

3.5. Administrative Management Cheat Sheet for internal changes and transactions with the shareholder (RC)

Introduction

The following checklist is supposed to support you in helping you to quickly follow up internal administration tasks that do not require a transaction with another business partner.

These actions are primarily required for internal changes in key personnel and/or transactions with your shareholder.

Receiving registered capital injection from the Shareholder

- Is there a documented Shareholder decision?
- Is there a documented decision of the Board of Directors?
- Is the Spot Exchange Rate used for the conversion of foreign exchange into RMB?

Payment of Dividends to the Shareholder

- Is there a legally valid audit report to establish the profits of the previous years?
- Is there a documented decision of the Board of Directors?
- Is the board decision in RMB?
- If the statutory capital reserve has not been yet fully paid up, will the legally required part be paid into it before the transfer of the profits?
- Has the Withholding Tax been paid if required and a tax declaration can be presented?

Change of Key Personnel

- Check what kind of personnel requires additional steps with regard to the articles of association and the company law. Commonly it is Legal Representative, Directors, Company Supervisor, Senior Manager and Financial Manager.
- For Directors and Company Supervisor:

- Is there a documented decision by the shareholders?
- For Legal Representative:
 - Is there a documented decision by the shareholders?
 - Has the business license been changed?
- For Senior Manager and Financial Manager:
 - Is there a documented decision by the Board of Directors?
- Has a change been recognized in
 - The bank, e.g. for signature samples
 - Ministry of Commerce
 - Other authorities?