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# The Gateway for Chinese Outbound Investment

## Think Asia Think Hong Kong

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# Challenges and opportunities for outbound investment in the US from the legal perspective

- **Challenges – overview of governmental entities**

- MOFCOM (Ministry of Commerce)
- NDRC (National Development and Reform Commission)
- SAFE (State Administration of Foreign Exchange)
- SASAC (State-owned Asset Supervision and Administration Commission) – when dealing with state-owned enterprises under its direct supervision

- **Opportunities – increased interest supported by governmental policies**

- Both public and private sectors have been urged to acquire new technology and market share abroad
- 12th Five Year Plan (2011 to 2015) – encourages strategic industries

# Evaluating interested parties from the PRC

- **Who are they?**
  - **SOEs**
  - **Private enterprises (are they already listed on an established stock exchange?)**
  - **A consortium with a PRC entity as a party**

# Evaluating interested parties from the PRC (cont.)

- **Do they have experience?**
  - **Outbound investments**
  - **Industry**
  - **International operations**
  - **Familiarity with PRC regulations**

# Evaluating interested parties from the PRC (cont.)

- **How are they paying?**
  - **SOEs have tended to use domestic funding or pay entirely with cash**
  - **Private entities may consider more financing alternatives**
  - **Is the money already offshore? If not then SAFE approvals will also be necessary in addition to MOFCOM, NDRC and SASAC (if needed)**

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