

AUSTRIA IST ÜBERALL.



7 Wege die nach China führen

AußenwirtschaftsCenter Peking

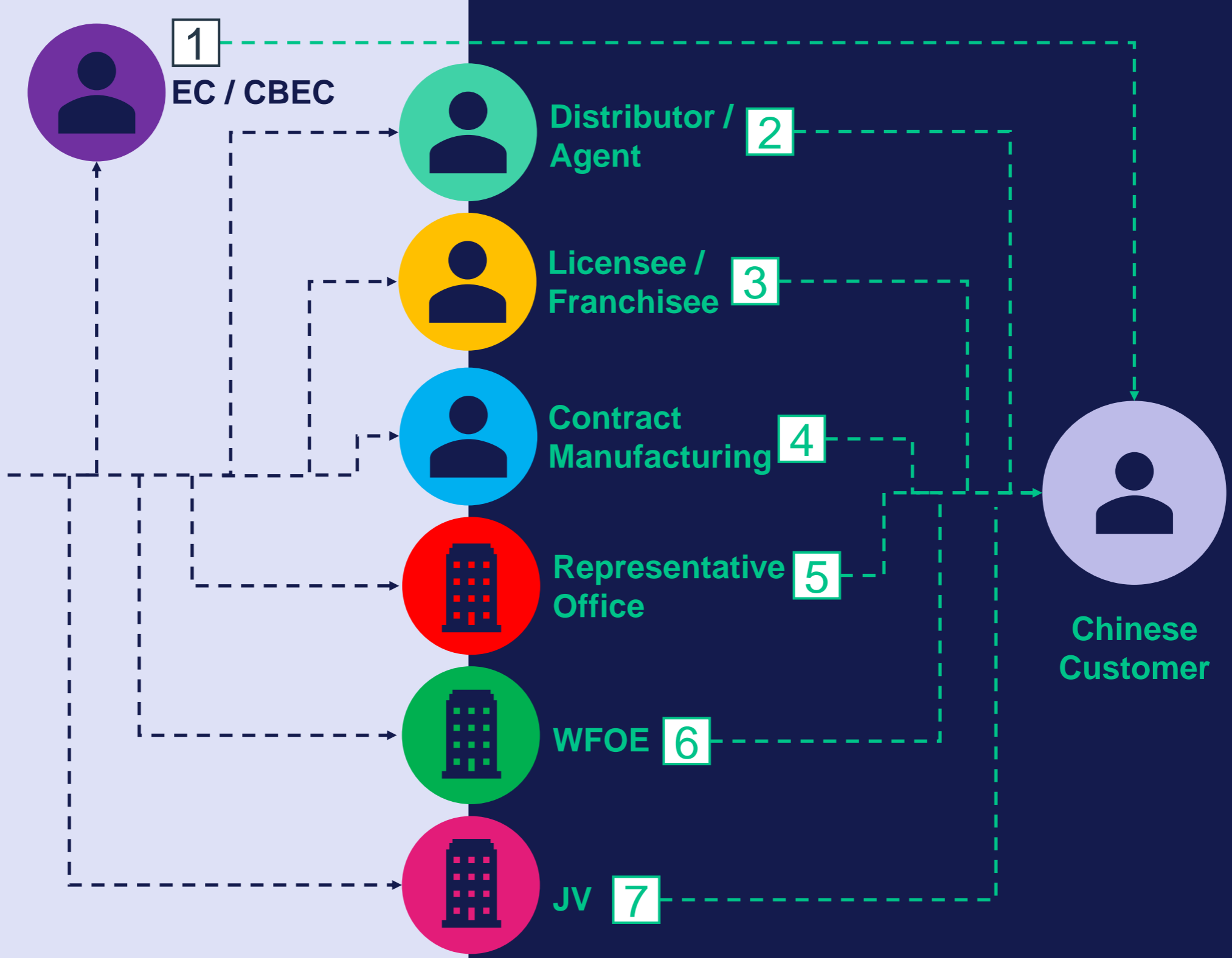
22. Jänner 2025



TaylorWessing

7 Ways That Lead To China.

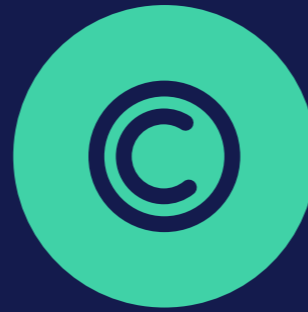
22 January 2025 | Kai KIM



1 E-Commerce and Cross-Border E-Commerce



Authorization
Letters



IP
Protection



Data Collected
in China

2 Distributor or Agent



Exclusivity
or not



Product
Liability



Payment
Flows



Dispute
Resolution



Product
Certification

Etc.

You cannot get money out of China.



3 Licensee or Franchisee

Registration of Franchising = Exclusivity?



Franchise contract minimum period 3 years (except with the consent of the franchisee).

You need an MOU, LOI, or Term Sheet for your business in China.

MOU = Memorandum of Understanding

LOI = Letter of Intent

Term Sheet = List or table of basic terms

Pros



Litmus test for a planned cooperation.



Clear roadmap for your cooperation (suggest to get professional advice).

Cons



Risk of liability if you do not follow the roadmap.



Binding or non-binding; do you already have a contract?

4 Contract Manufacturing



Quality
Control



Supply
Chain



Know-how
Protection

5 Representative Office



Rep. Office vs.
“Representative”



Facilitating
vs. Signing



Taxation despite
limited footprint



No legal transfer
into WFOE



Easy in,
difficult out?

6 Wholly Foreign-Owned Enterprise (WFOE)



People on the ground



Ongoing Costs

How many people do you have/need in China?

No entity,
but people in China



Risk of permanent establishment
/ taxation, labor

Company in China,
but no people in China?



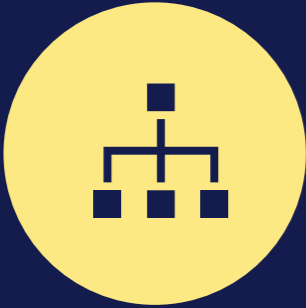
- Director(s)
- Supervisor(s)
- General Manager(s)
- Person responsible for financial affairs
- Contact person / agent

No company,
but representative office



At least one representative

7 Joint Venture



Legal vs. **Actual Control**



Conflicts over **Profit-Sharing**



Technology Transfer



Easier **Market Access?**

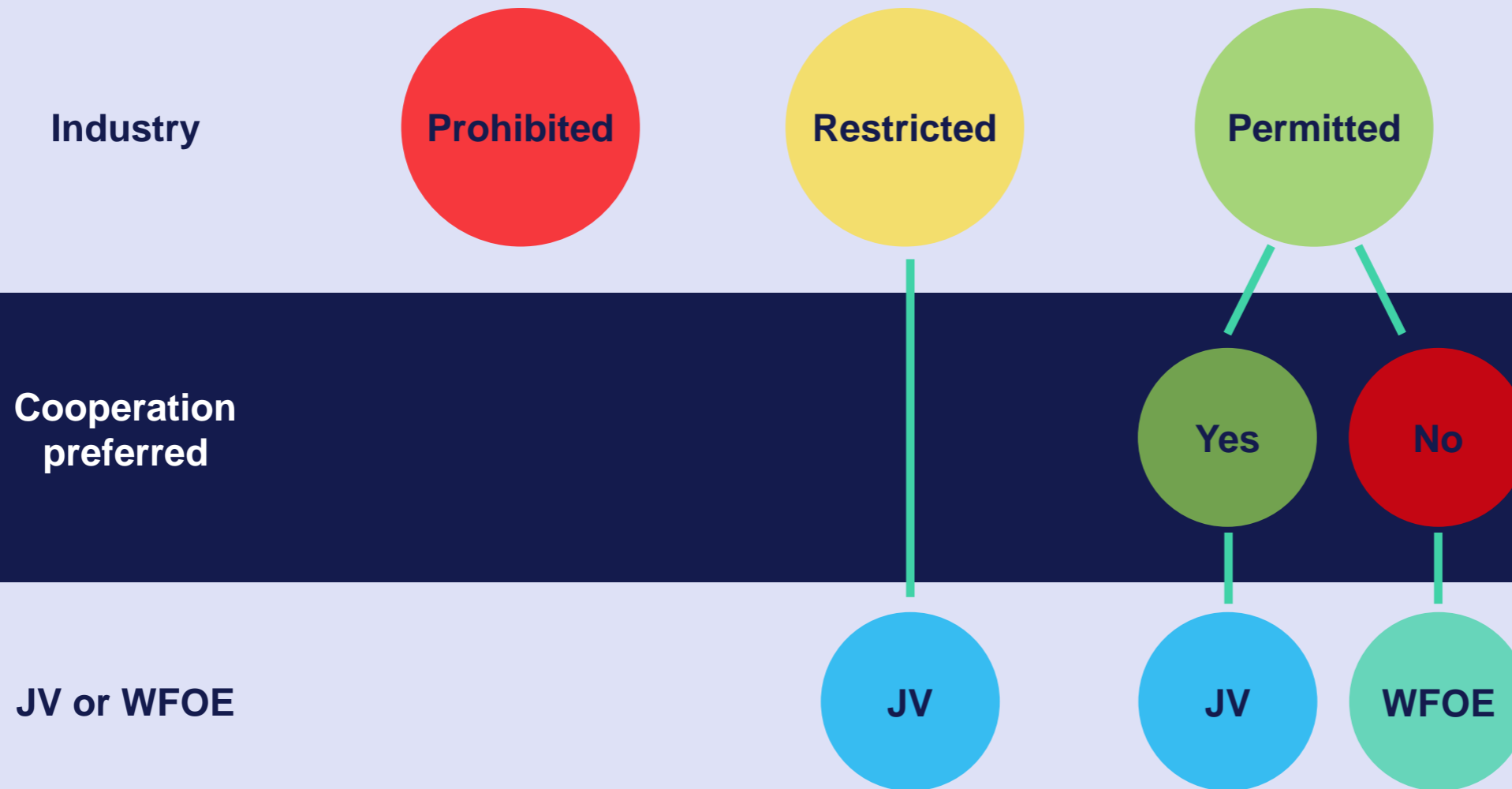


PRC vs. **International Reach**



One Bed, Different Dreams

As a foreign investor, you need a joint venture with a Chinese partner.



Follow us on our social networks!



Kai Kim on LinkedIn:



Kai KIM (né Schlender)

Legal500 Lawyer / Sinologist / Shanghai
Office Representative



WEGBEREITER VOR ORT

AußenwirtschaftsCenter Peking
Austrian Embassy - Commercial Section
No. 37 Maizidian Street, Chaoyang District
100125 Beijing, China
T +86 10 8527 5050
E peking@wko.at
W wko.at/aussenwirtschaft/cn



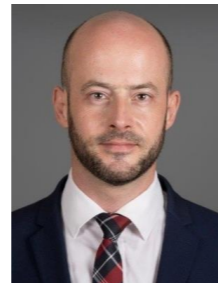
Wirtschaftsdelegierter
Mag. Franz Rößler
[Jetzt Vernetzen \(LinkedIn\)](#)

AußenwirtschaftsCenter Hongkong
Austrian Trade Commission
13/F Diamond Exchange Bldg.,
8-10 Duddell Street, Central,
Hongkong, China
T +852 2522 2388
E hongkong@wko.at



Wirtschaftsdelegierte
Mag. (FH) Jennifer Veigel
[Jetzt vernetzen \(LinkedIn\)](#)

AußenwirtschaftsCenter Shanghai
Austrian Consulate General - Commercial Section
Shanghai Centre, P.O.Box 155, 1376 Nanjing Xi Lu
200040 Shanghai, China
T +86 21 6289 7123
E shanghai@wko.at



Wirtschaftsdelegierter
Mag. Christian Fuchssteiner
[Jetzt Vernetzen \(LinkedIn\)](#)

AußenwirtschaftsCenter Guangzhou
Austrian Consulate General - Commercial Section
Unit 1202, Teem Tower, 208 Tianhe Road,
Tianhe District
510620 Guangzhou, China
T +86 20 85 16 0047
E guangzhou@wko.at



Wirtschaftsdelegierte
Mag. Birgit Murr
[Jetzt Vernetzen \(LinkedIn\)](#)

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