

### Blog 3

**Meta:** Setting up a WFOE in China is a good way to enter the thriving market. Find out how much it costs here.

# What Is the Cost of Setting Up A WFOE In China?

China is the ultimate destination for foreign entrepreneurs. With unique attractions for businesses, such as billions of potential customers, low manufacturing costs, a vibrant and fast-paced environment, and plentiful infrastructure.

As a result, hundreds of foreign entrepreneurs venture into the Chinese market with dreams of profits and success.



However, you can't just waltz into the country and set up shop. To start selling in the Chinese market, you need to have a legitimately registered company. There are plenty of options to choose from, but the most popular by far is the 'Wholly Foreign Owned Enterprise' (WFOE).

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## Types of Wholly Foreign Owned Enterprise

As discussed in [previous blogs](#), a WFOE is a limited company that is set up by foreign businesses. It allows foreign businesses to retain absolute control over every aspect of operations, including retaining profits, hiring, and firing staff, and expanding business operations.

Due to China's love of classifying everything into proper categories, you can choose from three broad categories: Trading, Manufacturing, and Consulting (service) WFOEs.

If you decide to change the nature of your business, you must apply for a new WFOE and register your business all over again.



## The Cost of Setting Up A WFOE

The cost of setting up a company can be a major deciding factor for most businesses. When it comes to WFOEs, there are two main costs: registered capital and set-up costs.

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Depending on your budget and how much you hope to earn, you have different options. Usually, the set-up costs range from RMB10,000 to RMB100,000. The amount is adjusted according to the features and the number of staff you wish to have for your WFOE.

The amount of registered capital can vary according to the type of WFOE you are considering.

- Manufacturing WFOE — the required registered capital can be up to 1,000,000 RMB.
- Trading WFOE — the required registered capital can be between 500,000 to 1,000,000 RMB depending on the scope of the business.
- Consulting WFOE — the required registered capital is the lowest and can be anywhere from 100,000 RMB to 500,000 RMB.

Most [companies aren't required to put up the entire amount of registered capital](#) and can build up the funds within one year. In some regions of China, foreign companies aren't required to provide any registered capital at all to level the playing field between them and local companies.

### Interested in Setting Up A WFOE In China?

There are many other fine points and details that need to be considered before setting up a WFOE in China. The best strategy for the success of your business is to get professional assistance from [top company registration services](#) such as Business China.

Our team can help you with all aspects of the registration process, including drawing up contracts, opening your bank account in China, and choosing the ideal WFOE for your company.

Give us a call today at [+86-020-2917 9715](tel:+86-020-2917-9715) for more information.