

DEWIT  
LAW OFFICE

# NEWS LETTER

BEIJING REPRESENTATIVE OFFICE  
ISSUE 3

FROM THE HEART OF EUROPE  
TO THE HEART OF CHINA  
A RELIABLE CONSULTANT AT YOUR SIDE

DEWIT LAW OFFICE



**HOT TOPIC:  
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Dear Reader,

China is moving at tremendous speed: it has the world's longest high-speed rail network with trains travelling at up to 350 km/h. The Maglev, which bridges the distance between Pudong Airport and Shanghai city centre, even reaches a top speed of 431 km/h, leaving passengers feeling somewhat bemused when they disembark from that dazzling white train. To put that speed into perspective: an average Boeing or Airbus takes off within a speed range of some 260 to 290 km/h... China is moving quickly and the only question is whether or not you jump aboard the train to join the ride.

But China is not alone. The whole world is moving and Dewit Law Office is moving with it. In this era of digitalization where boundaries between the tangible world and the bits and bytes floating through cyberspace are blurring, Dewit Law Office has created a profile on both LinkedIn and Twitter. Be alerted about important legal or practical changes that have a direct impact on you when living and working in China, and follow us:

- on Twitter via [DewitLawChina](#)
- on LinkedIn via [Dewit Law Office – China](#)

Best regards,  
Bernard Dewit



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# HOT TOPIC : THE NOTORIOUS CASE OF THE F VISA

The 20<sup>th</sup> century was the era of passports. In 1941 the Austrian writer Stefan Zweig said how much he enjoyed peoples' surprise when he told them that before 1915 he could travel to India and America without a passport and without even having seen a passport.

In the aftermath of World War II, however, the practice of issuing passports for border controls remained. With the creation of the Schengen Area towards the end of the 20th century internal border control was again abolished between most of the EU member states and several other European countries. Travelling within the region became a much more pleasant experience, at least once past the external border that remains a fortress. Travelling from Europe to China still requires a passport and an appropriate visa, applied for in your country of origin. Your visa will show its period of validity, the number of entries you are entitled to and the maximum duration of each entry. Depending on your situation, you can apply for one of the following three types of visa:

1. An L visa stands for lüyou (旅游) which means 'tour, tourism';
2. An F visa stands for fangwen (访问) which means 'visit, call on, interview';
3. A Z visa stands for gongzuo (工作) meaning 'work, job'.

Although the first is intended for tourists or family members of foreigners working in China with a work visa<sup>1</sup>, an L visa may suffice should you intend to stay in China for a maximum of six months (single entry). The visa can be extended twice.

The third variety is the lucky draw, allowing you to stay in China for one month and conduct an application for a residence permit when entering China. Usually, a Z visa will be issued with a validity term of one year, renewable or extendable on a yearly basis.



<sup>1</sup>If you apply for an L visa to join a family member, you will have to provide a valid passport, a completed application form, a registration form of temporary residence, a copy of the passport and residence permit of the family member working in China, as well as a letter issued by his/her

company addressing the appropriate visa department, and a kinship certificate evidencing the relation between you and the working family member.

<sup>2</sup> According to the procedure in Belgium.

<sup>3</sup> According to the procedure in Beijing.

While steering the middle course may be advantageous in many circumstances, it is rather troublesome when it comes to the F visa. Long are the lines of foreigners queuing at the Office of the Commissioner of the Ministry of Foreign Affairs of China in Hong Kong. The validity of their visa has expired again, the reason why they had to leave mainland China and apply for a new one... Most people are patient and take things calmly. They have been there before, they know the procedure and, above all, there is no escaping. Occasionally somebody starts shouting at one of the counters, but the lady or man behind the window politely refers the person losing his or her temper to counter 11 where all complaints are dealt with. This is line production.

In spite of its bad reputation, the notorious F visa is the most commonly used visa type. It therefore merits, or rather necessitates, some more details.

Generally speaking, two types of F visa exist for China:

1. Valid for six months maximum, one/double/multiple entry;
2. Valid for 12 months maximum, multiple entry.

No matter which kind of F visa you apply for, your stay may not exceed a consecutive period of 12 months as counted from the date of entry.

#### → Application

Documents you officially need when you apply for a business visa<sup>2</sup>, although not always strictly applied, are:

1. Valid passport;
2. Completed application form;
3. Passport photograph;
4. Airline ticket;
5. Hotel booking confirmation or other document indicating your intended living

place;

6. Invitation letter, issued by the Commission of Commerce of the city where your hosting company is registered.

Note that should you intend to stay for a period exceeding six months you may also have to submit a health certificate, including the results of a blood test.

#### → Extension

Documents you need when you apply for an extension of a business visa in China<sup>3</sup>, are:

1. Valid passport;
2. Completed application form;
3. Passport photograph;
4. Registration form of temporary residence (if you're staying in a hotel, you may ask the reception to arrange this registration for you);
5. Application letter issued by

your hosting company addressed to the visa section of the Exit & Entry Administration Department of the Public Security Bureau. The content should include at least your personal information, the reason for extension, the expected duration and entries required, as well as a guarantee that you will abide by Chinese laws during your stay.

6. Copy of your hosting company's business licence, as verified during the latest annual inspection.

Note that you cannot change but only extend a certain visa type once entered in China. You cannot exchange your F visa for a Z visa. Make sure that all documents issued by your Chinese hosting company are duly chopped.

Above all, remember that it is just as cumbersome for Chinese to go to Europe as it is for Europeans to come to China... As Edward R. Murrow used to say: "Good night, and good luck."



# NEW REGULATIONS FOR REPRESENTATIVE OFFICES



On 1 March 2011 the Regulations for Registration and Administration of Resident Representative Offices (RO) of Foreign Enterprises came into effect, replacing the previous regulation issued in 1983.

Compared with its predecessor, the following changes are worthwhile mentioning:

#### **Registration requirements**

The head office must have been in existence for at least two years at the time of application for establishing the RO. The RO itself may have no more than four representatives, its chief representative included.

#### **Clear time limit for approval or rejection**

The registration authority has 15 days to decide whether or not to approve the application of a RO.

#### **Annual reporting obligation**

An RO needs to submit an annual report between the 1st of March and the 30th of June every calendar year, indicating and evidencing the lawful existence of its head office abroad, its operating activities of the

previous year, and its audited expenses, revenues and costs.

#### **Publication requirements**

Certain legal facts need to be made known to the public, such as the establishment of the RO, changes to the information listed in the registration certificate, withdrawal of its registration certificate or a change in one of its representatives, etc.

#### **Limited scope of permitted activities**

The regulations include an exclusive list of permitted activities, including market research (subject to restrictions under the Catalogue for the Guidance of Foreign Investment Industries), display and publicity activities that relate to the company's products or services, liaison activities that relate to the company's product or services, domestic procurement and investment.

#### **Specification of possible penalties**

Taking into account the principle of legality, the regulations provide an extended list of violations (e.g. making false statements in registration documents/annual reports), as well as heavier penalties: penalties may now

The new measures have an important impact on those ROs that have (illegally) been engaging in quasi trading business, especially by imposing heavier liabilities on both the responsible people and head office abroad.

range between 10,000 and 500,000 RMB, compared with the previous minimum and maximum amount of 5,000 and 20,000 RMB respectively. Note that in certain cases the representative certificate may be revoked and the head office may be prohibited from establishing a new RO in China within a period of five years of the imposition of the measure.

The measures mentioned above may have an important impact on ROs which have (illegally) been engaging in quasi trading business, especially by imposing heavier liabilities on both the responsible people and head office abroad. It is therefore recommended that ROs align their business with the new regulations and – where necessary – consider the establishment of another legal structure for further conduct of their business.







## GO WEST II

*Go West* may refer to a 1925 Buster Keaton movie, a 1940 Marx Brothers comedy or even a 2005 film from Bosnia. At least two pop bands have made an album with the same name and many other references to Go West may be found by a simple click on the search button when Googling the web. When it comes to China, however, Go West is short for China Western Development (西部大开发), a huge project intended to reduce the gap that has grown up between the rich coastal region and the hinterland, the latter lagging behind since the great reforms in 1978.

*Western* refers to six provinces (Gansu, Guizhou, Qinghai, Shaanxi, Sichuan and Yunnan), five autonomous regions (Guangxi, Inner Mongolia, Ningxia, Tibet and Xinjiang) as well as the municipality of Chongqing.

*Development* concerns such issues as the construction of basic infrastructure (e.g. road, waterway, oil pipelines, electricity grids, environmental protection facilities, etc), attracting foreign investment, encouraging environmental friendly industries, promotion and development of specific local industries, promotion of education, medical systems and social security system as well as other public service sectors.

Go West I was launched in 2000 and tremendous amounts were invested in the project. Ten years later the gap between east and west still exists although the economy of the hinterland has been boosted. The first policy was analyzed during a Beijing assembly held on 5 and 6 July 2010 and used as a basis to build on the proposal of yet another 10-year plan, baptized Go West II. China's president, Mr Hu Jintao, pointed out

that the general target for the next 10 years is to further increase the economic capacity, to improve the infrastructure and to create a modern industrial system. The ultimate aim is to construct the western cities as hub for the processing of importance resources such as manufacturing centres for equipment and machinery as well as homes to strategic new industries.

In the coming years no fewer than 23 projects will be carried out with a total investment amount of 682,200,000,000 RMB, which equals one third of the total investment over the last 10 years. Of direct interest to foreign investment enterprises (FIEs), is that the preferential tax policy of enterprises will be maintained with a corporate income tax of 15% compared with the normal tax rate of 25%.

Investing in the western part of China, rather than the richer yet more expensive coastal region thus remains a decision future investors should consider.







## NUMBER OF THE MONTH

27,406

According to official statistics no fewer than 27,406 foreign invested enterprises (FEIs) were approved to be established in China in 2010. Investments mainly stem from Hong Kong, Taiwan, Singapore, Japan, the USA, South Korea, the UK, France, the Netherlands and Germany.

## NEW CHENGDU ADDRESS

Dewit Law Office invites you to visit its new office in Chengdu. You will find us in the Office Tower of the Shangri-la Center located along the Fulan River. For our full contact details and address, please turn to the last page of this newsletter.



# YOUR CHINA EXPERIENCE-OUR JOB

## Our philosophy...

...To facilitate your China experience

As an experienced law firm with an in-depth knowledge of both Chinese and European law, we understand your concerns and aim to provide assistance of the highest quality. In order to achieve our goals, we believe in...

- Providing high-quality language assistance
- Providing legal services at European standards
- Bridging the gap between Chinese and European culture
- Protecting your intellectual property
- Offering in-depth analysis of your potential business partner(s)
- Maintaining a stable and trustworthy Chinese and European network
- Guaranteeing a follow-up service during your absence
- Ensuring a double presence within both Europe and China, thereby providing 24 hour, round-the-clock assistance.

## Our competitive advantages...

...To suit all your needs

**Specializing in SMEs, we also provide additional services to meet all your needs:**

- Offering special fees for SMEs
- Proposing services in English, French, Dutch or Chinese
- Providing one-stop services for:  
Translation and interpretation  
Location and relocation  
Human resources  
Tax and accountancy  
Social security  
Investment  
etc.

## Our services...

...To offer expert legal advice

**In cooperation with our Chinese partners, our services consist of:**

- Analysing the feasibility of your project
- Contacting and negotiating directly with local administrations
- Contacting and negotiating directly with your business partner(s)
- Offering assistance with your business setup: J/V, FIE, RO
- Ensuring optimal use of local incentives
- Drafting and reviewing your legal documents:  
Articles of association  
Commercial and labour contracts  
Confidentiality agreements  
etc.
- Offering alternative dispute resolutions (arbitration/mediation)
- Assisting in litigation



# DEWIT LAW OFFICE CHINA

Dewit Law Office is the first Belgian law firm to have obtained a license to open a Representative Office in Beijing. The main strength of Dewit Law Office is its line-up of multilingual, multicultural and multidisciplinary team members.

Dewit Law office is the founding partner of Tian Ping Law Firms, with offices in Brussels and Antwerp, and is a member of SILFA, the Staubach International Lawfirm Alliance, a network and alliance among renowned, independent mid-sized law firms throughout Europe and in the United Arab Emirates



TIAN PING 天平  
LAW FIRMS Antwerp - Brussels

SILFA  
Staubach International Lawfirm Alliance

## Who are we ?

Established in 1945, Dewit Law Office has always maintained a close relationship with its clients. A team of thirteen lawyers and four secretaries, supported by a small group of additional external staff, process a number of cases dealing with a variety of issues from all domestic judicial districts. DLO has permanent correspondents based in East-Asia and a network of correspondents throughout the European Union.

Bernard Dewit's interest in China and 27 year-long involvement in Chinese business, have helped him to gain the necessary experience to both understand and facilitate Chinese investments in Europe and vice versa. Having forged close ties with Chinese law firms in Beijing, Shanghai, Chengdu and Hong Kong, Dewit Law Office is the first Belgian law firm to have obtained a license to open a Representative Office in Beijing, with a branch in Chengdu to cover Western China.

Thanks to our presence in both the heart of Europe and in the heart of China, we are able to provide 24 hour, round-the-clock support to our clients.

The main strength of Dewit Law Office is its line-up of multilingual, multicultural and multidisciplinary team members. Cases can be processed in French, Dutch, English and Chinese.

## Who are we ?

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W: [WWW.DEWITLAWOFFICE.BE](http://WWW.DEWITLAWOFFICE.BE)



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## USEFUL LINKS

### Diplomatic Instances

Chinese Embassy in Belgium  
<http://www.chinaembassy-org.be>  
Belgian Embassy in Beijing  
<http://www.diplomatie.be/beijing>  
Consulate General of Belgium in Shanghai  
<http://www.diplomatie.be/shanghai>  
Consulate General of Belgium in Guangzhou  
<http://www.diplomatie.be/guangzhou>  
Consulate General of Belgium in Hong Kong and Macau  
<http://www.diplomatie.be/hongkong>

### Export and Investment Services

Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation  
<http://www.diplomatie.belgium.be>  
Brussels Export  
<http://www.brussels-export.be>

Wallonia Export and Foreign Investment Agency (AWEX)  
<http://www.wallonia-export.be>  
Flanders Investment and Trade (FIT)  
<http://www.investinflanderstrade.com>  
China Council for the Promotion of International Trade (CCPIT)  
<http://english.ccpit.org>

### Chamber of Commerce

Belgian-Chinese Chamber of Commerce (BCECC)  
<http://www.bcecc.be>

### Legislative Information

Supreme Court of PRC  
<http://www.court.gov.cn/qwfb/>  
China international Economic and Trade Arbitration Commission (CIETAC)  
<http://www.cietac.org>

### China and EU Reach

<http://www.reach24h.com>  
[http://echa.europa.eu/home\\_en.asp](http://echa.europa.eu/home_en.asp)

### Law Firms

Tian Ping Law Firms  
<http://tianpinglaw.com>  
Staubach International Lawfirm Association (SILFA)  
<http://www.staubach-alliance.com>

### Touristic Information

Belgium  
Wallonia and Brussels tourist office  
<http://www.wallonie-tourisme.be>  
Flanders tourist office  
<http://www.visitflanders.com>

### China

China International Travel Service  
<http://www.cits.cn>

