



China Practice in Germany

**Experienced and highly focused specialists
who can help your cross-border expansion to,
and from, China and Germany**



International Business



Your activities in China and Germany

Regardless of whether you are a seasoned investor with well-established foreign operations or embarking on your first foray into an international environment, you have one expectation in common: your advisors must not only understand the local environment in which you operate but also your home country environment and cultural underpinnings.

A new economic sphere, a foreign market environment and an unfamiliar culture. Ensuring **success in business** activities between China and Germany hinges on a number of key decisions.

In a complex market subject to constant changes, it is essential to lay the groundwork for sustainable development either with a **convincing market entry or by continually developing and adapting a successful growth model**. We support you in both the market entry and further development, providing you with a solid assessment of the market based on our longstanding experience.

In practice, companies have to master a range of challenges – from **understanding international business** to receiving reliable information, from being familiar with country-specific regulations to respecting cultural differences. It is of critical importance to select the right business advisor, a suitable legal form and an optimal tax structure. But that alone is not enough: Registering the company, setting up the accounting system, completing and filing tax statements, carrying out wage and payroll accounting, drawing up contracts* – all of these aspects must be taken into consideration.

And the tasks do not end once the business is established: Financial controlling must be put in place for the company, reliable results must be achieved and new developments must be recognized at an early date. Furthermore, there is a range of questions to be considered regarding internal steering systems, corporate governance or tax optimization. As experienced business advisors, **KPMG firms in China and Germany are familiar with the corresponding market, the respective business culture, and we know your business needs**. KPMG professionals provide you with the support you need so that you can concentrate on the topics important to you.

* Legal services are provided by KPMG Law Rechtsanwaltsgesellschaft mbH.

China Practice in Germany

Our Chinese-German corridor teams support you with their extensive local and international expertise in order to strengthen and promote your activities in a sustainable way. The China Practice team in Germany provides specialized support to Chinese companies for their investment endeavours in Germany, while the specialists of KPMG's German Practice in China help German and European companies to engage in the Chinese market.

We work with you across key levels relating to the development of Chinese-German business projects, and in the process give investors competent support that is tailored to their individual needs for all phases of their investment process.

The next pages provide an overview of the depth and breadth of services available to you from KPMG firms in Germany and China. Regardless of which phase of development your business is in – acquisitions/establishment, integration/structuring, growth/expansion, restructuring, or wind-down/insolvency – KPMG professionals are able to support you.

KPMG professionals' experience in supporting cross-border investments also builds on the global KPMG network of the **Global China Practice (GCP)**. As one of more than 50 local China Practices, KPMG firms are able to offer you – together with the colleagues in our global organization – solid expertise and local consulting services on the topic of China and Germany whenever you need it.



Jack Cheung

Partner,
China Practice Head,
KPMG in Germany



Andreas Feege

Partner,
Head of German Practice,
KPMG in China

“With our China corridor, KPMG firms have created a network of experienced experts who know the legal, tax-related and regulatory environment in both markets, and who have already supported numerous companies in all phases of their development. In my five years working as Head of German Practice in Beijing, I have experienced and learned to appreciate this in person.”

Andreas Feege

*Head of German Practice,
KPMG in China*

Our experience – your advantage



Acquisitions/Establishment

From identifying target markets, technologies, products, and potential targets to running an efficient transaction process, the Chinese-German Corridor practice professionals are able to assist you along the way in executing your strategy for expanding into the Chinese, German or European markets. Employing a holistic approach, KPMG professionals can help you navigate the regulatory and cultural hurdles you will face, be it M&A advisory, financial and tax due diligence, valuation, or funding.



Growth/Expansion

Taking your business to the next level often requires external support. Whether you need to reassess your strategy, improve your IT capabilities, improve your purchasing and manufacturing processes or better understand your markets and competitors, consulting teams who understand both the local market and the needs of Chinese companies in China are available to help you.



Wind-down/Insolvency

You can expect support throughout this process from KPMG firms professionals who can help ensure a structured and compliant cessation of activities by providing an evaluation of the associated financial, operational, regulatory, and legal risks.



Integration/Structuring

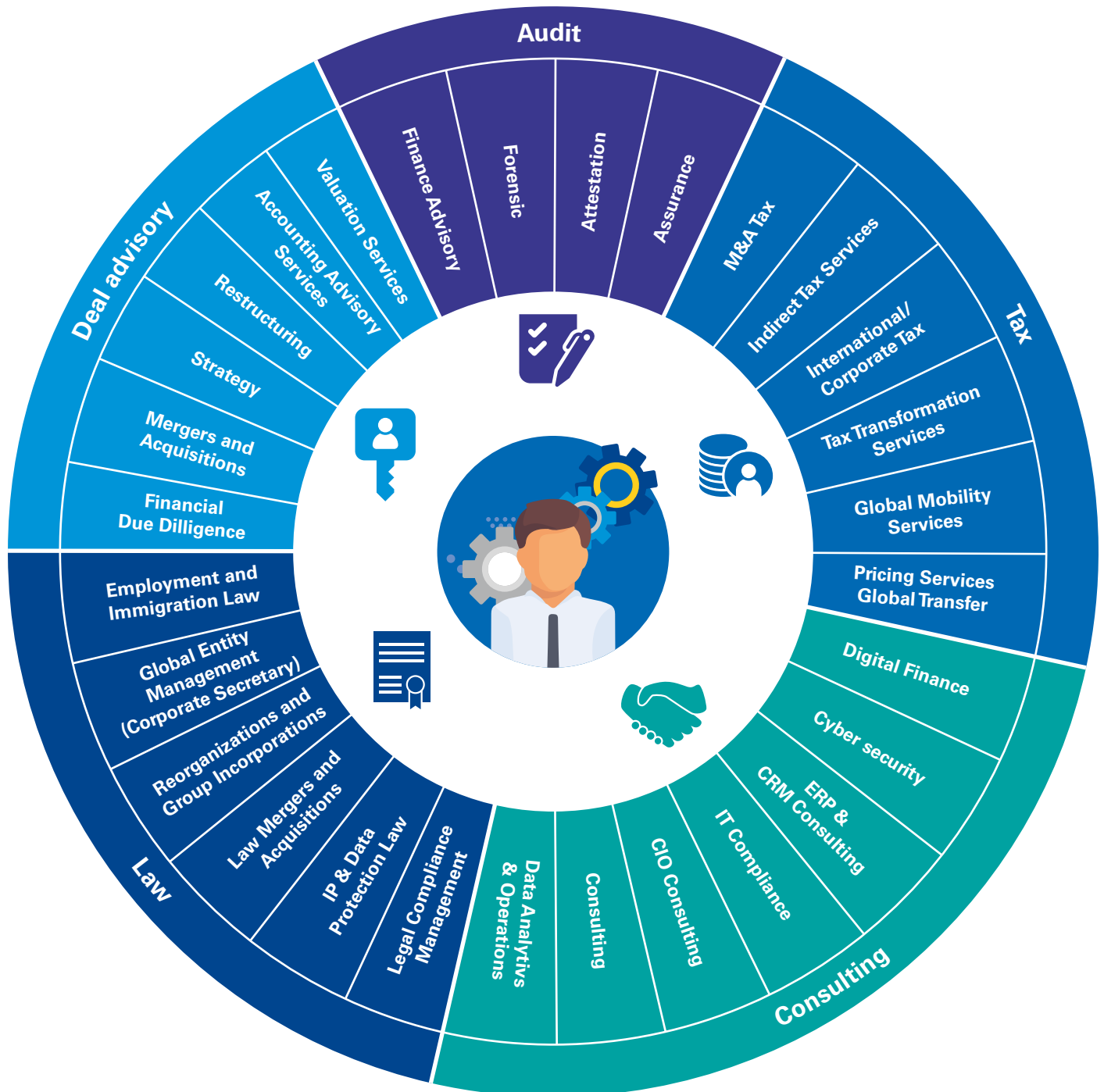
Effective and efficient execution on the integration process is critical and requires many different parts of your company to act together. All too often this process gets neglected due to a variety of reasons such as distance from headquarters, cultural and language barriers, and competing priorities. Your Chinese and German practice teams help your organization remain focused and anticipate barriers that may exist to enable you execute on your integration priorities. Aligning your accounting policies (including training of local finance staff), successful implementation of internal controls, tax structuring, global mobility services for expats, IT, and supply chain integration are but a few of the areas where you can expect support. Project Management Office services are also available to help ensure all work streams are properly aligned and activities are coordinated.



Restructuring

KPMG firms interdisciplinary restructuring specialists can support you in a variety of areas such as reviewing business models and financial forecasts, tax-efficient transformation and tax optimization, as well as legal support in areas including share transfers, mergers, and de-mergers. An assurance services team specializes in supporting your business in a variety of regulatory- and compliance-related issues such as internal controls, risk management, internal audit, or the EU Data Protection Regulation.

Your challenges – our approaches



Note: Legal services are only provided in KPMG in Germany by KPMG Law Rechtsanwaltsgesellschaft mbH. All services referenced above are provided by KPMG member firms. KPMG International entities provide no services to clients.

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Your experts for investments in China



KPMG in China employs more than 12,000 professionals in China. Historically, KPMG was one of the first international professional services providers to be granted a joint venture license in mainland China.



KPMG in China has a total of 27 branch offices in China, including Hong Kong (SAR). The Global China Practice connects over 50 local practices outside of China.

KPMG in China has an exceptional and distinctly qualified team providing wide-ranging professional services for their clients.



Extensive experience in supporting Chinese companies engaged in business activities in Germany, taking specific company needs into account.



Advisory services concerning capital market transactions including both registered and exempt offerings.



Collaborative Chinese and German tax teams with deep experience in structuring cross border transactions taking into accounts global tax rules and efficiency planning opportunities.



German-, Chinese- and Englishspeaking teams integrating both Chinese and European thinking into their work.



Consulting support in cross-border corporate acquisitions, M&A transactions, and businessvaluation services.



Close expert cooperation, including through secondments, with KPMG in Germany and KPMG firms around the world.

KPMG in China

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KPMG Global China Practice



Our specialists of KPMG in Germany and KPMG China work in close cooperation with the **Global China Practice** in China to provide you with the support you need to be successful in the Chinese-German corridor.

KPMG's Global China Practice, headquartered in Beijing, plays a leading role in 'bringing China to the world' and 'bringing the world to China'. Given the increasing importance of China's outward direct investment (ODI) to China and host countries around the world, KPMG established the Global China Practice, with dedicated teams in nearly 60 locations around the world.

Equally, the Global China Practice enhances KPMG's ability to serve foreign companies as they enter and grow in China. As market participants manoeuvre to succeed in the 'new normal' in China, foreign companies should review what contribution they can make to China's ongoing economic transformation, align their value proposition and business strategies accordingly, and prepare for a shifting landscape of risks.

Through the Global China Practice, KPMG firms stand shoulder to shoulder with Chinese and foreign companies as they seek to understand complex and dynamic business environments, shape crucial business partnerships, and build platforms to achieve long-term and sustainable market positions. This work is underpinned by market-leading thought leadership from the Global China Practice, produced in conjunction with leading government and industry bodies in China.

So whether you are a Chinese company looking to 'go out' or a foreign company assessing the evolving opportunities for your business to grow in and with China, KPMG firms and the Global China Practice have the insights, experience and resources to support you as you chart your path to success.

More on the topic

KPMG supports you with a wealth of information to facilitate your Chinese-German business activities.

KPMG in Germany online

Are you interested in finding out more about our services and receiving information on current trends? Discover interesting studies or expert publications such as the analysis of the Brexit strategy by Chinese companies.

Find out more at:

www.home.kpmg/de/de/home/themen/uebersicht/china.html

KPMG in China online

The purpose of the practice is to provide audit, tax and advisory services to German organisations already present, or considering operating in China as well as assisting Chinese companies with their investment in Germany and Europe.

Find out more at:

www.home.kpmg/cn/en/home/services/special-focusgroups/german-focus-group.html

KPMG International Business

Whether it's country-specific knowledge, clearly structured information on current challenges, facts and figures on investment activities of Chinese and German companies, or background knowledge for planning international transfers, KPMG publications are an invaluable tool for anyone interested in international, cross-border investment.

Find out more at:

<https://home.kpmg/de/en/home/insights/2017/04/international-business.html>





KPMG China Newsletter

The newsletter provides up-to-date information on the latest trends shaping the Chinese business environment and the dynamic development of the country.

Register here:

www.home.kpmg/de/de/home/media/newsletterabonnieren/abo-kpmg-china-news.html



Professional and industry expertise and helpful studies

Whether it's country-specific expertise or clearly structured information on current challenges, our competencies are bundled in a variety of different publications.

In addition, you will find figures on the investment activity of German companies, background knowledge for the planning of international transfers and practice-oriented information – for example a three-language financial accounting glossary in German, English and Chinese. Our publications are an invaluable tool for anyone wanting to successfully invest in Germany and around the globe.



Business Destination Germany 2020

The majority of international corporations in Germany rate their current financial position as good or very good. Especially the high quality of life, work efficiency and political stability are major drivers for investment. This was shown in our study "Business Destination Germany 2020", for which we surveyed 340 executives of the largest international corporations in Germany.

Find out more at:

www.home.kpmg/de/en/home/insights/2020/03/business-destination-germany-2020.html



Business in Germany

KPMG's "Business in Germany" newsletter is a quarterly English-language publication that provides useful insights on Germany as a business location and focuses on foreign investors.

Find out more at:

www.home.kpmg/de/en/home/media/abo-business-in-germanynewsletter-en.html

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