

MOFCOM Regulated Dissolution and Liquidation of Foreign-invested Enterprises

Chinese version China's Ministry of Commerce (MOFCOM) clarified that in the future the dissolution and liquidation of foreign-invested enterprises must comply with the Company Law and related rules outlined under the laws and administrative regulations governing foreign investment.

According to the MOFCOM's Guiding Opinion on the Dissolution and Liquidation of Foreign-invested Enterprises Pursuant to Law, foreign-invested enterprises must submit in advance the dissolution applications, the resolutions on the advance dissolution by the authority departments of the enterprises and the approval certificates and business licenses to their examination and approval authorities if they terminate their business in line with the implementing rules for the Sino-foreign Equity Joint Venture Enterprises Law, the Sino-foreign Cooperative Joint Venture Enterprises Law or the Foreign Enterprises Law.

The said examination and approval authorities, upon the receipt of the dissolution applications and related materials, will issue a reply for the approval of the dissolution within 10 working days. The enterprises then must organize a liquidation team to begin the legal liquidation within 15 days after the approval of the dissolution. The liquidation team must clear all the taxes of the enterprises within the liquidation terms.

If certain shareholders of foreign-invested enterprises request to dissolve the enterprises in line with the Company Law, they must directly file the application to the jurisdictional people's courts.

(Source: Ministry of Commerce)

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