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People's Republic of China

The Interim Regulations on the Registration and Administration of Private Non-enterprise Units

Chapter I General Provisions

Article 1 These Regulations are formulated for the purposes of standardizing the registration and administration of private non-enterprise units, protecting their lawful rights and interests, and promoting both the social material progress and cultural and ethical progress.

Article 2 The private non-enterprise units referred to in these Regulations mean social organizations which are established by enterprises, institutions, associations or other social forces as well as individual citizens using non-state assets and conduct non-profit-making social service activities.

Article 3 The establishment of private non-enterprise units shall be subject to the review and approval of their competent business units, and shall be registered in accordance with the provisions of these Regulations.

Article 4 Private non-enterprise units shall abide by the Constitution, laws, regulations and policies of the State, shall not oppose the basic principles enshrined in the Constitution, shall not endanger the reunification and security of the country, and social interest as well as the lawful rights and interest of other organizations and citizens, and shall not breach social ethics and morality, shall not conduct business activities for profit.

Article 5 The civil affairs department of the State Council and the civil affairs departments of the local people's governments at their corresponding level (hereinafter referred to as the registration and administration organs).

The relevant departments of the state Council and those of the local people's governments at and above the county level as well as organizations authorized by the State Council or those by the local people's governments at and above the county level shall be the competent business units over private non-enterprise units of trades, lines of business (hereinafter referred to as the competent units).

Where the laws and administrative regulations stipulated otherwise with regard to the supervision and administration of private non-enterprise units, these relevant laws and administrative regulations shall be applied.

Chapter II Jurisdiction

Article 8 The application for the registration of a private non-enterprise unit shall meet the following requirements:

- (1) having been subject to the review and approval of the competent business units;
- (2) possession of standardized name and the necessary organizational structure;
- (3) possession of professional staff suitable for its business activities;
- (4) possession of lawful properties as required for its business activities;
- (5) possession of necessary site.

The names of a private non-enterprise unit shall be in conformity with the provisions of the civil affairs department of the State Council, and shall not be headed with such words as "China", "national" or "Chinese".

Article 9 In applying for the registration of a private non-enterprise unit, the initiator shall submit to the registration and administration organ the following documents;

- (1) an application letter for registration;
- (2) the approval documents of the competent business unit;

- (3)the certification for the use right of site;
- (4)the capital verification report;
- (5)the basic facts and identification paper of the proposed responsible person;
- (6)the draft articles of association.

Article 10 The articles of association of a private non-enterprise unit shall contain the following items:

- (1)its name and domicile;
- (2)its purposes and business scopes;
- (3)its organization and management system;
- (4)procedures for the election and dismissal of the legal representative or the responsible person;
- (5)principles on the management and use of assets;
- (6)procedures for revising its articles of association;
- (7)procedures for termination and the disposal of its assets thereafter;
- (8)other matters that shall be provided for in the articles of association.

Article 11 The registration and administration organs shall make decision of grant or non-grant of registration within 60 days after the receipt of all valid documents of application for establishment registration.

The registration and administration organs shall not grant under one of the following circumstances, and shall give reasons to the applicants;

- (1)there are evidences to indicate the purposes and business scopes of the private non-enterprise units being applied for registration are not in conformity with the provisions of Article 4 of these Regulations;
- (2)fraud and falsification are resorted to in applying for its establishment;
- (3)there are no needs for the establishment of private non-enterprise units as there already exist private non-enterprise units whose business scopes are either identical or similar to those of the proposed private non-enterprise units in the same administrative area;
- (4)the proposed responsible persons are still or were once under the criminal penalty of the deprivation of their political rights, or are not in possession of full capabilities for evil conducts;
- (5)other circumstances prohibited by laws and administrative regulations.

Article 12 Where a private non-enterprise unit is approved for registration, the registration and administration organ shall register the name, domicile, purposes and business scopes, the legal representative or the responsible person, the start-up fund, the competent business unit, and respectively issue a Certificate of Registration for Private Non-enterprise Unit (Legal Person), Certificate of Registration for Private Non-enterprise Unit (Legal Person), Certificate of Registration for Private Non-enterprise Unit (Partnership) or Certificate of Registration for Private Unit (Partnership) or Certificate of Registration for Private Non-enterprise Unit (Individual) in line with the ways of bearing civil liabilities.

Where a private non-enterprise unit has, according to the provisions of relevant laws and other administrative regulations, been examined or registered by the relevant competent department and, the registration and administration organ shall simply the registration procedures and issue corresponding certificate for registration of private non-enterprise unit on the strength of certifying documents *produced* by the competent department.

Article 13 A private non-enterprise unit shall not establish any branch.

Article 14 A private non-enterprise unit shall, on the strength of the registration certificate, apply for engraving its seal and opening a bank account. The private non-enterprise unit shall submit the design of its seal and the number of its bank account to the registration and administration organ for record.

Article 15 Where it is necessary to make changes in the items of registration of a private non-enterprise unit, it shall, within 30 days from the date of consent after review by the competent

business unit apply to the registration and administration organ for making changes in its registration.

Where a private non-enterprise unit intends to revise its articles of association, it shall, within 30 days from the date of consent after review by the competent business unit, submit the revised articles of association to the registration and administration organ for examination and approval.

Article 16 Where a private non-enterprise unit dissolves of its own accord, splits up or mergers, or needs to have its registration canceled due to other causes, it shall go through the procedures for cancellation of registration with the registration and administration organ.

Before a private non-enterprise unit to cancel its registration, it shall set up a liquidation organization to complete the work of liquidation thereof under the guidance of competent business unit and other relevant departments. The private non-enterprise unit shall not perform any activities other than the liquidation during the liquidation process.

Article 17 The legal representative or responsible person of a private non-enterprise unit shall go through the procedures for the cancellation of registration with the registration and administration organ within 15 days after the completion of the liquidation. For the cancellation of registration, the private non-enterprise unit must submit an application letter, a document of approval issued by the competent business unit and the liquidation report.

Where the registration and administration organ approves the cancellation of registration, it shall issue a certificate of cancellation, and discharge the registration certificates, seal and financial vouchers.

Article 18 The establishment, cancellation and changes of its name, domicile and the legal representative or responsible person of a private non-enterprise unit shall be publicly announced by the registration and administration organ.

Chapter IV supervision and administration

Article 19 The registration and administration organs shall exercise the following functions of supervision and administration:

- (1)being responsible for the registration of the establishment, changes and cancellation of private non-enterprise units;
- (2)conducting annual verification on private non-enterprise units;
- (3)supervising and verifying the cases relating to the violation of these Regulations by private non-enterprise units; and imposing administrative penalties on private non-enterprise units whose conducts violate these Regulations.

Article 20 The competent business units shall exercise the following functions of supervision and administration:

- (1)being responsible for pre-review prior to the registration of establishment changes and cancellation of private non-enterprise units.
- (2)supervising and guiding associations to abide by the Constitution, the laws, the regulations and policies of the State, and to perform activities in accordance with their articles of association;
- (3)being responsible for the preliminary examination of the annual verification of private non-enterprise units;
- (4)assisting the registration and administration organs and other relevant departments in investigating and punishing violations of law by private non-enterprise units;
- (5)guiding jointly with relevant organs the issues related to liquidation of private non-enterprise units.

The competent business units shall not charge any fees on private non-enterprise units for the exercise of their functions specified in the preceding paragraph.

Article 21 The assets of a private non-enterprise unit must come from lawful resources. No units and individuals may usurp, divide in secret or misappropriate the assets of a private non-enterprise unit.

The legal incomes of a private non-enterprise unit obtained in accordance with relevant provisions of the State from the performance of activities specified in its articles of association shall be used for the business activities specified in its articles of association.

The acceptance of donations and grants by a private non-enterprise unit shall conform to the purposes and business scope specified in its articles of association, and shall be used in line with the time limits, ways and legal purposes as agreed with the donors and grantors. The private non-enterprise unit shall report to its competent business unit the matters related to the acceptance and use of donations and grants, and shall make them public in proper way to society.

Article 22 The private non-enterprise units shall follow the relevant rules of the State on financial management, and shall be subject to the supervision of the financial departments. If the assets of a private non-enterprise unit come from the appropriation of the State, or from social donations and grants, it shall, in addition, be subject to the supervision of the auditing organ.

Before the replacement of the legal representative of a private non-enterprise unit, the registration and administration organ and the competent business unit shall organize the audit of its finance.

Article 23 The private non-enterprise units shall submit to the competent business units the work reports of the previous year before March 31 of each year, and after the preliminary examination and consent of the competent business units, submit them to the registration and administration organs before May 31 for annual verification. The contents of the work reports shall include: the observance of laws, regulations and policies of the State, the registration undergone in line with these Regulations, organizational structure as well as financial management.

The registration and administration organs shall simplify the contents of the annual verification of the private non-enterprise units which are granted the certificate of registration in accordance with the provision of the Paragraph 2, Article 17 of these Regulations.

Chapter V Penalties

Article 24 Where a private non-enterprise unit has resorted to fraud and falsification in acquiring its registration, or the approval of its establishment has been discharged by the competent business unit, the registration and administration organ shall discharge its registration.

Article 25 Where a private non-enterprise unit involves in any of the following circumstances, the registration and administration organ may give it a warning, order to correct the situations, or suspend its activities within a given time limit, or, if the circumstances are serious, discharge its registration; if a crime is constituted, criminal responsibility shall be investigated according to law:

(1) altering, leasing or lending the registration certificate for private non-enterprise unit, or leasing, lending the registration certificate for private non-enterprise unit;

(2) performing activities beyond the purposes and business scopes specified in its articles of association;

(3) refusing to accept supervision and check-up or failing to accept supervision and check-up according to provisions;

(4) failure to go through procedures for making changes in registration according to provisions;

(5) establishing a branch;

(6) engaging in profitable activities;

(7) usurping, dividing in secret or misappropriating assets of a private non-enterprise unit or the accepted donations and grants;

(8)charging fees, raising funds or accepting and using donations and grants in violation of relevant provisions of the State.

The illegal operational volumes or illegal gains come from the acts as provided for in the preceding paragraph shall be confiscated, and a fine of more than one time but less than three times the illegal operational volumes, or of more than three times but less than five times the illegal gains may be imposed simultaneously.

Article 26 Where the activities of a private non-enterprise unit violate other laws and regulations, they shall be dealt with by relevant State organs according to law, if the State organs concerned consider that its registration should be discharged, the registration and administration organ shall discharge its registration.

Article 27 Where a private non-enterprise unit without registration performs activities in the name of a private non-enterprise unit, or a private non-enterprise unit whose registration has been discharged continues to perform activities in the name of a private non-enterprise unit, it shall be banned by the registration and administration organ, its illegal properties shall be confiscated; and criminal responsibilities shall be investigated according to law if a crime is constituted; if a crime is not constituted, administrative penalties for public security shall be imposed according to law.

Article 28 Where a private non-enterprise unit is ordered to suspend its activities within a given time limit, the registration and administration organ shall seal up its registration certificates, seal and financial voucher.

Where the registration of a private non-enterprise unit has been discharged, the registration and administration organ shall seize its registration certificate and seal.

Article 29 The staff members of the registration and administration organs and the competent business units who abuse their powers, seek personal interests and commit