

Company Verification Report (CVR)**Date: 10 December 2021****Company:** [REDACTED]**Company Verification Information Sheet**

Chinese Legal Name	[REDACTED]
English Name	[REDACTED]
Status	Existence (operating, opening, registered)
Unified Social Credit Code (Business Registration No.)	[REDACTED]
Registered Address	[REDACTED]
Date Founded	[REDACTED]
Registered Capital	[REDACTED]
Paid-in Capital	[REDACTED]
Legal Representative	[REDACTED]
Entity Type	Limited Liability Company (Natural Person Investment Or Holding)
Business Scope	[REDACTED]

Alerts on Company Information

The Company has been listed in the **DISHONEST JUDGMENT DEBTORS*** in China.

* DISHONEST JUDGMENT DEBTORS means:

- Credit discipline was imposed on the debtor for failing to fulfill the Chinese court judgment(s);
- Restrictions were imposed on the debtor by the government departments, financial institutions and/or enterprises;
- The debtor does not have enough assets to compensate you for your loss; and
- The debtor is very likely unable to fulfill your contract/order.

Services on Verification and Due Diligence to Chinese Company

Verification:

- USD 10 for Single Verification (for 1 company)
- USD 49 for Verification Package (for 5 companies, valid for 365 days)

Due Diligence:

- USD 198

Due Diligence and Site Investigation:

- Hourly rates and not less than USD 5000

Request the Services:

<https://www.cjoglobal.com/index.php/verification-and-due-diligence/>

CJO Global is committed to providing consulting services in China-related cross-border trade risk management and debt collection.

CJO Global is a brand of Yu Du Consulting, a company located in Beijing.

Website: <https://www.cjoglobal.com>



CHINESE COMPANY VERIFICATION HANDBOOK

By Meng Yu, Guodong Du

I. How Do I Know if a Chinese Company Is Legitimate

You should avoid dealing with a company in suspension, revocation, liquidation or deregistration because it is incapable of performing contracts. Otherwise, you will be exposed to substantial losses and probably fail to claim damages from such a company.

1. Why does the status of a Chinese company matter?

A Chinese company in deregistration is legally “dead”. If you deal with such a dead company, obviously you are caught up in a scam.

A Chinese company in suspension is dealing with few if any companies, at least in China. Even if it signs a contract with you, it cannot get the resources from its supply chain to perform that contract.

A Chinese company in revocation is legally sentenced to “death” by Chinese law enforcement authorities. At this point, it is obviously unable to legally deal with you.

- I. How Do I Know if a Chinese Company Is Legitimate
- II. What Is the Company Registration Certificate in China?
- III. Why You Should Find China Companies' Legal Names in Chinese
- IV. How to Verify the English Names of Chinese Companies
- V. How to Check China Company Registration Number
- VI. What Is the Legal Representative of Chinese Companies
- VII. What Is the Registered Capital/ Paid-in Capital of Chinese Companies
- VIII. What Is the Business Scope of Chinese Companies

In fact, the only thing it can do is liquidation and deregistration.

In short, you can only deal with a Chinese company in “legit” status.

2. How to find the status of a Chinese company?

You can search for information about the enterprise in [China's National Enterprise Credit Information Publicity System](#).

The Administration for Market Regulation is the

CHINESE COMPANY VERIFICATION HANDBOOK

registration authority for Chinese enterprises. Therefore, this system is the most authoritative platform to verify the legal status of Chinese enterprises.

The website is available in the Chinese language and you can visit it outside China.

You need to paste the legal Chinese name of the Chinese company in the search box, and then click "Search". See the picture below:

If you can't find the company here, either the company doesn't exist, or its current legal name is not what you type in. In short, this means that the company in this name doesn't exist.

If you can find the company, you can know its status, such as existence, revocation, or deregistration. See the picture below:

Of course, if you find this operation too troublesome, you can always entrust us to do this for you and we won't charge any fee for such work. For our China company verification services, please click [HERE](#).

3. Which status of a Chinese company is legit?

Chinese company registration status is divided into the following types: existence, revocation, deregistration, moving in, moving out, suspension, and liquidation. Terms for company registration status vary slightly from place to place, but they are generally the same.

Except for existence, all others are abnormal operating status. You should try to avoid doing business with companies in abnormal operating status.

Specifically, the meaning of each status is as follows.

3.1 Existence

It means that the enterprise exists legally and continues to operate normally. It is also called: open (开

业, kaiye), in business (在业, zaiye), normal (正常, zhengchang), registered (登记, dengji), recorded (在册, zaice), in operation (在营, zaiying), and valid (有效, youxiao).

3.2 Revocation

This refers to the revocation of the enterprise's business license, which is an administrative penalty imposed by the administration for market regulation on enterprise violations.

After this, the company should be liquidated and deregistered in accordance with the law.

3.3 Suspension

This refers to the status of a company's suspension of operation.

For some reason, the shareholders of the company decide to register the company as suspension of production and business. During this period the company is not engaged in any business, and may resume operation after the conditions have changed.

3.4 Moving out and moving in

This refers to the process of changing a company's registered address.

Since the old and new addresses are subject to different company registration authorities, the company is moving out or moving into a certain registration authority.

3.5 Liquidation

This means that the company is liquidating its assets, creditor's rights, and debts for cancellation.

Liquidation is the last part before a company's deregistration.

Therefore, you'd better not do business with a

company in such status. If it owes you money, you should collect the debt from it as soon as possible.

3.6 Deregistration

This means the company has legally ceased to exist.

After the deregistration, the company disappears in the legal sense. The company loses its legal person capacity, similar to the death of a natural person.

In China, a company may be deregistered in three circumstances.

- i. The company's shareholders decide to deregister the company and then it is deregistered after liquidation.
- ii. The company is imposed the most serious administrative penalty, i.e. revocation of the business license, for its violations, and then is liquidated and deregistered by the shareholders.
- iii. The company is liquidated and deregistered due to its bankruptcy.

It should be noted that bankruptcy will not appear in the registration status when a company has just commenced its bankruptcy proceedings. The company can be seen liquidated only when it opens the liquidation part of the bankruptcy. Therefore, if you want to know whether a Chinese company is in bankruptcy, you should check the status from other sources.

3.7 Annulment

This means that the registration of a company is annulled by the company registration authority due to the illegal process of its establishment.

This usually results from illegal usage of others' information to incorporate a company.

II. What Is the Company Registration Certificate in China?

In China, the Certificate of Registration for Chinese companies is also called Business License (营业执照, Ying Ye Zhi Zhao).

Although the business license of a Chinese company is only one page, you can find the most important information about a Chinese company on it.

In China, legally incorporated companies are issued business licenses by the Chinese company registration authority, the Administration for Market Regulation.

The business license contains basic information that a Chinese company should disclose to the public, including nine items of information as follows:

Unified Social Credit Code, its registration number;

i. **Entity Name**, its legal Chinese name; and by the way, Chinese companies do not have legal English names;

ii. **Company Type**, its form of business organization;

iii. **Legal Representative**, the person who is authorized to enter into transactions on behalf of the company and who shall be liable for the company's violations under certain circumstances;

iv. **Business Scope**, within which its actual business shall fall;

v. **Registered Capital**, the amount that its shareholders undertake to contribute to the company;

vi. **Date of Incorporation**, the date of its establishment;

vii. **Term of Operation**, the period of its existence, and you can determine whether the company is currently in existence based on the period;

viii. **Address**, the registered place of business of the company. In practice, except for factories, many

CHINESE COMPANY VERIFICATION HANDBOOK

Chinese companies actually do business at a different address.

So, how do you check a certificate of registration?

You can search the information about this company in [China's National Enterprise Credit Information Publicity System](#).

If the company information you find on this website matches the information on the Certificate of Registration, the Certificate of Registration is authentic.

III. Why You Should Find China Companies' Legal Names in Chinese

If you find a Chinese companies' legal name in Chinese, you can initiate an action before a court or file a complaint against it. If not, you cannot do anything.

All Chinese individuals and enterprises have their legal names in Chinese, and they have no legal or standard names in foreign languages.

In other words, their English names or names in other languages are named by themselves randomly. Usually, it's hard to back-translate their weird foreign names to their legal Chinese names.

If you don't know their legal names in Chinese, then you won't be able to tell the Chinese court whom you are suing. You also cannot tell the Chinese law enforcement agency whom you want to complain of.

Consequently, Chinese courts or government agencies will very likely not accept your case.

1. How could you obtain a Chinese companies' legal name in Chinese?

1.1 You can ask a China supplier to provide its business license.

There are a legal name in Chinese and a unified credit code in its business license

1.2 You can ask a Chinese supplier to seal the contract with you.

To make a contract valid in China, Chinese companies must seal it. The official seal contains a legal name in Chinese and a unified credit code of the company.

You can check whether your supplier's legal name in Chinese on the business license is consistent with that on the official seal. Because a scammer may get a scanned version of the business license of another company, although it is difficult for him to get another company's seal.

2. what can you do if you have the Chinese companies' legal name

Now that you have the Chinese companies' legal name in Chinese, what can you do?

2.1 Find out the company address

We can figure out its registered address.

Larger Chinese companies generally operate at their registered address, whereas many small companies would not. It means that there is a possibility to find out where the company is.

In this way, on the one hand, we can have the opportunity to check the company on the spot; on the other hand, we can also provide the court with the address for serving the summon in the event of a lawsuit. (See [Where is the person I sue?](#))

2.2 Find out its operating situation

We can check whether it is existing, deregistered, or revoked, or whether it is listed as a company with abnormal operations by the government. We can also know if it is involved in a lawsuit or an administrative

penalty.

If this company operates abnormally or gets into too much trouble, it usually has difficulty performing the contract with you.

2.3 Find out its condition of assets

We have no way to investigate the Chinese companies' real estate and deposits in the bank, as this information belongs to commercial secrets or private information in China.

But the information of its registered capital and intellectual property rights is available, which reflects its assets situation to some extent. Especially for Chinese factories, only with a certain scale can they develop intellectual property rights.

We can make a judgment on its fulfilling capacity from these assets.

2.4 Find its shareholders and executives

We can find shareholders, directors, supervisors, managers, and legal representatives of the China supplier, as well as their affiliated companies. If these people and the affiliates are strong, the supplier is usually not weak.

Besides, when it becomes insolvent, we can hold its shareholders and executives liable under special circumstances.

2.5 Find its social media account and website

In China, social media accounts and websites are registered with real names. So if it leaves a trail on the Internet, we can find it and build a portrait from what it has posted.

IV. How to Verify the English Names of Chinese Companies

Although Chinese companies do not have legal names in English, they may file a standard name in English with a competent Chinese authority.

The purpose of verifying the English name of a Chinese company is to locate its legal name in Chinese. Please refer to our previous post, "Find Chinese companies' Legal Name in Chinese to Avoid Scams", as to why you need to know the Chinese name of a Chinese company.

For a Chinese company with import and export as its main business, it is necessary for such a company to get its English name record-filed. Therefore, you may relate the company's English name with its Chinese name from the recorded information.

Now, you may search for the English name of a Chinese company by using its Chinese name on MOFCOM's system of "[Record-filing and Registration of Foreign Trade Operator](#)".

After that, you may compare the search result with the English name that the Chinese company uses to do business with you. If the two English names are identical, you will be able to confirm its legal name in Chinese.

The system is currently available only in Chinese. If you do not know how to use the system, you can contact our Client Manager for help.

Unfortunately, if you only have the English name of the company, you may not be able to find the company information. The system does not provide the search function by using the English name of the company.

Thus, you'd better find a way to get the Chinese name of the company, whether it is accurate or not. At least you may have a clue to investigate its true and accurate legal name in Chinese.

CHINESE COMPANY VERIFICATION HANDBOOK

We are also pleased to help you investigate its legal name in Chinese by various methods, using the English company name you provide as a clue, and then verifying step by step, so as to finally determine its legal name in Chinese and recorded English name.

V.How to Check China Company Registration Number

In China, company registration numbers, also known as the 'unified social credit numbers', are just like the ID numbers for every company.

The Registration Number for Chinese companies is called in the Unified Social Credit Code in China. It is a unique 18-digit alphanumeric (letter and number) code.

So, how can you get a company's ID number?

1. Get it from the business license of this company

Every legally registered Chinese company will have a business license issued by the Chinese company registration authority, the administration for market regulation.

If the company cannot show its business license, it is definitely not a legit company.

Depending on the company size, the business license may be issued by a local administration of market regulation or by the State Administration of Market Regulation (SAMR).

The information on the business license includes the company's legal name in Chinese, unified social credit number (just as the company's ID number), registered capital, company type, legal representative, date of incorporation, expiration date, and business scope. On the bottom right corner, there is a red stamp of the company registration authority.

For more registration information on the Business License, please read an earlier post "[How to Check Chinese Company Registration Certificate](#)".

2. Find it through China's National Enterprise Credit Information Publicity System

You can search for the information of the enterprise in China's National Enterprise Credit Information Publicity System.

This is a website of the State Administration for Market Regulation of China, available at: <http://www.gsxt.gov.cn/index.html>

The Administration for Market Regulation is the registration authority for Chinese enterprises. Therefore, this system is the most authoritative platform to verify the legal status of Chinese enterprises.

The website is available in the Chinese language and you can visit it outside China.

You need to paste the legal Chinese name of the Chinese company in the search box, and then click "Search". See the picture below:

If you can't find the company here, either the company doesn't exist, or its current legal name is not what you type in. In short, this means that the company in this name doesn't exist.

If you can find the company, you can know its status, such as existence, revocation, or deregistration.

3. Find it on the official company seal

In China, the official company seal is a symbol of corporate power. Anything stamped with the official company seal is considered to be on behalf of the company's will.

The official company seal of a Chinese company is

round-shaped, and the mark on the document is red. In the middle of the circle, there is a five-pointed star. Inside the circle, there is a string of Chinese characters above the five-pointed star, which is the company's full registered Chinese name. Below the words, there is a string of numbers and letters (18 characters in total), which is the company's unified credit code.

For more discussion on the official company seal, please read an earlier post "[Execute a Contract with a Chinese Company: How to Make it Legally Effective in China](#)".

VI. What Is the Legal Representative of Chinese Companies

If you contract with a Chinese company, you'd better have its legal representative sign the contract. This is because he/she holds the core power of the company and will also be responsible for the company.

Therefore, you'd better find the legal representative of the Chinese company.

1. What is the Company's Legal Representative?

The legal representative of a Chinese company is the primary person in charge of the company, who is responsible for the external exercise of rights and performance of obligations on behalf of the company.

Normally, if you are the legal representative of the company, you may act in the name of the company without the company's authorization, such as signing contracts.

However, if you are not its legal representative, you need a power of attorney from the company in order to act on behalf of the company within the scope of the authorization.

Normally, the legal representative of a company is its chairman or general manager, and the name of the legal representative should be registered with the company registration authorities and made public.

2. Why does the Legal Representative matter?

2.1 Hold the core power of the company

In a way, if you are the legal representative of a Chinese company, you will have the core power of the company.

This is because the company shall bear the legal consequences arising from the activities performed by the legal representative in the name of the company.

Therefore, if you are going to negotiate or sign a contract with a Chinese company, you'd better conduct such work with the company's legal representative or persons under his/her direct supervision.

2.2 Take responsibility for the company

As the adage in Spider-Man goes, "With great power comes great responsibility". The legal representative will also be personally liable for the company.

For example, when a company enters into bankruptcy proceedings, or is forced by the court to satisfy a judgment or defaults on tax payments, the judicial and administrative authorities shall have the authority to take compulsory measures against the legal representative under certain circumstances.

In addition, besides the company, its legal representative may also be subject to criminal penalties for certain corporate crimes including refusal to satisfy a judgment, infringement of copyright, production, and sale of counterfeit and substandard products as well as tax evasion.

Therefore, when you claim rights in personal from a Chinese company, you can apply to the court to take

CHINESE COMPANY VERIFICATION HANDBOOK

certain measures against its legal representative, such as restriction of exit or even detention.

3. How to find the Company's Legal Representative?

You can check the Company's Legal Representative in [China's National Enterprise Credit Information Publicity System](#).

VII. What Is the Registered Capital/ Paid-in Capital of Chinese Companies

A Chinese company with larger registered capital, especially paid-in capital, usually has a larger scale and stronger ability to perform contracts. However, its registered capital or paid-in capital isn't necessarily equal to its actual assets at a certain point.

Therefore, registered capital and paid-in capital are only of limited reference value for you to determine a Chinese company's ability to perform contracts.

1. What is the Company's Capital?

The registered capital is the amount of capital that the shareholders of a Chinese company commit to contributing to the company.

The shareholders are only required to pay such amount of capital contributions, or the amount of subscribed capital contributions to the company within the committed period. The amount of capital that has been contributed to the company is called paid-in capital.

Shareholders of most Chinese companies do not actually make the capital contributions, but only promise to do so until the company is deregistered. As a result, the company usually does not have so much capital from the shareholders on its books.

However, in the case of a factory, since funds are

needed to purchase equipment, premises, and raw materials, its shareholders will usually actually make their committed capital contributions. Moreover, such a company has relatively large registered capital.

2. Why does the Company's Capital matter?

2.1 The larger its paid-in capital, the stronger its ability to perform.

Generally, if the shareholders have made large capital contributions to the company, the company will have sufficient capital for its operations. The capital is either converted into assets or into a business reputation. These will facilitate the performance of the contract with you.

Of course, the paid-in capital isn't equal to the amount of cash or assets on the company's books at the moment. The capital may have been used for the company's operation, or for purchasing assets that have been significantly depreciated.

Therefore, you shouldn't rely entirely on it to determine a company's ability to perform contracts, but you can use it as a valuable indicator.

2.2 The company's shareholders will likely pay you for the company's debts.

For example, a shareholder may fail to actually make the capital contribution or fail to make the capital contribution in full after subscribing to a certain amount of capital contribution.

At this point, if the company's assets are insufficient to repay your debts, under certain circumstances, you may ask such shareholder to repay your debts for the company to the extent of the amount of his/her subscribed but unpaid capital contribution.

By the way, we also discussed how to claim against a company's shareholders in "[What Happens to My](#)

[Debts When a Chinese Company Is Dissolved or Goes Bankruptcy?](#)".

3. How to find the Company's Capital?

You can check the Company's Capital in [China's National Enterprise Credit Information Publicity System](#).

VIII. What Is the Business Scope of Chinese Companies

You may inquire about the business scope of Chinese companies registered with China's company registration authority, and then assess whether the Chinese company transacts with you beyond its business scope.

For instance, if you intend to import masks from a Chinese company, but this company's business scope excludes mask sales, and import/export of masks (or goods in general), the Chinese company is probably committing fraud.

This is because a Chinese company engaged in the import and export business will generally not undertake any business beyond its registered business scope.

Under Chinese laws, items required in registering a market entity include its business scope. You can get to know about the entity's business scope from its registered information.

For Chinese companies engaged in domestic business, if they carry out business with other entities beyond their business scope and enter into contracts, Chinese courts will not determine such contracts invalid, unless the involved business is legally restricted, prohibited or subject to franchise requirements. As a result, many

Chinese companies may practically carry their business beyond their registered business scope.

However, it's a different story when it comes to Chinese companies engaged in the import and export business, as the international trade business they are actually engaged in will usually be recorded in their business scope.

Under Chinese laws and regulations relating to import and export, if the Chinese company intends to engage in the import/export of goods or technologies, it must register with China's Ministry of Commerce (MOFCOM) as a foreign trade operator. For the registration, MOFCOM requires that the business scope of such Chinese company cover the import/export of goods or technologies.

Therefore, if a Chinese company engages in the import and export business, its business scope must include the wording, import and export.

Pursuant to China's tax-related laws and regulations, when a Chinese company files a tax return, its tax-related business shall be within its business scope. If the Chinese enterprise is engaged in sales of specific products, sales of such products shall be included in its business scope.

In other words, if a Chinese company is engaged in the import and export of a certain type of commodity, its business scope must cover that commodity.

In conclusion, if a Chinese company wants to export masks to you in a legal way, please check whether its business scope contains the wording, "masks" and "import and export".

CHINESE COMPANY VERIFICATION HANDBOOK

Copyright © 2022 By Meng Yu (余萌), Guodong Du (杜国栋)

All rights reserved. No part of this book may be reproduced or used in any manner without the prior written permission of the copyright owner, except for the use of brief quotations in a book review.

To request permissions, contact the author at

meng.yu@chinajusticeobserver.com

Cover Photo Copyright By [Zongnan Bao](#) on [Unsplash](#)

Published by Yu Du Consulting in May 2022 on www.cjoglobal.com

Verification and Due Diligence will help you reduce risks in the business with Chinese companies, including avoiding scams and breach of contract.

If you need to verify the existence and legitimacy of a Chinese company, or to conduct due diligence on this company, we can provide the verification and due diligence services.

If you need services, or if you wish to share your story, you can contact our Client Manager Susan Li (susan.li@yuanddu.com).

For more information on our Verification and Due Diligence Services, please click [HERE](#).

CJO Global is committed to providing consulting services in China-related cross-border trade risk management and debt collection.

The logo for CJO Global, featuring the text "CJO GLOBAL" in a bold, orange, sans-serif font, set against a dark teal rectangular background.

CJO Global is a brand of Yu Du Consulting, a company located in Beijing.

<https://www.cjoglobal.com>