

Country-specific Information China

Beneficial Owner Registry Authority

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The Country-specific Information is intended to help identify and verify the beneficial owners with regard to relevant foreign legal entities. It offers an initial overview of the legal framework, main legal forms and the sources of information available in the respective jurisdictions regarding the identification and verification of beneficial owners.

Please note that the information provided in this document is not intended to provide a complete overview over the legal system of the jurisdictions concerned and does not constitute a binding assessment by the Austrian Federal Ministry of Finance. The responsibility for the assessment of the documentation requirements for each legal form and the identification and verification of the beneficial owners concerned lies with the legal entities and the obliged entities.

1.1 General information

The People's Republic of China covers an area of approximately 9.6 million square kilometres and comprises 34 provinces, autonomous regions, municipalities and special administrative regions. With a population of approximately 1.4 billion it is the world's most populous country. China implements a socialist market economy, whereas private enterprise continues to play an ever-increasing role.

The **Company Law** of China is subject to continuous development since the policy of economic opening-up and essentially provides for the creation of two types of companies, namely Limited liability companies (LLCs) and Joint stock limited companies (JSLCs). As corporate entities they have separate legal personality.

As for legal forms in general, China's Civil Law is open ended, and does not list all possible types of legal entities. Legal entities have to be registered either with the General Administration of Market Regulation (public register for enterprises) or with the Ministry of Civil Affairs (public register for NPOs).

1.2 Registers

1.2.1 Public Registers

There are public registers for **enterprises** (e.g. companies) and non-profit organisations (**NPOs**, e.g. foundations) separately in China.

The **General Administration of Market Regulation** runs the enterprises registry and the **Ministry of Civil Affairs** runs the NPOs registry. Both registries maintain the legal ownership information of the legal entities and the registered information is **accessible to the public** on their websites:

- For **enterprises** through the National Enterprise Credit Information Publicity System (**NECIPS**): <http://www.gsxt.gov.cn/index.html>
- For **NPOs**: <http://bmfw.www.gov.cn/qgshzzcx/index.html>

Registered information can vary depending on the specific legal entity. It may include, inter alia, the name and address of the legal entity, legal representatives, economic nature, business scope, mode of operation, registered capital, number of employees, period of operation, the list of directors and branch offices as well as shareholder information.

In contrast to legal ownership information, which is collected and publicly available on the internet for all types of legal entities, **BO information** of legal entities is **not publicly available** in China.

1.3 General information on legal forms

The following legal forms are available in China:

1.3.1 Corporate entities

According to the FATF's definition of legal person, there are two types of legal entities available in China:

For-profit legal persons include:

- Companies:
 - Limited liability companies (LLCs)
 - Joint stock limited companies (JSLCs)

Non-profit legal persons include:

- Public institutions
- Social organizations
- Foundations:
 - Public foundations
 - Non-public foundations
- Social service organizations

1.3.2 Trusts

The Trust Law provides for the creation of domestic civil trusts. There are two types of trusts available in China:

- Business trusts (financial services provided by licensed trust companies)
- Charitable trusts (established for the benefit of the public and managed by NPOs)

1.3.3 Foundations and similar legal entities

There are no foundations or similar legal entities governed in the law of China. For non-profit legal persons please see section 1.3.1.

1.3.4 Legal arrangements similar to trusts

There are no legal arrangements similar to trusts governed in the law of China.

1.4 Detailed information on specific legal forms

Companies are entities that aim at gaining profits through conducting productivity activities or providing services, and perform the business accounting independently. They independently assume the civil liabilities based on their assets.

To set up a company, it is necessary to obtain pre-approval for a company name. After the approval by the General Administration of Market Regulation, a business license is granted. Upon licensing, a company can engrave its seal, open a bank account, and apply for a tax identification registration. The final step is the formal **company registration** with the General Administration of Market Regulation.

There are two types of companies, LLCs & JSLCs:

1.4.1 Limited Liability Company (LLC)

The Limited Liability Company (LLC) is an economic entity that is established with capital contributions from **less than 50 shareholders**, and each shareholder assumes limited liability to LLC with the amount of capital subscribed, and LLC assumes responsibility for its debts with all its assets. The **Company Law (chapter 2)** stipulates the establishment and organization of a LLC.

For LLCs, Company Law provides that they need to record the names of all shareholders and their domicile and the amount of capital contribution. Legal ownership information is collected by the General Administration of Market Regulation and publicly available.

Proof of existence:

- Company Register Excerpt

Proof of ownership:

- Company Register Excerpt

1.4.2 Joint Stock Limited Company (JSLC)

For the establishment of a Joint Stock Limited Company (JSLC), there should be more than 2 and less than 200 persons as promoters, and shareholders shall be liable to the JSLC within

the limit of the shares they subscribe for. The **Company Law (chapter 4)** stipulates the establishment and organization of a JSLC.

For JSLCs, Company Law provides that they need to record the names of all shareholders and their domicile and the amount of capital contribution. Also, the number of shares and serial numbers of the shares held by each shareholder and the date of acquisition must be registered.

Joint stock limited companies can have their shares listed and traded at **stock exchanges (Listed Companies)**.

Proof of existence:

- Company Register Excerpt

Proof of ownership:

- Company Register Excerpt
- Bloomberg-Screenshot et al. (in case of a Listed Company)