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Company formation in China

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Flag



National emblem

Common form	Limited liability company (wholly foreign-owned or joint venture) [1]
Registry	State Administration for Market Regulation (local market regulation bureau) [1]
Minimum capital	No statutory minimum, but subscribed capital must be paid within 5 years under the 2024 Company Law [1]
Directors	1 director (or a board) and a legal representative [1]
Local director	Not required, though a local address and bank account are needed [1]
Corporate tax	25% (lower rates for small low-profit and high-tech enterprises) [2]
VAT / sales tax	13% standard (9% and 6% for some sectors) [2]
Typical timeline	Usually 1–2 months [1]
Tax treaties	Domestic rates and treaty list [7]
Currency	Renminbi (CNY)

In short: To set up a company in China, most founders form a limited liability company, registered with the State Administration for Market Regulation (local market regulation bureau). [1] Minimum capital: no statutory minimum, but subscribed capital must be paid within 5 years under the 2024 Company Law. Corporate tax: 25% (lower rates for small low-profit and high-tech enterprises). Registration: usually 1–2 months (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 22 July 2026); company-law details summarise official guidance and can change. Confirm requirements with the State Administration for Market Regulation (local market regulation bureau) before filing.

Foreign investors in **mainland China** usually set up a **limited liability company**, registered with the local market regulation bureau. Since the 2024 Company Law, subscribed capital must be paid in within five years. Restricted sectors are set out in the foreign investment negative list.

Business structures

Most founders in China form a limited liability company, registered with the State Administration for Market Regulation (local market regulation bureau). [1] Other forms are listed below.

- **Limited liability company** – the usual company form for private businesses

Requirements

Minimum share capital in China (2026): no statutory minimum, but subscribed capital must be paid within 5 years under the 2024 Company Law. Directors required: 1 director (or a board) and a legal representative. Local resident director: not required, though a local address and bank account are needed. [1]

- A company name that is available, checked with the registry.
- Share capital: no statutory minimum, but subscribed capital must be paid within 5 years under the 2024 Company Law.
- Directors: 1 director (or a board) and a legal representative.
- Local residency: not required, though a local address and bank account are needed.
- A registered office address in China.

- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in China (2026): usually 1–2 months. [1] The usual steps are:

1. Choose the company form and check that the name is available.
2. Prepare and sign the articles of association.
3. File the registration with the State Administration for Market Regulation (local market regulation bureau).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the State Taxation Administration.

Taxation

The corporate tax rate in China in 2026 is 25% (lower rates for small low-profit and high-tech enterprises). [2] Standard VAT or sales tax: 13% standard (9% and 6% for some sectors). [2]

Tax	Rate and notes
Corporate income tax	25% (lower rates for small low-profit and high-tech enterprises)
VAT / indirect tax	13% standard (9% and 6% for some sectors)
Withholding tax on dividends to non-resident companies	10%

Ongoing compliance

Annual compliance in China: Companies file annual financial statements and tax returns with the State Taxation Administration, and keep their details up to date with the State Administration for Market Regulation. [1]

Double tax treaties

China has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
10%	10%	10%

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for China lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in China?

Typical registration time in China: usually 1–2 months (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in China?

Minimum share capital in China: no statutory minimum, but subscribed capital must be paid within 5 years under the 2024 Company Law (as of November 2026).

What is the corporate tax rate in China in 2026?

The corporate tax rate in China in 2026 is 25% (lower rates for small low-profit and high-tech enterprises). See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in China?

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in China: not required, though a local address and bank account are needed.

What withholding tax applies to dividends paid from China?

China withholds 10% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty. See the Double tax treaties section.

Official registries and resources

- State Administration for Market Regulation (local market regulation bureau)
- State Taxation Administration

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in Singapore
- Company formation in Hong Kong
- Company formation in Japan
- Company formation in India
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

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