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New rules on foreign investment in ad firms takes effect

China's newly-revised administrative regulations on foreign investment in advertising enterprises came into effect on Wednesday.

The regulations, jointly promulgated by the State Administration for Industry and Commerce (SAIC) and Ministry of Commerce (MOC), were set to replace the former regulations issued by SAIC and MOC on March 2, 2004.

Under the new regulations, foreign-invested advertising enterprises can engage in design, production, publication and some other types of advertising businesses for both domestic and overseas costumers after receiving official approval.

A Sino-foreign advertising joint venture can be established on the condition that all investing parties are the enterprises engaging in advertising business and having been operating for more than two years.

For the establishment of a wholly foreign-owned advertising enterprise, the investor is required to be an enterprise with advertising as its main business and also has been in operation for over three years.

A foreign-invested advertising enterprise is qualified to apply the establishment of a branch in China, only if it has the full amount of its registered capital paid up, and with a minimal annual operating turnover of 20 million yuan (\$2.9 million).

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