the other domestic institutions may respectively obtain the business registration certificates from the bank at their respective places of incorporation.4. The establishment of overseas branches by domestic institutions shall be administered by reference to the overseas direct investments by domestic institutions. The domestic institutions shall complete the registration of foreign exchange for overseas direct investments with the bank at the place of incorporation. The start-up costs shall be included in the total investment registration in the capital account information system of the SAFE. The overseas branch established by a domestic institution is subject to annual registration of accumulated equity for overseas direct investment according to regulations.5. After the bank handles the foreign exchange registration for overseas direct investments for the domestic institution via the capital account information system of the SAFE, the domestic institution may handle the procedures for foreign exchange purchases and payments in relation to the follow-up funds directly with the banks upon the strength of the business registration certificate. |

**2.3 Alteration of Registration of Foreign Exchange for Overseas Direct Investments by Domestic Institutions**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Provision on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (Decree No. 10 [2006] of the Ministry of Commerce of the People’s Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange).3. Circular of the State Administration of Foreign Exchange on the Issuance of the Regulations on Foreign Exchange Administration for Overseas Direct Investments by Domestic Institutions (Huifa No. 30 [2009]).4. Circular of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration of Overseas Direct Investments by Domestic Banks (Huifa No. 31 [2010]).5. Circular of the State Administration of Foreign Exchange on Foreign Exchange Administration Issues concerning Encouraging and Guiding the Healthy Development of Private Investments (Huifa No. 33 [2013]).6. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies for Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).7. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Round-trip Investment by Domestic Residents (Huifa No. 37 [2014])8. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. An Application Form for Registration of Foreign Exchange for Overseas Direct Investments.2. In case of non-financial overseas investments, the approval or filing documents from the relevant competent commerce authority in relation to the changes shall be provided; In case of financial overseas investments, the approval or filing documents from the competent authority of relevant industry in relation to the changes shall be provided.3. Where any new domestic investor is added, the business license and the organizational code certificate of such new domestic investor shall be provided. |
| **Processing Principles** | 1. Where a domestic institution no longer holds the equity of an overseas enterprise due to such reasons as equity transfers or capital reductions, these Operational Guidelines shall also be followed.2. Where more than one domestic institution jointly participates in the same overseas direct investment project, an appointed investor shall apply to a bank under the jurisdiction of the foreign exchange authority at the place of incorporation for the alteration of registration, and the other domestic institutions are not required to repeatedly make applications; After the bank completes the alteration of registration of foreign exchange for overseas direct investments via the capital account information system of the SAFE, the other domestic institutions may respectively obtain the business registration certificates from the bank at their respective places of incorporation.3. Where the funds need to be remitted back to China due to such reasons as capital reductions or equity transfers of the overseas enterprises, the subsequent procedures for the opening of the overseas asset realization account and the entry of funds remitted back may be handled directly with the banks, after completion of the alteration of registration with the bank at the place of incorporation.4. Where the overseas loans are converted into the equity of the overseas companies, the alteration of registration or de-registration of the overseas loans shall be handled with the foreign exchange authority at the place of incorporation at the same time.5. Where the domestic investors acquire the equity of overseas enterprises held by other domestic investors, the transferor of the equity shall complete the alteration of registration in accordance with these Guidelines.6. Where the foreign investors carry out M&As of domestic companies with overseas equity, as a result of which the domestic companies or their shareholders hold the equity of the overseas companies, the equity alteration procedures shall be completed within 6 months from the date of issuance of the business license, with an annotation by the industry and commerce authorities; in the event that the overseas companies fail to complete such equity alteration procedures within this period, registration of the foreign exchange for overseas investments shall automatically become null and void and the de-registration shall be directly handled in the capital account information system.7. Where the domestic institutions require additional start-up costs during the establishment of overseas branches, the procedures shall be handled by reference to these Guidelines, and the amount of the start-up costs shall be determined on the basis of the actual needs and shall be included in the total investment registration in the capital account information system of the SAFE.8. Foreign exchange filing is not required for overseas reinvestment for establishment of or control over another overseas enterprise by an overseas enterprise established or controlled by a domestic investment entity. |

**2.4 Registration of the Liquidation of Overseas Direct Investments by Domestic Institutions**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Provision on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (Decree No. 10 [2006] of the Ministry of Commerce of the People’s Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange)3. Circular of the State Administration of Foreign Exchange on Issuing the Regulations on Foreign Exchange Administration for Overseas Direct Investments by Domestic Institutions (Huifa No. 30 [2009])4. Circular of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration of Overseas Direct Investments by Domestic Banks (Huifa No. 31 [2010])5. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies for Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).6. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Round-trip Investment by Domestic Residents (Huifa No. 37 [2014])7. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. An Application Form for Registration of Foreign Exchange for Overseas Direct Investments.2. The Approval or filing documents issued by the competent commerce or industry authorities with respect to the cancellation.3. The liquidation audit report or the financial statement for the latest period. |
| **Processing Principles** | 1. Where more than one domestic institution jointly participates in the same overseas direct investment, an appointed domestic institution shall apply to the bank at the place of incorporation for the liquidation registration.2. Where the funds need to be remitted back to China due to liquidation of an overseas enterprise, the domestic institutions may handle the subsequent procedures for the opening of an overseas asset realization account and the entry of the funds remitted back directly with the banks upon the strength of the business registration certificate, after the domestic investing entities of the overseas investment enterprise (or an appointed domestic investment entity) have completed the liquidation registration. |

**2.5 (Supplementary) Registration of Foreign Exchange for the Establishment of Special Purpose Vehicles by Domestic Residents**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Provision on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (Decree No. 10 [2006] of the Ministry of Commerce of the People’s Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange).3. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Round-trip Investment by Domestic Residents (Huifa No. 37 [2014])4. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Where domestic residents make a capital contribution to the special purpose vehicle with their domestic or overseas lawful assets or equity (including but not limited to currency, negotiable securities, intellectual property or technology, equity, or creditor's rights), the following materials shall be submitted:1. A written application and the Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents (in duplicate).2. The identity documents of the domestic residents.3. The certificates of registration/incorporation of the special purpose vehicles, and the supporting documents proving the identity of the shareholder or the actual controller (such as the shareholder register or the subscriber register).4. The resolutions of the authorities of the domestic and overseas enterprises approving the overseas investment and financing (where the enterprise has not been established, a written statement that the owners of the equity have approved the overseas investment and financing shall be submitted).5. Supporting documents proving that the domestic residents, directly or indirectly, hold the assets or equity of the domestic enterprise which intends to make overseas investments or to obtain overseas financing, or to legally hold the overseas assets or equity.6. Where the aforesaid materials cannot fully prove the authenticity of the transactions or the consistency among the application materials, supplementary materials shall be required.II. Where the domestic residents participate in the equity incentive plans of non-listed special purpose vehicles, the following materials shall be submitted:1. A written application and the Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents (in duplicate).2. The certificate for registration of foreign exchange business under overseas investments of registered special purpose vehicle.3. Evidentiary materials issued by the relevant domestic enterprises, which prove the employment or labor relations between the individuals and the domestic enterprises.4. Evidentiary materials issued by the special purpose vehicle or its actual controller, which prove the authenticity of the involved equity incentives.5. Where the aforesaid materials cannot fully prove the authenticity of the transactions or the consistency among the application materials, supplementary materials shall be required.III. Where the domestic residents have already made capital contributions to the special purpose vehicle with their domestic or overseas lawful assets or equity, but fail to complete the registration of foreign exchange for overseas investments in accordance with the relevant provisions, a written explanation shall be submitted. |
| **Processing Principles** | 1. Domestic residents include Chinese citizens who the hold domestic resident identity cards, soldiers’ identity certificates, or armed police identity certificates, as well as overseas individuals who do not have legal identity certificates in China but reside habitually in China due to economic interests. Overseas individuals who do not have legal Chinese identity certificates but reside habitually in China due to economic interests refer to foreign citizens who hold passports (including stateless persons), as well as compatriots from Hong Kong, Macao, and Taiwan who hold Mainland Travel Permits for Hong Kong and Macao Residents as well as Mainland Travel Permits for Taiwan Residents, specifically including:(1) Natural persons who have a domestic permanent residence and leave this domestic permanent residence temporarily for reasons such as overseas travel, study, medical treatment, work, or the requirements for overseas residence, etc., but return to the permanent residence after cessation of the aforesaid events;(2) Natural persons who hold equity formed by domestic funds of domestic enterprises; and(3) Natural persons who hold equity of domestic enterprises that was formed from domestic funds and then became formed from foreign funds but was eventually held by the natural persons.Where domestic residents handle the registration of foreign exchange for overseas investments, the legal identity certificates (resident identity cards, or passports) shall be submitted, and the overseas permanent residence certificates shall not be the processing basis for such registration.With respect to foreign citizens who hold passports (including stateless persons), as well as overseas individuals such as compatriots of Hong Kong, Macao, and Taiwan who hold a Mainland Travel Permit for Hong Kong and Macao Residents as well as a Mainland Travel Permit for Taiwan Residents, the relevant authentic evidentiary materials (e.g. the document of title to the relevant property, such as a house purchased in China, and the equity formed by domestic funds) shall be examined upon completing the registration of the foreign exchange for overseas investments.Individuals who hold domestic legal identity certificates and overseas (including Hong Kong, Macao, and Taiwan) legal identity certificates shall be administered as overseas individuals. Where the overseas individuals make capital contributions to the special purpose vehicles with their overseas assets or equity, this shall not be included in the scope of the (supplementary) registration of foreign exchange for the establishment of special purpose vehicles by domestic residents.2. Domestic residents may establish special purpose vehicles before handling the registration, but shall not make capital contributions (including overseas capital contributions) to such special purpose vehicles other than the payment (including the overseas payment) of the registration fees for such special purpose vehicles, otherwise it shall be handled in accordance with the procedures for the supplementary registration of foreign exchange for the establishment of special purpose vehicles.3. Domestic residents shall complete the registration only for the special purpose vehicles established or controlled directly by themselves (first tier).4. Where the domestic residents make capital contributions with their domestic assets or equity to special purpose vehicles, they shall apply to the banks where the assets or equities of the domestic enterprises are located for completing the registration of foreign exchange for the special purpose vehicles. Where the assets or equities of the domestic enterprises are located in different places, the domestic residents shall select a bank where the main assets or equities are located to collectively complete the registration. Where the domestic residents make capital contributions with their overseas lawful assets or equities, they shall apply for registration to the banks at the place of their household registration.5. Where domestic residents have already made capital contributions to special purpose vehicles with their domestic and overseas lawful assets or equities, but fail to complete the registration of foreign exchange for overseas investments in accordance with the relevant provisions, the foreign exchange authorities concerned shall, after the domestic residents provide the authorities (see the fourth paragraph of the above Processing Principles) with a written explanation with the reason in detail, handle the supplementary registration based on a collective consideration system for special business cases. Where a violation of the provisions on foreign exchange administration is suspected, it shall be handled in accordance with the law.6. Where a bank handles foreign exchange registration for a special purpose vehicle established by domestic residents, the bank shall affix the bank’s special seal to the Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents, retain one copy for future reference, and return the other copy to the applicant. 6. The foreign exchange authority shall, when handling supplementary registration of foreign exchange for a special purpose vehicle established by domestic residents, affix the special seal for foreign exchange business under the capital account to the Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents, retain one copy for future reference, and return the other copy to the applicant.7. Where domestic residents participate in the stock incentive plans of overseas listed companies, it shall be handled in accordance with the relevant provisions on foreign exchange administration. |

**2.6 Alteration of Registration of Foreign Exchange for the Establishment of Special Purpose Vehicles by Domestic Residents**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (Decree No. 10 [2006] of the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange) 3. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Round-trip Investment by Domestic Residents (Huifa No. 37 [2014])4. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. A written application and the new Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents (in duplicate).2. The original Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents.3. Other Relevant Authentic Evidentiary Materials. |
| **Processing Principles** | 1. Where the registered special purpose vehicle experiences any change in its basic information such as the domestic resident shareholder, the name and operation period, or such material changes as capital increase or decrease by domestic residents, an equity transfer or replacement, consolidation, or division, these Guidelines shall apply.2. Where the domestic residents obtain earnings from capital changes from the registered special purpose vehicle, they may go through the subsequent procedures for the opening of an overseas asset realization account and the entry of funds with the banks after completion of the foreign exchange alteration of registration with the bank where the special purpose vehicle is registered.3. Upon completion of foreign exchange registration for a special purpose vehicle established by domestic residents, the bank shall affix the bank’s special seal to the new Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents, retain one copy for future reference, and return the other copy to the applicant, and take back the original Form. |

**2.7 De-registration of Foreign Exchange for the Establishment of Special Purpose Vehicles by Domestic Residents**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (Decree No. 10 [2006] of the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange)3. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Round-trip Investment by Domestic Residents (Huifa No. 37 [2014])4. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. A written application and the relevant authentic evidentiary materials.2. The original Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents. |
| **Processing Principles** | Where due to such reasons as equity transfer, bankruptcy, dissolution, liquidation, expiry of the operation period, or change of identity, the domestic residents no longer hold the equity of the registered special purpose vehicle or are no longer required to complete the registration of the special purpose vehicle, these Guidelines shall apply. |

**2.8 Registration of Accumulated Equity in Overseas Direct Investment (Yearly)**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council)2. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])3. Other Relevant Laws and Regulations |
| **Documents Required** | Statement of Chinese Equity in Overseas Direct Investment, as submitted to the foreign exchange authority through the capital account information system of the SAFE by the domestic investment entity of overseas investment enterprise (including special purpose vehicle established overseas by domestic residents) itself or through an accounting firm or bank. |
| **Processing Principles** | 1. During the period from January 1 to September 30 of each year, the domestic investment entity of overseas investment enterprise (including special purpose vehicle established overseas by domestic residents) shall report relevant data on the assets, liabilities and owner’s equity of overseas enterprise for the last year through the enterprise terminal, bank terminal or accounting firm terminal of the capital account information system of the SAFE.2. For an overseas investment enterprise jointly established by two or more than two domestic investment entities (including special purpose vehicle established overseas by domestic residents), the domestic investment entities shall elect one of them to act as the entity which declares the information on the accumulated equity in the overseas direct investment to the foreign exchange authority where the overseas investment enterprise is registered; the other domestic investment entities are no longer required in this regard. In principle, the first majority shareholder is the shareholder responsible for the declaration; if the shareholding percentages are the same, the relevant domestic investment entities elect one of them as the shareholder responsible for the declaration.3. The domestic investment entity of overseas investment enterprise (including special purpose vehicle established overseas by domestic residents) shall be liable for the authenticity and accuracy of the data provided, which is not to be examined on an item-by-item basis by the foreign exchange authority where the overseas investment enterprise is registered.4. The foreign exchange authority where the domestic investment entity of overseas investment enterprise (including special purpose vehicles established overseas by domestic residents) is registered (the foreign exchange authority where the asset is located or the enterprise is registered or the foreign exchange authority where the permanent residence of an individual is registered) shall conduct random inspection on the registration of accumulated equity relevant to the overseas direct investment; in case of cover-up or fraud, the foreign exchange authority shall suspend the related business of such domestic investment entity through control function of the capital account information system based on relevant procedures, and impose penalties according to the law.5. The bank shall confirm whether the accumulated equity in overseas direct investment is registered and under control in accordance with regulations before undertaking foreign exchange business under the capital account for the domestic investment entity of overseas investment enterprise (including special purpose vehicle established overseas by domestic residents). The bank shall not undertake the foreign exchange business under the capital account for the enterprise which hasn’t completed the registration in accordance with regulations or has been under control. |

**2.9 Outward and Inward Remittance of Preliminary Expenses for Overseas Direct Investment by Domestic Institutions**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Issuing the Regulations on Foreign Exchange Administration for Overseas Direct Investments by Domestic Institutions (Huifa No. 30 [2009]).3. Circular of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration of Overseas Direct Investments by Domestic Banks (Huifa No. 31 [2010]).4. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies for Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).5. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Outward remittance of preliminary expenses1. Business registration certificates.2. The quota list for the preliminary expenses for overseas investment printed at the bank terminal of the capital account information system of the SAFE.II. Inward remittance of preliminary expenses1. Business registration certificates.2. The quota list for the preliminary expenses for overseas investment printed at the bank terminal of the capital account information system of the SAFE. |
| **Processing Principles** | 1. The remitting bank shall handle the outward remittance according to the information registered in the capital account information system of the SAFE; the accumulated amount of outward remittance shall, in principle, not exceed the quota for preliminary expenses registered in the capital account information system of the SAFE.2. The accumulated amount of returned preliminary expenses shall not exceed the amount of preliminary expenses previously remitted overseas.3. In principle, the funds for preliminary expenses shall be returned via original route; for the foreign exchange which was originally purchased with RMB and remitted overseas, the foreign exchange can be settled into RMB directly according to the original voucher for the purchase of foreign exchange.4. After handling the business, the bank shall complete the declaration of the balance of payments in a timely manner. |

**2.10 Outward Remittances of Capital for Overseas Direct Investments by Domestic Institutions**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Issuing the Regulations on Foreign Exchange Administration for Overseas Direct Investments by Domestic Institutions (Huifa No. 30 [2009]).3. Circular of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration of Overseas Direct Investments by Domestic Banks (Huifa No. 31 [2010]).4. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies for Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).5. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Business registration certificates.2. The quota list for the capital contribution under external obligations printed at the bank terminal of the capital account information system of the SAFE. |
| **Reviewing Principles** | 1. The accumulated amount of outward remittance shall not exceed the quota of funds that may be remitted outward, which is registered in the capital account information system of the SAFE.2. After handling the business, the bank shall complete the declaration of the balance of payments in a timely manner.3. Where the information about the payee is not consistent with the information registered in the capital account information system of the SAFE, the banks shall carry out an authenticity examination and include a description thereof in the transaction remarks in relation to the declaration of the balance of payments. |

**2.11 Opening and Cancellation of Overseas Asset Realization Accounts**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Issuing the Regulations on Foreign Exchange Administration for Overseas Direct Investments by Domestic Institutions (Huifa No. 30 [2009])3. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])4. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Round-trip Investment by Domestic Residents (Huifa No. 37 [2014])5. Other Relevant Laws and Regulations. |
| **Documents Required** | Business registration certificate or Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents. |
| **Reviewing Principles** | 1. Where the overseas investment enterprises carry out a capital reduction, equity transfer, or liquidation or recovery of bond investment, and the domestic residents obtain funds from the special purpose vehicles that need to be remitted back to China, such as the earnings from capital changes, the banks may directly handle the account opening upon the applications from the domestic institutions or domestic individuals.2. After the use of such accounts is terminated, the banks may directly handle the account cancellation procedures upon applications from the account opening parties.3. After handling the business, the banks shall submit the relevant information to the capital account information system of the SAFE in a timely manner. |

**2.12 Entry and Foreign Exchange Settlement of Overseas Asset Realization Accounts**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on Issuing the Regulations on Foreign Exchange Administration for Overseas Direct Investments by Domestic Institutions (Huifa No. 30 [2009]).3. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies on Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012])4. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Round-trip Investment by Domestic Residents (Huifa No. 37 [2014])5. Other Relevant Laws and Regulations. |
| **Documents Required** | I. Entry1. Business registration certificate or Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents.2. The quota control list printed at the bank terminal of the capital account information system of the SAFE.II. Foreign Exchange Settlement(I) Domestic InstitutionsForeign exchange settlement is subject to the principles in Article I Foreign Exchange Settlement of Funds in the Account for Foreign Exchange Capital of Section 1.14 Foreign Exchange Settlement of Funds in Foreign Exchange Accounts Involved in Domestic Direct Investment in these Guidelines (but the documents in Item 5 are not required).(II) Domestic Individuals1. Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents2. Tax return or tax payment certificate. |
| **Reviewing Principles** | 1. The banks shall check the quota of the funds that may be remitted back by the account opening parties, which is registered in the capital account information system of the Foreign Exchange Administration, before handling the entry procedures, and the amount entered for the current procedure shall not exceed the remaining amount that may be remitted back. Specifically, where the domestic institutions are domestic banks, the profits generated from overseas investments shall not undergo separate foreign exchange settlements, but will be included in the foreign exchange profits of the banks for uniform administration, and corresponding foreign exchange settlements shall be completed as per the relevant regulations.2. After handling the business, the bank shall complete the declaration of the balance of payments in a timely manner. |

**2.13 Inward Remittance of Profit from Overseas Direct Investment Enterprise**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Circular of the State Administration of Foreign Exchange on the Issuance of the Regulations on Foreign Exchange Administration for Overseas Direct Investments by Domestic Institutions (Huifa No. 30 [2009]).3. Circular of the State Administration of Foreign Exchange on Issues Concerning Foreign Exchange Administration of Overseas Direct Investments by Domestic Banks (Huifa No. 31 [2010]).4. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies for Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).5. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Round-trip Investment by Domestic Residents (Huifa No. 37 [2014])6. Other Relevant Laws and Regulations. |
| **Documents Required** | 1. Business registration certificates.2. Documents evidencing the authenticity of profit that domestic investment entity gets from overseas enterprise. |
| **Reviewing Principles** | 1. The profit remitted inward may be retained in the foreign exchange account of relevant market entity under the current account, or directly settled into RMB.2. The bank shall, when handling the inward remittance of profit for overseas investment enterprise, examine the registration for accumulated equity in overseas direct investment by domestic investment entity of overseas investment enterprise; for the relevant market entity which is subject to the registration for accumulated equity in overseas direct investment but failed to complete the registration within prescribed time limit in accordance with regulations, the inward remittance of profits can be handled only after the registration is completed.3. After handling the business, the bank shall complete the declaration of the balance of payments in a timely manner. |

**2.14 Foreign Exchange Purchases and Payments by Domestic Individuals under Special Purpose Vehicles**

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| **Legal Basis** | 1. Regulations of the People's Republic of China on Foreign Exchange Administration (Decree No. 532 of the State Council).2. Provision on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (Decree No. 10 [2006] of the Ministry of Commerce of the People’s Republic of China, the State-owned Assets Supervision and Administration Commission of the State Council, the State Administration of Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission, and the State Administration of Foreign Exchange).3. Circular of the State Administration of Foreign Exchange on Further Improving and Adjusting the Policies for Foreign Exchange Administration of Direct Investments (Huifa No. 59 [2012]).4. Circular of the State Administration of Foreign Exchange on Issues Related to Foreign Exchange Administration in Terms of Overseas Investment and Financing via Special Purpose Companies and Round-trip Investment by Domestic Residents (Huifa No. 37 [2014])5. Other Relevant Laws and Regulations. |
| **Documents Required** | The approval document printed from the capital account information system of the Foreign Exchange Administration. |
| **Processing Principles** | 1. The bank shall handle the business strictly in accordance with the requirements of the relevant approval documents of the Foreign Exchange Administration.2. After handling the business, the bank shall complete the declaration of the balance of payments in a timely manner. |

**Part Three Application Form for Foreign Exchange Transactions for Direct Investments under the Capital Account**

Table 1 Application Form for the Registration of Basic Information on Domestic Direct Investments (I)

Table 2 Application Form for the Registration of Basic Information on Domestic Direct Investments (II)

Table 3 Application Form for Registration of Accounting Entry of Monetary Contribution for Domestic Direct Investment

Table 4 Statement of Foreign Equity in Domestic Direct Investment

Table 5 Application Form for the Registration of Foreign Exchange for Overseas Direct Investments

Table 6 Registration Form for Foreign Exchange for Overseas Investment by Domestic Residents

Table 7 Statement of Chinese Equity in Overseas Direct Investment

**Table 1 Application Form for the Registration of Basic Information on Domestic Direct Investments (I)**

Name of Enterprise: Registered currency:

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| **I. Items of Application** |
| □Registration of Preliminary Expenses for Domestic Direct Investments | Main Purpose of Preliminary Expenses: |
| □Registration of Basic Information on Foreign-invested Enterprises | Mode of Incorporation: □Startup □Merger/Acquisition (□Merger/Acquisition with Equity Transfer □Merger/Acquisition with Additional Capital Contribution □Asset Acquisition) |
| □Alteration of Registration of the Basic Information on Foreign-invested Enterprises | □Change in Basic Information □Capital Increase □Capital Decrease (□Decrease of Capital Actually Contributed by Foreign Party □Decrease in Obligation of Capital Contribution of the Foreign Party □Decrease in Capital Contribution of the Chinese Party) □Early Recovery of Investment □Change in Mode of Capital Contribution □Change in Registered Currency |
| □Equity Transfer (□from Chinese Party to Foreign Party □from Foreign Party to Chinese Party □from Foreign Party to Foreign Party □from Chinese Party to Chinese Party) |
| □Registration of Relocation of the Foreign-invested Enterprise | □Registration of Move-out Place of Move-in: |
| □Registration of Move-in Place of Move-out: |
| □De-registration of the Basic Information on Foreign-invested Enterprises | □Early Liquidation □Liquidation upon Expiry □Change to Domestic Investment □Consolidation through Absorption □Special Liquidation |
| **II. Basic Information on the Enterprise (in case of alteration of registration, the basic information after the change shall be completed)** |
| Organizational Code |  | Expiry Date of Business Term |  |
| Number of Official Reply by the Competent Authority |  | Date of Approval by the Competent Authority |  |
| Date of Registration with the Industry and Commerce Administration |  | Number of Registration of the Business License |  |
| Legal Representative |  | Category of Industry |  |
| Scope of Main Business |  |
| Registered Address |  |
| Total Investment |  | Registered Capital |  |
| Nature of the Enterprise | □Joint Venture □Wholly-owned □Cooperative □Partnership | Type of Enterprise | □Limited Liability □Shareholding □Other |
| Listing Status | □Unlisted □Listed (□Listed A-share □Listed B-share □Listed H-share □Listed with other security exchange) | Investment Company (or Not) | □Yes □No |
| Round-trip Investment | □No Round-trip Investment □Round-trip Investment |
| Contact person |  | Contact No. |  |
| **III. Basic Information on the Shareholders (in case of an alteration of registration, the information after the change shall be filled in; In case of registration of relocation or de-registration, the current information on the shareholders shall be filled in)** |
| Name of Shareholder | Passport Number/Organization Code/National ID Number/Permanent Resident Permit Number/Others | Country or Region/Domestic Address of Registration/Domestic Address of Personal Permanent Residence | Country/Region of Actual Controller | Name of Actual Controller (where the actual controller over the foreign shareholder is a resident outside the territory of China, this item is not required ) |
|  |  |  |  |  |
|  |  |  |  |  |
| **IV. Information on the Investment by the Foreign Shareholder (in case of alteration of registration, the information after the change shall be completed; In case of registration of relocation or de-registration, the current information on the shareholder shall be completed)** |
| Name of the Foreign Shareholder | Registered Capital Allocated | Percentage of Registered Capital Allocated | Amount of Contribution to Registered Capital Allocated | The “mode of capital contribution” includes, but is not limited to: remittances of spot exchange and RMB from overseas, domestic transfers, reinvestments with RMB profits, reinvestments with non-profit RMB, physical assets, intangible assets; please fill in the form according to the actual situations and refer to Note 44) | Percentage of Profit Distribution (%) |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Total | — |  |  | — |  |  |  | — |
| **V. Information on the Investment by the Chinese Shareholder (in case of alteration of registration, the information after the change shall be completed; In case of registration of relocation or de-registration, the current information on the shareholder shall be completed)** |
| Name of the Chinese Shareholder | Registered Capital Allocated | Percentage of Capital Contribution (%) | Amount of Contribution to Registered Capital Allocated | Percentage of Profit Distribution (%) |
|  |  |  |  |  |
|  |  |  |  |  |
| Total |  | — |  | — |
| **VI. Inflow of Preliminary Expenses from Foreign Investor (required for handling preliminary expense)** |
| Name of Foreign Investor | Name of Domestic Enterprise or Project to be Established | Address of Domestic Enterprise or Project to be Established | Total Investment Amount of the Domestic Enterprise or the Project to be Established | Amount of Registered Capital Allocated to the Foreign Investor | Amount of Inflow of Preliminary Expenses Upon Application |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **VII. Disposal Plan for the Proceeds from Equity Transfer to the Chinese Party by the Foreign Shareholder (required in case of an equity transfer to the Chinese party by a foreign party)** |
| Name of the Chinese Shareholder (the Transferee) | Name of the Foreign Shareholder (the Transferor) | Amount of the Registered Capital Transferred | Consideration of the Equity Transfer | 1. Amount for Domestic Reinvestment | 2. Amount Remitted Overseas |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **VIII. Disposal Plan for the Proceeds from Equity Transfer to the Foreign Party by the Chinese Shareholder (required in case of an equity transfer to the foreign party by a Chinese party)** |
| Name of the Chinese Shareholder (the Transferor) | Organizational Code or National ID Number of the Chinese Shareholder | Name of the Foreign Shareholder (the Transferee) | Amount of Registered Capital Transferred | Consideration of the Equity Transfer |
|  |  |  |  |  |
| **IX. Disposal Plan for the Proceeds from Decrease in the Capital by Foreign Shareholder (required for handling capital reduction)** |
| Name of the Foreign Shareholder with Decrease in Capital | Amount of the Decrease in Registered Capital | Amount of the Proceeds from the Decrease in Capital | 1. Amount for Domestic Reinvestment | 2. Amount Remitted Overseas |
|  |  |  |  |  |
| **X. Disposal Plan for Assets from Enterprise Liquidation Attributable to the Foreign Shareholder (required in case that there exist remaining assets after liquidation of the foreign-invested enterprise)** |
| Name of Foreign Shareholder | Amount of Proceeds from the Liquidation | 1. Amount for Domestic Reinvestment | 2. Amount Remitted Overseas |
|  |  |  |  |
| **XI. Remarks (fill in this space in case that the above columns are insufficient for the items applied for by the enterprise):** |
| **XII. Commitments: please tick the appropriate option**□Our company is NOT a round-trip investment enterprise. Our company hereby promises that no domestic resident holds shares of, or has control over, the foreign shareholder on a direct or indirect basis. In case of false or misleading representation falsifying the foreign exchange registration, our company and the legal representative are willing to be liable for any legal consequences arising therefrom.□Our company is a round-trip investment enterprise. Our company has truthfully disclosed the actual controller of the foreign shareholder. In case of false or misleading representation falsifying the foreign exchange registration, our company and the legal representative are willing to be liable for any legal consequences arising therefrom.□All information on the Application Form for Registration of Basic Information on Domestic Direct Investments and all written documents as provided by our company are authentic and effective, with all photocopies being the same as the originals. Our company hereby ensures the authenticity, accuracy, and completeness of all the forms and documents provided; otherwise our company and the legal representative shall be liable for any consequences arising therefrom.The signature of legal representative (or authorized person): Official Seal of the Entity: Date of application:  |

**Notes:**

1. Where the applicant handles the preliminary expenses registration for domestic direct investment, the foreign exchange registration of the basic information on foreign-invested enterprises and its alteration, de-registration of basic information of foreign-invested enterprises (e.g. de-registration of foreign equity), or registration of outward payment owing to early recovery of the investment by the foreign investors in a Chinese-foreign cooperative enterprise, this application form shall be completed and submitted in a truthful, accurate, and complete basis and in accordance with the regulations;

2. The amount on this application form shall be in Arabic numbers after conversion into the registered currency, accurate to the second decimal place;

3. Please tick the option of items on the application according to the content of the application; when choosing the “Alteration of Registration of the Basic Information on Foreign-invested Enterprises” please choose the type of change, with multiple options acceptable;

4. Under the mode of incorporation, “start-up” refers to a new foreign-invested enterprise domestically established by overseas institutions or individuals;

5. Under the mode of incorporation, “merger/acquisition with equity transfer” refers to acquisition of equity of the original domestic enterprise by an overseas institution or individual, and a change from a domestic-invested enterprise into a foreign-invested enterprise;

6. Under the mode of incorporation, “merger/acquisition with an additional capital contribution” refers to the subscription of additional capital of the original domestic enterprise by an overseas institution or individual, and a change of a domestic-invested enterprise into a foreign-invested enterprise;

7. Under the mode of incorporation, “asset acquisition” refers to the contract purchase and operation of assets of a domestic enterprise through a foreign-invested enterprise set up by an overseas institution or individual; or a contract purchase of the assets of a domestic enterprise by an overseas institution or individual, the start-up of a foreign-invested enterprise with these assets and operation of these assets;

8. “Registration of relocation of a foreign-invested enterprise” refers to a change in the registered address of a foreign-invested enterprise to another address, subject to the alteration of registration in the relevant foreign exchange authority with the bank at the place of move-out;

9. “Change in basic information on the enterprise” refers to a change in the basic information, including the name of the foreign-invested enterprise, the registered address, business scope, legal representative, category of industry, total investment amount, expiry date of the business term, type of enterprise, listing status, and round-trip investment;

10. A “capital increase” refers to an increase in the registered capital of a foreign-invested enterprise;

11. A “capital decrease” refers to a decrease in the registered capital of a foreign-invested enterprise;

12. A “decrease in capital actually contributed by a foreign party” refers to a decrease in the registered capital already in place by a foreign shareholder of a foreign-invested enterprise;

13. A “decrease in an obligation of a capital contribution by the foreign party” refers to a decrease in the registered capital NOT in place by the foreign shareholder of the foreign-invested enterprise;

14. An “early recovery of investment” refers to the early recovery of the initial investment after a certain period of time following the set-up of the enterprise, as arranged by the foreign shareholder and the Chinese party of the foreign-invested enterprise;

15. An “equity transfer” refers to a transfer of the equity of the foreign-invested enterprise;

16. A “transfer from Chinese Party to foreign Party” refers to transfer of the entire or partial equity held by the original Chinese shareholder of a foreign-invested enterprise to an overseas institution or individual;

17. A “transfer from foreign party to Chinese party” refers to the transfer of the entire or partial equity held by the original foreign shareholder of a foreign-invested enterprise to a domestic institution or individual;

18. A “transfer from foreign party to foreign party” refers to the transfer of the entire or partial equity held by the original foreign shareholder to an overseas institution or individual;

19. A “transfer from Chinese party to Chinese party” refers to a transfer of the entire or partial equity held by the original Chinese shareholder of a foreign-invested enterprise to a domestic institution or individual;

20. The “organizational code” refers to the 9-digit number on the “organizational code certificate” issued by the Quality and Technology Supervision Bureau;

21. The “expiry date of the business term” refers to the expiry date of the business term on the business license; an “indefinite business term” is deemed as 99 years;

22. The “number of the official reply by the relevant authority” refers to the number of the official reply upon the approval of the relevant business by the commerce authority or the competent industry authority;

23. The “date of approval by the competent authority” refers to the date of the official reply upon approval of the relevant business by the commerce authority or the competent industry authority;

24. The “date of registration with the industry and commerce administration” refers to the “date of the set-up” on the business license;

25. The “number of registration of the business license” refers to the “registration number” on the business license;

26. The “the legal representative” refers to the name of the “legal representative” on the business license;

27. “Category of industry” refers to the category under the Industrial Classification of National Economic Activities (GB/T4754-2002);

28. The “Scope of the Main Businesses” refers to the “business scope” on the business license; when the business scope is too long, the three main businesses are acceptable;

29. The “registered address” refers to the “domicile” on the business license;

30. The “total investment amount” refers to the “total investment amount” on the approval certificate of the foreign-invested enterprise;

31. The “registered capital” refers to the “registered capital” on the approval certificate of the foreign-invested enterprise;

32. The “percentage of the foreign party” refers to the total shareholding percentage of all foreign shareholders;

33. The “nature of the enterprise” refers to the “company type” on the official reply by the competent authority or on the business license;

34. The “type of enterprise” refers to the “company type” ticked on the business license;

35. The “listing status” refers to the actual listing status of the enterprise;

36. The options under “round-trip investment” include the following meanings:

Round-trip investment: a domestic resident holds shares of, or has control over, the foreign shareholder of the company on a direct or indirect basis.

Non-round-trip investment: no domestic resident holds shares of, or has control over, the foreign shareholder of the company on a direct or indirect basis.

37. The “name of the foreign shareholder” refers to the name of the foreign shareholder under the column of the “name of the investor” on the approval certificate of the foreign-invested enterprise;

38. The “country/region” refers to the “registered address” on the approval certificate of the foreign-invested enterprise;

39. The “name of the actual controller” refers to the name of a resident within the territory of China, being the actual controller of the foreign shareholder; Where the actual controller of the foreign shareholder is a resident outside of the territory of China, and from a country/region different from that of the foreign shareholder, the “country/region of the actual controller” shall be filled in;

40. The “registered capital allocated” refers to the “amount of the capital contribution” on the approval certificate of the foreign-invested enterprise;

41. The “amount of the contribution of the registered capital allocated” refers to the amount of the actual contribution of the foreign shareholder on the official reply by the competent commerce authority or the competent industry authority, or in the Articles of Association;

42. The “percentage of capital contribution” refers to the percentage of registered capital allocated to the foreign shareholder on the official reply by the competent commerce authority or the competent industry authority, or in the Articles of Association;

43. The “mode of capital contribution” includes, but is not limited to: remittances of spot exchange/RMB from overseas, domestic transfers, foreign exchange settlements of preliminary expenses, reinvestments with RMB profits, reinvestments with non-profit RMB, physical assets, intangible assets, equities, other non-monetary capital, mergers and splits, asset acquisitions, and other modes; The enterprise shall complete this column according to the actual contributions of the foreign investors and shall provide the respective amount for each mode of contribution in the following column;

The main modes of capital contribution are defined as follows:

“Remittance from overseas (including RMB funds)” refers to foreign exchange funds or RMB funds remitted from overseas (including offshore accounts and non-resident accounts) by the foreign shareholder for capital contribution;

“Domestic transfer” refers to domestic foreign exchange funds from the foreign shareholder for capital contribution;

“Foreign exchange settlement of preliminary expenses” refers to funds from the preliminary expenses remitted inward and after the foreign exchange settlement by the foreign shareholder for capital contribution;

“Reinvestments with RMB profits” refers to reinvestments (or capital increases) with legitimate profits from domestic sources by the foreign shareholder;

“Reinvestment with non-profit RMB” refers to domestic reinvestments by a foreign shareholder with the gains from a domestic equity transfer, proceeds from a decrease in capital, proceeds from an early recovery of investments or proceeds from liquidation, or capital increase with the surplus reserves or capital reserves of the invested enterprise for contribution;

“Other non-monetary capital” refers to the capital contribution by the foreign shareholder with non-monetary capital other than physical assets, intangible assets, and equities;

A “merger and split” refers to a capital contribution by a foreign shareholder with a change in equity in the invested enterprise due to a merger or split;

“Asset acquisition” refers to a capital contribution by the foreign shareholder with legitimately acquired domestic assets;

“Other” refers to modes of capital contributions other than the above modes;

44. The “percentage of profit distribution” refers to the percentage of profits distributable to the foreign shareholder according to the Articles of Association;

45. The “name of the Chinese shareholder” refers to the name of the Chinese shareholder under the column of the “name of the investor” on the approval certificate of the foreign-invested enterprise;

46. The “organizational code/national ID number” refers to the organizational code or national ID number of the Chinese shareholder;

47. The “region” refers to the region of the registered address of the domestic institution or the permanent residence of the domestic individual;

48. The “amount of proceeds from liquidation” refers to the amount of assets attributable to the foreign shareholder of the company upon corporate liquidation, according to the liquidation audit report or the liquidation group resolution.

49. The “amount for domestic reinvestment” refers to the amount of proceeds from liquidation used for a domestic investment by the foreign shareholder;

50. The “amount remitted overseas” refers to the amount of proceeds from liquidation to be remitted overseas by the foreign shareholder;

51. The “amount of registered capital transferred” refers to the amount of registered capital transferred by the equity transferor to the transferee;

52. The “consideration of equity transfer” refers to the price of the equity transferred;

53. The “amount of the decrease in the registered capital” refers to the amount of the decrease in the registered capital as applied for by the foreign shareholder;

54. The “amount of proceeds from a decrease in capital” refers to the amount of proceeds from a decrease in the registered capital of the foreign shareholder;

55. Under “de-registration of foreign equity of a foreign-invested enterprise”, “early liquidation” refers to an early liquidation or a disinvestment prior to the expiry of the business term of the foreign-invested enterprise;

56. Under “de-registration of foreign equity of a foreign-invested enterprise”, “liquidation upon expiry” refers to a normal liquidation upon expiry of the business term of the foreign-invested enterprise;

57. Under “de-registration of foreign equity of a foreign-invested enterprise”, the “change to a domestic-invested enterprise” refers to the change of a foreign-invested enterprise to a domestic-invested enterprise upon transfer of the entire equity held by the foreign shareholder to a domestic institution or individual; This item is supplementary to the option of an equity transfer from foreign party to Chinese party in the alteration of registration for a foreign-invested enterprise;

58. Under “de-registration of foreign equity of a foreign-invested enterprise”, “consolidation through absorption” refers to the absorption of a foreign-invested enterprise by a domestic company, while the entity of the foreign-invested enterprise no longer exists;

59. Under “de-registration of foreign equity of the foreign-invested enterprise”, “special liquidation” refers to liquidation of a foreign-invested enterprise due to special reasons, including bankruptcy and litigation;

60. The “passport number” refers to the number of the passport of the foreign individual, as a foreign shareholder, or the number of the permanent residence permit of a foreign individual with a Permanent Residence Permit (not applicable to a foreign institution);

61. A “change in the mode of capital contribution” refers to a change in the mode of the registered capital contribution of the foreign shareholder in a foreign-invested enterprise, such as change from “remittance from overseas” to "physical assets";

62. A “change in the registered currency” refers to a change in the registered currency applied for by the foreign-invested enterprise under such circumstances as a shareholding reform, and the new currency shall be completed under the header “registered currency.”

**Table 2 Application Form for the Registration of Basic Information on Domestic Direct Investments (II)**

|  |
| --- |
| **I. Items of Application** |
| □Registration of Entity Information | □Change in Entity Information |
| **II. Basic Information on the Entity (in case of an alteration of registration, the information after the change shall be filled in)** |
| Type of Entity | □Domestic Individual □Domestic Institution |
| Name of Entity |  |
| Code of Entity (Organizational Code/Financial Institution Identification Code/National ID Number/Passport Number/Other) |  |
| Registered Address of Domestic Institution/Permanent Residence Address of Domestic Individual |  |
| Listing Status | □Unlisted □Listed A-share □Listed B-share □Listed Overseas □Other |
| Nature of Special Entity | □Hong Kong, Macao, and Taiwan Residents □Chinese State-owned Enterprise □Foreign-invested Enterprise □Overseas Investment Enterprise □Special Purpose Vehicle □Investment Company □Domestic Company Reinvested by an Investment Company □Overseas Bank □Overseas Non-bank Financial Institution □Other |
| Contact person | Contact No. |
| **III. Basic Information on the Receipt of Domestic Reinvestment by a Foreign-funded Investment Company (required when a foreign-funded investment company is the shareholder of the domestic entity):** |
| Code of the Foreign-funded Investment Company |  | Amount of Capital Contribution by the Foreign-funded Investment Company |  |
| Currency of the Capital Contribution by the Foreign-funded Investment Company |  | Name of the Foreign-funded Investment Company |  |
| **IV. Remarks (to be completed in case that the above columns are insufficient to provide information on the entity):** |
| **V. Commitments: please tick the appropriate option**□All information on this Application Form for Registration of Basic Information on Domestic Direct Investments and all written documents as provided by the undersigned/institution are authentic and effective. The undersigned/ institution hereby ensures the authenticity, accuracy, and completeness of all forms and documents provided; otherwise the undersigned/institution shall be liable for any consequences arising therefrom.The signatory/legal representative (or authorized person): Official Seal of the Entity: Date of application:  |

**Notes:**

1. In the event of registration and/or change of basic information on the entity applying for opening foreign exchange account for security deposit, or registration and/or change of basic information on receipt of domestic reinvestment (Section 1.5 and 1.6 of these Guidelines), this application form shall be filled in and submitted on a truthful, accurate and complete basis in accordance with regulations;

2. “Registration of the entity information” refers to the registration of the information on the domestic or overseas entity, which does not have any data in the system database of the SAFE, and is required to go through the entity information registration prior to operating any business under domestic direct investment;

3. “Change in entity information” refers to the registration required for a change in the basic information on the domestic or overseas entity;

4. The option “type of entity” shall be ticked according to the actual circumstances of the entity;

5. The “name of the entity” refers to the name of the entity on the effective certificate;

6. The “code of entity” refers to the number on the organizational code certificate of the domestic enterprise, the financial institution identification code of the domestic financial institution, or the national ID number of the domestic individual (in case of other types of entities, the type and number of the code shall be completed);

7. The “registered address of the domestic institution/permanent residence of the domestic individual” refers to the registered address of the domestic institution or the permanent residence address of the domestic individual;

8. The “listing status” refers to the entity’s status of listing in the domestic or overseas stock exchange;

9. The option the “nature of the special entity” shall be ticked according to the actual circumstances of the entity;

10. The “code of the foreign-funded investment company” refers to the number on the organizational code certificate of the foreign-invested enterprise incorporated in China, with investment as its main business;

11. The “name of the foreign-funded investment company” refers to the registered name on the business license of the foreign-invested enterprise incorporated in China, with investment as its main business;

12. The “currency of the capital contribution by the foreign-funded investment company” refers to the currency of its actual investment in the domestic entity;

13. The “amount of the capital contribution by the foreign-funded investment company” refers to the amount of its actual investment in the domestic entity.

**Table 3 Application Form for Registration of Accounting Entry of Monetary Contribution for Domestic Direct Investment**

|  |
| --- |
| **I. Basic Information on the Applying Entity** |
| Name of Entity |  |
| Domestic Institution Entity Code (organization code) |  |
| Country/Region of Overseas Institutions and Individuals |  |
| Contact person |  | Contact No. |  |
| **II. Information on accounting entry of monetary contribution (consolidated)** |
| Name of the Foreign-invested Enterprise Relative to Capital Contribution | Code of Foreign-invested Enterprise Relative to Capital Contribution | Name of Foreign Shareholder Relative to this Capital Contribution | Country/Region of the Foreign Shareholder Relative to this Capital Contribution | Registered Currency of the Foreign-invested Enterprise | Amount of the Registered Capital Subscribed by the Foreign Shareholder | Amount of the Registered Capital Contribution Subscribed by the Foreign Shareholder | Cumulative Amount of Registered Capital of the Foreign Shareholder Registered as in Place | Cumulative Amount of Actual Capital Contribution of the Foreign Shareholder Registered as in Place | Amount of Registered Capital to Be Registered under this Application | Amount of Actual Capital Contribution under this Application |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **III. Information on accounting entry of monetary contribution (detailed)** |
| Name of the Foreign Shareholder Relative to this Capital Contribution | Name of Actual Contributor | The “mode of capital contribution” includes, but is not limited to: Please input the truthful data on the remittances of spot exchange/RMB from overseas and domestic transfer in accordance with the Note 10.) | Currency and Amount of Actual Inflows | Currency and Amount as Converted into Registered Capital |
|  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **IV. Remarks (to be completed in case that the above columns are insufficient to provide information on the entity):** |
| **V. Commitments: please tick the appropriate option**□All information on this Application Form for Registration of Accounting Entry of Monetary Contribution for Domestic Direct Investment and all written documents as provided by the undersigned/ institution are authentic and effective. The undersigned/ institution hereby ensures the authenticity, accuracy, and completeness of all forms and documents provided; otherwise the undersigned/institution shall be liable for any consequences arising therefrom.The signatory/legal representative (or authorized person): Official Seal of the Entity: Date of application:  |
| For bank use only: Bank clerk (signature): Reviewer (signature):Date of business acceptance:  |

**Notes:**

1. In the event of registering accounting entry of monetary contribution for domestic direct investment (see Section 1.7 of these Guidelines), the applicant shall fill in and submit this application form on an authentic, accurate, and complete basis according to the regulations;

2. The “name of the foreign-invested enterprise relative to the capital contribution” refers to the name of the foreign-invested enterprise relative to the capital contribution by the foreign party;

3. The “code of the foreign-invested enterprise relative to the capital contribution” refers to the 9-digit number on its organizational code certificate;

4. The “registered currency of foreign-invested enterprise” refers to the currency registered in the registration of basic information on the foreign-invested enterprise;

5. The “amount of registered capital subscribed to by the foreign party” refers to the amount of registered capital allocated to the foreign party;

6. The “contribution to registered capital subscribed by foreign party” refers to the actual capital contribution made by the foreign party;

7. The “cumulative amount of registered capital of the foreign shareholder registered as in place” refers to the amount of the registered capital allocation by the foreign shareholder registered as in place;

8. The “cumulative amount of actual capital contribution of the foreign shareholder registered as in place” refers to the actual capital contribution of the foreign shareholder already registered;

9. The “amount of the registered capital to be registered under this application” refers to the amount of the registered capital contribution of the foreign shareholder under this application.

10. The “mode of capital contribution” includes, but is not limited to: remittances of spot exchange/RMB from overseas and domestic transfer. The enterprise shall complete this column according to the actual contributions of the foreign investors and shall provide the respective amount for each mode of contribution in the following column; The main modes of capital contribution are defined as follows:

“Remittances of spot exchange/RMB from overseas” refers to foreign exchange funds or RMB funds remitted from overseas (including offshore accounts and non-resident accounts) by the foreign shareholder for capital contribution;

“Domestic transfer” refers to domestic foreign exchange funds from the foreign shareholder for capital contribution.

**Table 4 Statement of Foreign Equity in Domestic Direct Investment**

|  |  |
| --- | --- |
| **Name of Company:** | **Filing Date:** |
| **Organization Code: Unit: RMB**  |
| **Indicator** | **Beginning Balance** | **Ending Balance** |
| I. Total Assets of Foreign-funded Enterprises |  |  |
| Of which, Current Assets |  |  |
| Non-current Assets |  |  |
| II. Total Liabilities of Foreign-funded Enterprises |  |  |
| Of which, Short-term Liabilities |  |  |
| Long-term Liabilities |  |  |
| III. Equity Attributable to All Shareholders of Foreign-Invested Enterprise |  |  |
| IV. Equity Attributable to Foreign Shareholder |  |  |
| 4.1 Paid-in Capital Attributable to Foreign Shareholder |  |  |
| 4.2 Capital Reserve and Retained Earnings Attributable to Foreign Shareholder |  |  |
| Of which, Capital Reserve |  |  |
| Surplus Reserve |  |  |
| Undistributed Profit |  |  |
| 4.3. Others |  |  |
| V. Minority Interests in Foreign-Invested Enterprise |  |  |
| VI. Amount of Actual Capital Contribution By Foreign Investor |  |  |
| VII. Dividend Payable to Foreign Party by Foreign-Invested Enterprise |  |  |
| VIII. Profits of Foreign-Invested Enterprise | Amount for the Period (Last Year) | Accumulated Amount |
| Net Profit Attributable to All Shareholders of Foreign-Invested Enterprise |  |  |
| Of which, Net Profit Attributable to Foreign Shareholder |  |  |
| Total Profits Distributed to Foreign Shareholder |  |  |
| Total Profits Remitted to Foreign Shareholder |  |  |
| **Notes (For the Foreign-Funded Investment Enterprise Only)** |
| Equity Attributable to Subsidiary Under Equity Method (Ending Amount) | Dividends Payable | Paid-in Capital | Undistributed Profit | Capital Reserve | Surplus Reserve | Others |
|  |  |  |  |  |  |
| Equity Attributable to Subsidiary Under Cost Method (Ending Amount) | Dividends Payable | Paid-in Capital | Undistributed Profit | Capital Reserve | Surplus Reserve | Others |
|  |  |  |  |  |  |
| **Remarks: (Detailed information on any special circumstances must be provided here.)** |
|  |

**Notes:**

1. "Current assets","non-current assets", "short-term liabilities", "long-term liabilities", "total assets" and "total liabilities" shall be filled in according to the relevant accounting items in consolidated financial statements of domestic foreign-invested enterprise.

2. “Equity attributable to all shareholders of foreign-invested enterprise” shall be filled in according to the relevant accounting items in consolidated financial statements of domestic foreign-invested enterprise.

3. “Equity attributable to foreign shareholder”: is the product of the “equity attributable to all shareholders of this institution” in the consolidated financial statements of domestic foreign-invested enterprise multiplied by shareholding percentage or agreed percentage of foreign shareholder (compliant with relevant laws and regulations). This item shall be equal to the sum of amounts in “4.1 Paid-in capital (attributable to foreign shareholder)”, “4.2 Capital reserve and retained earnings attributable to foreign party” and “4.3 Others”. The share of capital contribution to the foreign-invested enterprise by the domestic foreign-funded investment enterprise is deemed as the capital contribution by Chinese investor, and is not included in the equity of foreign shareholder herein.

4. “Paid-in capital attributable to foreign shareholder”: is the product of the “paid-in capital” under the “equity attributable to all shareholders of this institution” in the consolidated financial statements of domestic foreign-invested enterprise multiplied by shareholding percentage or agreed percentage of foreign shareholder (compliant with relevant laws and regulations).

5. “Capital reserve and retained earnings attributable to foreign shareholder”: is the capital reserve, surplus reserve and undistributed profits, etc., attributable to foreign shareholder as determined according to the shareholding percentage or agreed percentage of foreign shareholder (compliant with relevant laws and regulations). For enterprises which have not implemented the Accounting Standards for Business Enterprises promulgated by the Ministry of Finance on February 15, 2006, the reserve fund, development fund and other retained earnings included in the owner’s equity may be consolidated in the surplus reserve. “Capital reserve”, “surplus reserve” and “undistributed profits” included in this item shall be calculated according to the shareholding percentage or agreed percentage.

6. “Others”: is the product of the “others” under the “equity attributable to all shareholders of this institution” in the consolidated financial statements of domestic foreign-invested enterprise multiplied by shareholding percentage or agreed percentage of foreign shareholder (compliant with relevant laws and regulations).

7. “Minority interests” shall be filled in according to the relevant accounting items in consolidated financial statements of domestic foreign-invested enterprise.

8. “Amount of actual capital contribution by foreign investor”: includes the actual capital contributions in the form of foreign exchange, RMB, intangible asset or tangible goods and consideration paid for purchase of Chinese equity by overseas investor, and the actual capital contribution through the capitalization of profits payable to foreign shareholder by foreign-invested enterprise, capital reserve, surplus reserve, undistributed profits and registered foreign debts (in which the interest may be included) as of December 31, 20XX. Any actual capital contribution by foreign investor with a premium or discount (compliant with relevant laws and regulations) shall be included in this item.

The share of capital contribution to the foreign-invested enterprise by the domestic foreign-funded investment enterprise shall be deemed as the capital contribution by Chinese investor, and is not included in the actual capital contribution by foreign investor.

9. “Dividend payable to foreign party”: refers to the dividend declared but not paid to foreign party by foreign-invested enterprise (not excluding withholding taxes).

10. “Net profits attributable to all shareholders of foreign-invested enterprise” shall be filled in according to the relevant accounting items in (consolidated) financial statements of foreign-invested enterprise. “Net profits attributable to foreign shareholder” is determined according to the shareholding percentage or agreed percentage of foreign shareholder (compliant with relevant laws and regulations).

11. “Total profits distributed to foreign shareholder” or “total profits remitted to foreign shareholder” for the period shall be filled in at the actual amount for the last year, while the profits distributed and remitted may include the profits from prior years.

12. “Notes”: The item “dividend payable”, “paid-in capital”, “capital reserve”, “undistributed profits”, “surplus reserve” or “others” refers to the consolidated amount of domestic subsidiaries under foreign-funded investment enterprise only. The domestic subsidiaries shall be classified into those “under the equity method” or “under the cost method”, and the amounts shall be provided on a consolidated basis when there are more than one subsidiary. The formula is: actual equity attributable to foreign investor = equity in domestic subsidiary × shareholding percentage or agreed percentage of foreign investor in foreign-funded investment enterprise (compliant with relevant laws and regulations) × shareholding percentage or agreed percentage of foreign-funded investment enterprise in domestic subsidiary (compliant with relevant laws and regulations).

13. For merger through absorption between foreign-invested enterprises, the merged company shall be timely deregistered with the bank at the place of incorporation, and not included in the declaration of annual report on foreign exchange. The beginning amount of the existing company shall be filled in at the actual beginning amount of such company, while the ending amount shall be filled in at the actual amount of the new company after the merger through absorption.

14. The beginning amount in this Table shall be equal to the ending amount reported for the last year. If there exists any discrepancy due to adjustment to the amounts for the last year, details of the reason and adjustment shall be provided in the “Remarks” column.

15. The currency for this Table is RMB; the exchange rate at the date of actual accounting entry shall apply.

16. All items in this Table shall be rounded to two decimal places.

17. All items in this Table are required items; fill “0” for zero amount, and do not just leave it blank.

**Table 5 Application Form for the Registration of Foreign Exchange for Overseas Direct Investments**

**Name of Investment Entity: Investment Entity Code:**

**Registered Currency of Overseas Investment Enterprise:**

|  |
| --- |
| **I. Items of Application** |
| □Registration for Foreign Exchange of an Overseas Investment Enterprise | Mode of Incorporation: □Start-up □Merger/Acquisition □Other |
| □Alteration of Registration for Overseas Investment Enterprise | □Change in Basic Information □Capital Increase □Capital Decrease (□Decrease in the Capital Actually Contributed by the Chinese Party □Decrease in the Obligation of the Capital Contribution of the Chinese Party) □Mode of the Capital Contribution □Change in the Registered Currency |
| □Equity Transfer (□from Chinese Party to Foreign Party □from Foreign Party to Chinese Party □from Foreign Party to Foreign Party □from Chinese Party to Chinese Party) |
| □Registration of Preliminary Expenses under Overseas Investments | Amount on the Application: |  |
| □De-registration of Overseas Investment Enterprise | Reason for De-registration: □Liquidation □Other |
| **II. Basic Information on the Overseas Investment Enterprise (in case of alteration of registration, the basic information after the change shall be completed; In case of de-registration, the basic information prior to de-registration shall be completed)** |
| Name of the Enterprise in Chinese |  | Name of the Enterprise in Foreign Language |  |
| Number of the Official Reply by the Competent Authority |  | Date of Approval by the Competent Authority |  |
| Country/Region |  | Category of Industry |  |
| Scope of Main Business |  |
| Total Amount of the Investment |  | Total investment by Chinese party as agreed upon |  |
| Percentage of the Chinese Party (%) |  | Nature of Investment Project |  |
| Nature of the Overseas Investment Enterprise | □Limited Liability □Shareholding □Other | Type of Overseas Investment Enterprise | □Wholly Chinese-owned □Chinese-foreign Joint Venture □Cooperative □Partnership |
| Amount of Preliminary Expenses Already Remitted |  | Listing Status | □Unlisted □Listed (Place of Listing: ) |
| Contact person |  | Contact No. |  |
| **III. Basic Information on the Shareholders (in case of an alteration of registration, the information after the change shall be filled in; In case of de-registration, the current shareholder information shall be completed)** |
| Name of Shareholder | Passport Number/Organization Code/National ID Number | Country or Region/Domestic Address of Registration/Domestic Address of Personal Permanent Residence |
|  |  |  |
|  |  |  |
|  |  |  |
| IV. Information on the Investment by Chinese Shareholder (in case of alteration of registration, the information after the change shall be completed; In case of de-registration, the current shareholder information shall be completed) |
| Name of the Chinese Shareholder | Total investment as agreed upon | Preliminary Expenses Already Remitted Outward | Monetary Contribution | Debt-for-Equity Swap | Settlement Abroad | Capital Contribution with Domestic Equity | Percentage of Profit Distribution (%) |
| A. physical assets, B. intangible asset, C. equity, D. any other forms |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| Total | - | - |  |  |  |  | - |
| **In case that the capital contribution is made in the manner of a settlement abroad, the source of the funds shall be indicated:** |
| **V. Information on the Investment by the Foreign Shareholder (in case of alteration of registration, the information after the change shall be completed; In case of de-registration, the current shareholder information shall be completed)** |
| Name of the Foreign Shareholder | Total investment as agreed upon | Percentage of Profit Distribution (%) |
|  |  |  |
|  |  |  |
| Total | - | - |
| **VI. Payment Plan for the Proceeds from the Equity Transfer to the Chinese Party by the Foreign Shareholder (required in case of an equity transfer to a Chinese party by a foreign party):** |
| Name of the Chinese Shareholder (the Transferee) | Name of the Foreign Shareholder (the Transferor) | Country/Region of the Foreign Shareholder | Amount of Transferred Investment | Consideration of the Equity Transfer | Of which, 1. Amount of the Overseas Payment | 2： Others |
|  |  |  |  |  |  |  |
| **VII. Disposal Plan for the Proceeds from an Equity Transfer to the Foreign Party by the Chinese Shareholder (required in case of an equity transfer to a foreign party by a Chinese party):** |
| Name of the Chinese Shareholder (the Transferor) | Name of the Foreign Shareholder (the Transferee) | Amount of Transferred Investment | Consideration of the Equity Transfer | Of which, 1. Amount Retained Overseas | 2. Amount Transferred Back |
|  |  |  |  |  |  |
| **VIII. Disposal Plan for the Proceeds from a Capital Decrease by the Chinese Shareholder (required in case of a decrease in the actual capital contribution by the Chinese party):** |
| Name of the Chinese Shareholder | Amount of Decreased Investment | Amount of the Proceeds from the Decrease in Capital | Of which, 1. Amount Retained Overseas | 2. Amount Transferred Back |
|  |  |  |  |  |
| **IX. Disposal Plan for Assets Attributable to the Chinese Shareholder upon De-registration of an Overseas Investment Enterprise (required in case of remaining assets that need to be transferred back upon de-registration of an overseas investment enterprise)** |
| Name of the Chinese Shareholder (the Transferor) | Amount of the Proceeds from Liquidation | 1. Amount Retained Overseas | 2. Amount to be Transferred Back |
|  |  |  |  |
| **X. Remarks (fill in this space in case that the above columns are insufficient for the items applied for by the enterprise):** |
| **X. Commitments: please tick the appropriate option**□All information on the Application Form for Registration of Foreign Exchange for Overseas Direct Investments and all written documents as provided by our enterprise are authentic and effective, with all photocopies being the same as the originals. Our enterprise hereby ensures the authenticity, accuracy, and completeness of all forms and documents provided; otherwise our enterprise and its legal representative shall be liable for any consequences arising therefrom.The signature of legal representative (or authorized person): Official Seal of the Entity: Date of application:  |

**Notes:**

1. In the event of preliminary expense registration for overseas direct investments, foreign exchange registration for overseas direct investments, registration of a change in foreign exchange under overseas direct investments, and registration for liquidation of overseas direct investments as applied for by domestic institutions, the applicant shall complete and submit this application form on an authentic, accurate, and complete basis according to the regulations.

2. The amounts on this application form shall be Arabic numbers after conversion into the registered currency; accurate to the second decimal place;

3. Please tick the option of items on the application according to the content of the application; when choosing “alteration of registration in an overseas investment enterprise,” please tick the option of the type of change, with multiple options being acceptable;

4. “Foreign exchange registration for overseas investment enterprises” is applicable to a domestic entity which acquires control over overseas companies through start-ups or mergers and acquisitions on an offshore basis;

5. Please tick the option of “start-ups,” “merger/acquisition,” or “others” under the “mode of incorporation” according to the mode of incorporation shown on the Corporate Overseas Investment Certificate;

6. “De-registration of an overseas investment enterprise” is applicable to an overseas investment enterprise which should complete the de-registration of the enterprise due to liquidation;

7. “Preliminary expense registration for overseas investments” is applicable to a domestic entity that wants to remit funds in circumstances such as preliminary research, tendering and bidding for projects, prior to obtaining an approval certificate by the competent overseas investment authority;

8. “Change in basic information of overseas investment enterprise” mainly refers to a change in the information including the name of the overseas investment enterprise, business scope, industry category, nature of the investment project, type of overseas investment enterprise and listing status;

9. “Capital increase” refers to an increase in the capital contribution by a domestic entity to an overseas investment enterprise;

10. “Capital decrease” refers to a decrease in the capital contribution by a domestic entity to an overseas investment enterprise;

11. “Decrease of capital actually contributed by the Chinese party” refers to a decrease in the capital in place as actually contributed by the domestic entity;

12. “Decrease in the obligation of the capital contribution of the Chinese party” refers to a decrease in the capital contribution to an overseas investment enterprise by a domestic entity, which is not yet in place;

13. “Equity transfer” refers to the transfer of the equity of an overseas investment enterprise;

14. “Transfer from Chinese Party to foreign Party” refers to the transfer of the entire or partial equity held by the original Chinese shareholder of the overseas investment enterprise to an overseas institution or individual;

15. “Transfer from foreign party to Chinese party” refers to the transfer of the entire or partial equity held by the original foreign shareholder of the overseas investment enterprise to a domestic institution or individual;

16. “Transfer from foreign party to foreign party” refers to the transfer of the entire or partial equity held by the original foreign shareholder of an overseas investment enterprise to an overseas institution or individual;

17. “Transfer from Chinese party to Chinese party” refers to the transfer of the entire or partial equity held by the original Chinese shareholder of an overseas investment enterprise to a domestic institution or individual;

18. “Name of the enterprise in Chinese” shall be that as shown on the Corporate Overseas Investment Certificate; Specific notes shall be provided for special circumstances.。

19. “Name of the enterprise in a foreign language” shall be that as shown on the Corporate Overseas Investment Certificate; Specific notes shall be provided for special circumstances.。

20. “Number of the official reply by the competent authority” refers to the number of the official reply upon approval of the relevant businesses by the competent commerce authority or industry authority;

21. “Date of approval by the competent authority” refers to the date of the official reply upon approval of the relevant businesses by the competent commerce authority or industry authority;

22. “Country/region” shall be filled in as per the Corporate Overseas Investment Certificate;

23. “Category of industry” refers to the category under the Industrial Classification of National Economic Activities (GB/T4754-2002);

24. “Scope of the main businesses” refers to the “business scope” on the Corporate Overseas Investment Certificate; when the business scope is too long, the three main businesses are acceptable;

25. “Total investment amount” refers to the sum of the total investment amount of the Chinese party and the foreign party on the Corporate Overseas Investment Certificate;

26. “Total investment by Chinese party as agreed upon” refers to the total investment amount of the Chinese shareholder on the Corporate Overseas Investment Certificate;

27. “Percentage of the Chinese Party” refers to the sum of the shareholding percentage allocated to the Chinese party on the Corporate Overseas Investment Certificate;

28. “Nature of investment project” includes “overseas resources exploitation and development, overseas production and processing, overseas science and technology R&D, facilitating export (including processing with overseas materials) and others”, please tick according to actual situations;

29. “Nature of the overseas investment enterprise” refers to the organization form of the overseas investment enterprise according to the registration certificate of the overseas company;

30. “Type of overseas investment enterprise” refers to the original type of relationship between the foreign shareholder and the overseas investment enterprise, and to a “wholly Chinese-owned” type in the case there is no foreign shareholder;

31. “Listing status” refers to the actual listing status of the enterprise;

32. Total investment by Chinese party as agreed upon = preliminary expenses already remitted outward+ monetary contribution + debt-for-equity swap + settlement abroad + capital contribution with domestic equity;

33. “Amount of preliminary expenses already remitted outward” refers to the amount of preliminary expenses under prior registration of overseas investment as applied for by the Chinese party;

34. “Name of the Chinese shareholder” refers to the “name of the Chinese party” in terms of the investor on the Corporate Overseas Investment Certificate;

35. “Total investment as agreed upon” refers to the total investment amount relative to the shareholder on the Corporate Overseas Investment Certificate;

36. “Debt-for-equity swap” refers to the swap of the Chinese shareholder’s rights to the overseas debt for the company equity;

37. “Settlement abroad” refers to the capital contribution by the Chinese shareholder to an overseas investment enterprise, with its legitimate assets or equity abroad;

38. The option including “physical assets, intangible assets, equities, and other” refers to the amount of capital contribution by the Chinese shareholder in the aforesaid modes (in the case of more than one mode, please fill in separately, e.g., A. USD 200,000; B. USD 500,000”;

39. The “name of the foreign shareholder” refers to the “name of the foreign party” in terms of the investor on the Corporate Overseas Investment Certificate;

40. “Consideration of equity transfer” refers to the price of the equity transferred;

41. “Amount of proceeds from a decrease in capital” refers to the amount of the proceeds from a decrease in the registered capital of the Chinese shareholder;

42. “Mode of capital contribution” in the “alteration of registration of an overseas investment enterprise” refers to a change in the mode of the proposed contribution to an overseas investment by a domestic shareholder.

**Table 6 Registration Form for Foreign Exchange for Overseas Investment by Domestic Residents**

|  |
| --- |
| **I. Basic Information on the Domestic Resident** |
| Name of the Domestic Resident | Place of Assets or Equity of the Domestic Enterprise or the Address of the Household Registration of Domestic Residents (for overseas individuals, the address of habitual residence within the territory of China) | Resident ID Card Number or Passport Number |
|  |  |  |
| **II. Item of Application** |
| □Registration of Set-up of Overseas Investment Enterprise | □Capital Contribution with Domestic Assets/Equity  | Name of Domestic Assets/Equity: |
| □Capital Contribution with Overseas Assets/Equity | Name of Overseas Assets/Equity: |
| □Monetary Contribution | Mode of Capital Contribution: | Amount on the Application: |
| □Other | Mode of Capital Contribution: | Amount on the Application: |
| □Alteration of Registration for Overseas Investment Enterprise | □Change in Basic Information □Capital Increase □Capital Decrease □Mode of Capital Contribution |
| □Equity Transfer (□from Chinese Party to Foreign Party □from Foreign Party to Chinese Party □from Foreign Party to Foreign Party □from Chinese Party to Chinese Party) |
| □De-registration of Overseas Investment Enterprise | Reason for De-registration: □Equity Transfer □Liquidation □Other |
| Contact person |  | Contact No. |  |
| **III. Basic Information on the Overseas Investment Enterprise (in case of alteration of registration, the basic information after the change shall be completed; In case of de-registration, the basic information prior to de-registration shall be completed)** |
| Name of Overseas Enterprise | Address of Registration | Date of Registration | Place of Listing | Date of Listing | Total Assets | Total Number of Shares Issued | Number of Share Options Reserved for Employees |
|  |  |  |  |  |  |  |  |
| **IV. Information on the Investment of the Overseas Investment Enterprise by Chinese Shareholder (in case of alteration of registration, the basic information after the change should be completed; In case of de-registration, the current shareholder information shall be completed)** |
| Name of the Chinese Shareholder | Currency | Amount of Capital Contribution | Percentage of Capital Contribution (%) | Number of Shares | Percentage of Shareholding (%) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **V. Information on the Investment of an Overseas Investment Enterprise by Foreign Shareholder (in case of alteration of registration, the basic information after the change should be completed; In case of de-registration, the current shareholder information should be completed; in case of a diversified shareholding structure, the information on main foreign shareholder should be completed according to the circumstances)** |
| **Name of Foreign Shareholder** | **Currency** | **Amount of Investment** | **Percentage of Capital Contribution** | **Number of Shares** | **Percentage of Shareholding** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **VI. Basic Information on a Proposed Round-trip Investment Enterprise (in case of alteration of registration, the basic information after the change should be completed; In case of de-registration, the current shareholder information shall be completed)** |
| Name of the Round-trip Investment Enterprise | Organizational Code | Number of the Approval Certificate of the Foreign-invested Enterprise |
|  |  |  |
|  |  |  |
| **VII. Payment Plan for the Proceeds from an Equity Transfer to the Chinese Party by the Foreign Shareholder of an Overseas Investment Enterprise (required in case of an equity transfer to a Chinese party by a foreign party):** |
| Name of the Chinese Shareholder (the Transferee) | Name of the Foreign Shareholder (the Transferor) | Country/Region of the Foreign Shareholder | Number of Shares Transferred | Consideration of the Equity Transfer | 1. Amount of the Overseas Payment | 2. Amount of the Remittance Overseas |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **VIII. Disposal Plan for the Proceeds from an Equity Transfer to a Foreign Party by a Chinese Shareholder of an Overseas Investment Enterprise (required in case of an equity transfer to a foreign party by a Chinese party):** |
| Name of the Chinese Shareholder (the Transferor) | Name of the Foreign Shareholder (the Transferee) | Number of Shares Transferred | Consideration of the Equity Transfer | 1. Amount Retained Overseas | 2. Amount Transferred Back |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **IX. Disposal Plan for the Proceeds from a Capital Decrease by the Chinese Shareholder of an Overseas Investment Enterprise (required in case of a decrease in the actual capital contribution by the Chinese party):** |
| Name of the Chinese Shareholder | Number of Shares Decreased | Amount of Proceeds from the Decrease in Capital | 1. Amount Retained Overseas | 2. Amount Transferred Back |
|  |  |  |  |  |
|  |  |  |  |  |
| **X. Disposal Plan for Assets Attributable to the Chinese Shareholder upon De-registration of an Overseas Investment Enterprise (required in case of remaining assets that need to be transferred back upon de-registration of an overseas investment enterprise)** |
| Name of the Chinese Shareholder (the Transferor) | Amount of the Proceeds from Liquidation | 1. Amount Retained Overseas | 2. Amount to be Transferred Back |
|  |  |  |  |
|  |  |  |  |
| **XI. Remarks (fill in this space in case that the above columns are insufficient for the items applied for by the enterprise):** |
| **XII. Commitments: please tick the appropriate option****□All information on this Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents and all written documents as provided by the undersigned are authentic and effective, with all photocopies being the same as the originals. The undersigned hereby ensures the authenticity, accuracy, completeness, and compliance of the registration for foreign exchange and registration of change; otherwise the undersigned shall be liable for any consequences arising from any violations.****□The above information and documents reflect the overseas shareholding status of the undersigned (or the undersigned and all the domestic residents represented by the undersigned) on an authentic and complete basis. In case of a false representation to cheat in the foreign exchange registration, the undersigned is willing to be liable for any legal consequences arising therefrom.** **□The undersigned hereby promises that the domestic and overseas assets and equity used for the overseas investment have been obtained from legitimate sources, but not including: property with restrictions for an outward transfer imposed by the judiciary and discipline inspection departments according to the law, property of the undersigned or the close relatives of the undersigned relevant to any outstanding criminal or civil litigation, property with restrictions for outward transfers according to the law, and property without evidence of a legitimate source. In case of a false promise, the undersigned is willing to be liable for any legal consequences arising therefrom.****□The undersigned and the special purpose vehicle set up by the undersigned are not involved in any activities endangering the sovereignty, security, social, or public interest of China, violating the laws and regulations of China, damaging the relationship between China and the relevant countries (regions), violating the international treaties signed by China, or involving technologies and products prohibited from being exported by China.**Signature of the Domestic Resident (Principal):Date of application:  |
| Bank (Foreign Exchange Authority): (Seal)  |

**Notes:**

1. When the applicant completes the (supplementary) registration of foreign exchange, alteration of registration in foreign exchange, or de-registration for a special purpose vehicle set up by domestic residents (hereinafter referred to as the Chinese party), this application form shall be completed and submitted on a truthful, accurate, and complete basis and in accordance with the regulations (in duplicate); Where a bank handles foreign exchange registration for a special purpose vehicle established by domestic residents, the bank shall affix the bank’s special seal to the Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents, retain one copy for future reference, and return the other copy to the applicant. 6. The foreign exchange authority shall, when handling supplementary registration of foreign exchange for a special purpose vehicle established by domestic residents, affix the special seal for foreign exchange business under the capital account to the Registration Form of Foreign Exchange for Overseas Investments by Domestic Residents, retain one copy for future reference, and return the other copy to the applicant.

2. The amounts on this application form shall be in Arabic numbers after conversion into the registered currency, accurate to the second decimal place;

3. Please tick the option of items on the application according to the content of the application; when choosing “alteration of registration in an overseas investment enterprise,” please tick the option of the type of change, with multiple options being acceptable;

4. The “registration of a set-up of an overseas investment enterprise” is applicable to domestic residents who have acquired, directly or indirectly, control over an overseas company. The domestic and overseas assets or equity include, but are not limited to, cash, negotiable securities, physical assets, intellectual property or know-how, equities, bonds, and intangible assets;

5. “Equity transfer” refers to the transfer of the equity of the overseas investment enterprise;

6. “Transfer from Chinese Party to foreign Party” refers to the transfer of the entire or partial equity held by the original Chinese shareholder of the overseas investment enterprise to an overseas institution or individual;

7. “Transfer from foreign party to Chinese party” refers to the transfer of the entire or partial equity held by the original foreign shareholder of the overseas investment enterprise to a domestic institution or individual;

8. “Transfer from foreign party to foreign party” refers to the transfer of the entire or partial equity held by the original foreign shareholder of an overseas investment enterprise to an overseas institution or individual;

9. “Transfer from Chinese party to Chinese party” refers to the transfer of the entire or partial equity held by the original Chinese shareholder of an overseas investment enterprise to a domestic institution or individual;

10. “De-registration of an overseas investment enterprise” is applicable to an overseas investment enterprise which should complete the de-registration of the enterprise due to liquidation or equity transfer;

11. “Change in the basic information” refers to a change in the main items, including the name of the overseas investment enterprise;

12. “Name of the overseas enterprise” refers to the name of the special purpose vehicle directly set up or controlled by domestic residents;

13. “Address of registration” refers to the country or region of the overseas enterprise;

14. “Date of registration” refers to the date of the set-up overseas of the overseas enterprise;

15. “Place of listing” refers to the country or region of the stock exchange for the public offering;

16. “Date of listing" refers to the date of the public offering;

17. “Name of the round-trip investment enterprise” refers to the name of the domestic enterprise controlled directly or indirectly by domestic residents through a special purpose vehicle;

18. “Number of the approval certificate of the foreign-invested enterprise” refers to the number on the approval certificate of the round-trip investment enterprise issued by the competent commerce authority;

19. “Consideration of equity transfer” refers to the price of the equity transferred;

20. “Amount of overseas payment” refers to the amount of the capital contribution by a Chinese shareholder to an overseas investment enterprise with its legitimate overseas assets or equity;

21. “Amount of proceeds from a decrease in capital” refers to the amount of the proceeds from a decrease in the registered capital of the Chinese shareholder;

22. “Signature of the domestic resident (trustee)” refers to the signature of the domestic resident who holds directly or indirectly the shares or equity of the overseas special purpose vehicle or proxy on his/her behalf to certify the authenticity of the information on this application form.

**Table 7 Statement of Chinese Equity in Overseas Direct Investment**

Unit: USD

|  |  |  |
| --- | --- | --- |
| **Indicator** | **Beginning Balance** | **Ending Balance** |
| I. Total Assets of Overseas Investment Enterprise |  |  |
| Of which, Current Assets |  |  |
| Non-current Assets |  |  |
| II. Total Liabilities of Overseas Investment Enterprise |  |  |
| Of which, Short-term Liabilities |  |  |
| Long-term Liabilities |  |  |
| III. Equity Attributable to All Shareholders of Overseas Investment Enterprise |  |  |
| Of which, Equity Attributable to Chinese Shareholder |  |  |
| Of which, Balance of Undistributed Profits Attributable To Chinese Shareholder |  |  |
| IV. Minority Interests in Overseas Investment Enterprise |  |  |
| V. Dividend Payable to Chinese Party by Overseas Investment Enterprise |  |  |
| VI. Profits of Overseas Investment Enterprise | **Amount for the Period (Last Year)** | **Accumulated Amount** |
| Net Profits Attributable to All Shareholders of Overseas Investment Enterprise |  |  |
| Of which, Net Profit Attributable to Chinese Shareholder |  |  |
| Total Profits Distributed to Chinese Shareholder |  |  |
| Total Profits Returned to Chinese Shareholder |  |  |

**Notes:**

1. “Current assets”, “non-current assets”, “short-term liabilities”, “long-term liabilities”, “total assets” and “total liabilities” shall be filled in according to the relevant accounting items in consolidated financial statements of overseas investment enterprise at Level 1 (including overseas special purpose vehicle, hereinafter referred to as “SPV”).

2. “Equity attributable to all shareholders of overseas investment enterprise” shall be filled in according to the relevant accounting items in consolidated financial statements of overseas investment enterprise at Level 1 (including SPV); “of which, equity attributable to Chinese shareholder” and “of which, balance of undistributed profits attributable to Chinese shareholder” are determined according to the shareholding percentage or agreed percentage of Chinese shareholder (compliant with relevant laws and regulations).

3. “Minority interests in overseas investment enterprise” shall be filled in according to the relevant accounting items in consolidated financial statements of overseas investment enterprise at Level 1 (including SPV).

4. "Dividends payable to Chinese party": refers to the dividend declared but not paid to Chinese party by the enterprise (not excluding withholding taxes).

5. “Net profits attributable to all shareholders of overseas investment enterprise” shall be filled in according to the relevant accounting items in consolidated financial statements of overseas investment enterprise at Level 1 (including SPV); “of which, net profits attributable to Chinese shareholder” is determined according to the shareholding percentage or agreed percentage of Chinese shareholder (compliant with relevant laws and regulations).

6. “Total profits distributed to Chinese shareholder” or “total profits returned to Chinese shareholder” for the period shall be filled in at the actual amount for the last year, while the profits distributed and returned may include the profits from prior years.