

Options Study

An Options Study conducted by Asia Base Law & Projects provides thorough analyses of business model determinants for strategic decision-making purposes. The Options Study is highly relevant for strategic decision-making executives considering China establishment or restructuring of current presence in China.

The analyses included in an Options Study take into consideration the unique business needs of the client and provide sound conclusions and recommendations. As such they are different from case to case. Issues typically covered in an Options Study include:

POINTS OF CONSIDERATION IN CHOICE OF BUSINESS MODEL

<i>Options re. company type</i>	Manufacturing / Trading / Service / Liaison Office
<i>Options re. ownership type</i>	WFOE / JV / Subsidiary / Branch
<i>Options regarding establishment</i>	Greenfield vs. Brownfield vs. M&A
<i>Options re. ownership structure</i>	Direct Investment vs. Holding / Offshore vs. Domestic
<i>Land and facility ownership</i>	Purchase land vs. Lease existing vs. Built-to-Lease
<i>Options re. origin of machinery</i>	Import vs. Domestic vs. leasing
<i>Options re. geographical location</i>	Location-dependent preferential policies
<i>Options regarding Zone type</i>	Export Processing Zone vs. Free Trade Zone vs. Bonded Logistics Park vs. "normal" Zone Broad vs. narrow
<i>Options re. Business Scope</i>	"Encouraged" and "Hi-tech" status Development of suggestion to business scope
<i>Corporate Governance Structure</i>	Board of Directors vs. Executive Director Issues related to Legal Representative
<i>Forms of capital contribution</i>	Total investment vs. Registered capital Cash vs. Kind and IPR
<i>Method of capital contribution</i>	Lump sum and phased installments, time-line
<i>Options regarding financing</i>	Equity vs. Loan Foreign vs. Domestic loans
<i>Inter-company payments</i>	Goods and services / Sales commission / Management fees / Dividend / Transfer pricing
<i>Options regarding name</i>	Options available Development of name suggestions
<i>Options re. technology transfer</i>	Title to manufacture, Royalty payments, Trademark Licensing fee / Technical service fees
<i>Employment options</i>	Foreigners vs. local employees Remuneration options and tax for foreign staff
<i>Others as defined</i>	Tailored to client case

In addition to the topics above Asia Base also analyses topics such as licenses and approvals needed for the operation of the company (product, production, and sales licenses etc.), along with needs for Intellectual Property Rights protection.