

Order of the President of the People's Republic of China

(No. 80)

On December 28, 2002, the Non-state Education Promotion Law of the People's Republic of China was adopted at the 31st meeting of the Standing Committee of the Ninth National People's Congress. It is hereby promulgated and shall be implemented as of September 1, 2003.

The President of the People's Republic of China Jiang Zemin

December 28, 2002

Non-state Education Promotion Law of the People's Republic of China

(Adopted at the 31st meeting of the Standing Committee of the Ninth National People's Congress)

Contents

Chapter I General Provisions

Chapter II Establishment

Chapter III The Organizations and Activities of a School

Chapter IV Teachers and the Educated

Chapter V School Assets and Financial Management

Chapter VI Management and Supervision

Chapter VII Support and Incentives

Chapter VIII Modification and Termination

Chapter IX Legal Liabilities

Chapter X Supplementary Provisions

Chapter 1 General Provisions

Article 1 The Present Law is formulated in accordance with the [Constitution](#) and the [Education Law](#) with a view to implementing the strategy of developing the country by relying on science and education, promoting the sound development of non-state education undertaking and protect the

legal rights and interests of private schools and the educated.

Article 2 The present Law shall be applicable to the activities that any public organs or individuals, except for the state organs, run schools or other educational institutions to meet the demand of the society by utilizing non-state financial funds. Those not covered by the present Law shall be in accordance with the [Education Law](#) and other laws governing education.

Article 3 Non-state education is a public undertaking. It's a part of the socialist education undertakings.

The country adopts the policies of active encouragement, full support, correct guidance, and administration by law.

The people's governments of all levels shall list the non-state education undertaking into the programs of national economy and social development.

Article 4 A non-state school shall abide by the laws and regulations, follow the state's educational policies, guarantee the education quality and commit itself to the training of talents for the cause of socialist construction.

Non-state schools shall abide by the principle of separating education from religion. No organization or individual may make use of religion to conduct activities that interfere with the educational system of the State.

Article 5 Non-state schools and public schools are of the same legal status. The state protects the non-state schools' autonomy of operation.

The state protects the lawful rights and interests of the founder(s), the president, the faculty and the educated of a non-state school.

Article 6 The state encourages donations to running schools.

The state will award and commend those bodies and individuals who have made outstanding contributions in the development of non-state education undertaking.

Article 7 The administrative department for education under the State Council shall be responsible for the overall planning, comprehensive coordination and macro-management of non-state education work of the whole nation.

The administrative departments for labor & social security and other relevant departments under the State Council shall, within their respective functions and responsibilities defined by the State Council, be responsible for the different aspects of non-state education.

Article 8 The educational administrative departments of local people's governments at or above the county level shall manage the non-state education within their respective administrative area.

The administrative departments for labor & social security and other relevant departments of local people's governments at or above the county level shall, within their respective functions and responsibilities, be responsible for the different aspects of non-state education.

Chapter II Establishment

Article 9 The social bodies applying for the establishment of a non-state school shall be qualified as a legal person.

As for the individuals that run non-state schools shall have political rights and full civil capacity.

Article 10 The establishment of a non-state school shall meet the needs of the development of local education and shall satisfy the requirements in the [Education Law](#) and relevant other laws and regulations.

The standards for the establishment of a non-state school shall be executed by reference to those for the establishment of a state school of the same level and category.

Article 11 Those non-state schools engaging in diploma education, pre-school education, self-taught examination, and other cultural education shall subject to the examination and approval of the administrative departments for education of the people's governments at or above the county level in accordance with their authorities defined by the state. Those non-state schools mainly engaging in training of professional skills and vocational qualifications shall subject to the examination and approval of the administrative departments for labor & social security in accordance with their authorities defined by the state and shall submit a copy to the educational administrative departments for archival purposes.

Article 12 In applying for the preparations of establishing a non-state school, the applicant shall submit the following materials to the examination and approval organ:

(1) An application. An application shall include such elements as the founder, purposes, scale, level, form, conditions, interior management system, financing and management etc.

(2) The founder's name, domicile or name and address.

(3) Sources of the assets, the amount of the fund and effective evidential documents, which shall clearly include the property ownership.

(4) As for the donated school assets, an agreement of donation shall be submitted and it shall include the name of the donator(s), the amount of the donated assets, uses and management methods and relevant effective certification documents.

Article 13 Within 30 days as of the acceptance of the application, the examination and approval organ shall make a decision of approval or disapproval in written form.

It shall issue a letter of ratification for the establishment preparations to the approved applicants. And it shall give explanations to the disapproved.

The term for the establishment preparations shall not exceed 3 years. For those exceeding 3 years, the founder(s) shall re-file the application.

Article 14 Applying for establishing a non-state school in due form, the founder shall submit the following materials to the examination and approval organ:

(1) the letter of ratification for the establishment preparations;

(2) a report on the proceeding of the establishment preparations;

(3) articles of incorporation of the school, the name of the members in the first school council, the board of directors and other decision-making bodies;

(4) valid certification documents of the school assets;

(5) evidential qualification documents of the president, the teachers and the accountants.

Article 15 Those that meet the requirements for running a school and reach the establishment standards may directly apply for the establishment in due form and shall submit the materials as required in Article 12 and paragraphs (3), (4) and (5) of Article 14 of the present Law.

Article 16 Within 3 months as of the acceptance of an application for establishing a non-state school in due form, the examination and approval organ shall make a decision of approval or disapproval in written form, and which shall be served to the applicant. As for an applicant for establishing a non-state college or university, the examination and approval organ may make a decision of approval or disapproval in written form within 6 months as of the acceptance of the application, and the decision shall be served to the applicant.

Article 17 The examination and approval organ shall issue a license to the non-state schools approved to be established in due form.

The examination and approval organ shall give explanations to those disapproved.

Article 18 A non-state school shall obtain the license and register in accordance with relevant laws and administrative regulations. And the registration organ shall handle the procedures instantly pursuant to relevant regulations.

Chapter III The Organizations and Activities of a School

Article 19 A non-state school shall establish a school council, a board of directors and other forms of decision-making bodies.

Article 20 The school council or the board of directors shall be organized by the founders, or their representative(s), the president, the representative(s) of the faculty and staff. More than 1/3 of the members of the school council or the board of the directors shall have more than five years of educational and teaching experiences.

The school council or the board of directors shall consist of at least five persons, with one acting as the director-general of the school council or chairman of the board of directors. Their names shall be reported to the examination and approval organ for archival purposes.

Article 21 The school council or the board of directors shall exercise the following functions and powers:

- (1) to appoint and to dismiss the president of the school;
- (2) to modify the articles of incorporation of the school and to formulate the school rules & regulations;
- (3) to make development program and to ratify annual work plan;
- (4) to raise funds for the school, to check the budget and the final accounts;
- (5) to decide the number of faculty and staff and the wage standards;
- (6) to decide the division, merge and termination of the school;
- (7) to decide other significant matters.

The functions and powers of other forms of decision-making bodies shall be executed by reference to this Article.

Article 22 The legal representative of a non-state school shall be the director-general of the school council or the chairman of the board of directors or the president.

Article 23 Non-state schools appoint their presidents by referring to the appointment requirements for the presidents of public schools of the same type and level, but the age requirement may be appropriately loosened, and the candidates shall be reported to the examination and approval authority for examination and approval.

Article 24 The president of a non-state school shall be in charge of teaching and administrative work. He (she) shall exercise the following functions and powers:

- (1) to execute the decisions made by the school council, the board of directors and other forms decision-making bodies;
- (2) to carry out the development program, to make annual work plans, financial budget and to formulate school rules & regulations;
- (3) to employ and dismiss the faculty and staff members, to give them award or punishments;
- (4) to launch activities of teaching and scientific research, to ensure the teaching quality;
- (5) to take charge of the routine management of the school;
- (6) other powers authorized by the school council, the board of directors and other forms of decision-making bodies.

Article 25 In accordance with pertinent regulations, a non-state school may confer its students a diploma, or a certificate of completion, or a training course certificate in light of their respective category, required number of years of schooling and scores.

For the students who accept vocational training, those have been appraised as qualified by the certifying agency ratified by the government may be conferred a national vocational qualifications certificate.

Article 26 A non-state school shall ensure the faculty and staff's participation in the democratic management and supervision through the faculty and staff representative assembly, in which the teachers are the principal, or through other forms.

The teachers and other workers of a non-state school are entitled to establish a labor union in accordance with the [Trade Union Law](#) for the purposes of protecting their legitimate rights and interests.

Chapter IV Teachers and the Educated

Article 27 The teachers and the educated have the same legal status as those of a public school.

Article 28 The teachers employed by a non-state school shall be qualified in teaching as required by the state.

Article 29 A non-state school shall provide moral education and professional training for the teachers.

Article 30 In accordance with the law, a non-state school shall ensure the faculty and staff's wages and welfare treatments and pay the fees of social

insurance on their behalf.

Article 31 In the aspects of professional training, appointment of position, the calculating method of teaching age and working age, award and social activities etc., the faculty and staff of a non-state school and those of a state school shall enjoy identical rights in accordance with the law.

Article 32 A non-state school shall safeguard the legitimate rights and interests of the educated.

A non-state school shall create a student management system and may give award or punishment to the students.

Article 33 In the aspects of entering a higher school, employment, social special treatment and the public appraisal of advanced individual, the teachers in a non-state school and those of a state school of the same level and category shall enjoy identical rights.

Chapter V School Assets and Financial Management

Article 34 A non-state school shall formulate a financial, accounting and assets management system according to law and shall set up accounting books pursuant to relevant regulations of the state.

Article 35 A non-state school shall enjoy all the legal person property rights formed by the invested assets of the founders, state-owned assets, donated properties and the school's accumulated assets.

Article 36 During the period of a non-state school's continuous existence, all its assets shall be managed and used by this school, no institution or individual is allowed to encroach upon.

No institution or individual is allowed to collect any nominal fees in violation of the laws and regulations.

Article 37 The items and standards for tuition fees to be collected from the people who accept degree education shall be set down by the non-state school and shall be reported to relevant departments for approval and publicity. The items and standards of the tuition fees to be collected from the people who accept other forms of education shall be set down by the non-state school and shall be reported to relevant departments for archival purposes and publicity.

The tuition fees collected by a non-state school shall be used mainly in teaching activities and in improving school conditions.

Article 38 The use of the assets and the financial management of a non-state school shall be subject to the supervision of the examination and

approval organ and other relevant departments.

By the end of every fiscal year, a non-state school shall make financial statement and entrust an accounting firm to audit in accordance with the law and publicize the auditing results.

Chapter VI Management and Supervision

Article 39 The administrative departments for education and other relevant departments shall guide the work of teaching and teacher's training of the non-state schools.

Article 40 The administrative departments for education and other relevant departments shall, in accordance with the law, supervise the non-state schools, urge them to improve the quality of education, organize or entrust a social intermediary organization to assess the level and quality of education, and disclose the assessed results to the public.

Article 41 The enrollment brochures and advertisements of the non-state schools shall be reported to the examination and approval organ for archival purposes.

Article 42 Where a non-state school infringes upon the legitimate rights and interests of the educated, the educated and their relatives are entitled to the administrative departments for education and at other relevant departments. Pertinent departments shall make timely solutions.

Article 43 The state supports and encourages social intermediary organizations to offer services to the non-state schools.

Chapter VII Support and Award

Article 44 The people's governments at (or above) the county level may establish special funds to support the development of non-state schools, to award and commend the collectives and individuals that have made outstanding contributions.

Article 45 The people's governments at (or above) the county level may support the non-state schools through providing financial aid, leasing, or transferring of the unused state-owned assets and other measures.

Article 46 A non-state school enjoys the tax preferential policies as provided by the state.

Article 47 A non-state school may accept donations from the citizens, legal persons or other bodies in accordance with relevant laws and regulations

of the state.

The state shall give tax preference to the citizens, legal persons or other bodies that make donations to non-state schools and commend them.

Article 48 The state encourages the financial institutions to support the development of non-state education by means of credits.

Article 49 Where a people's government entrusts a non-state school to undertake the task of compulsory education, it shall appropriate relevant education funds to this school according to the entrustment agreement.

Article 50 For newly built or expanded non-state schools, the people's governments shall give them preference according to relevant regulations concerning land for public utility and construction. The land used for education shall not be used for other purposes.

Article 51 After a non-state school has deducted its costs, has reserved development funds and has drawn other necessary expenses in accordance with relevant regulations of the state, the contributors may obtain reasonable gains from the balance of the school. Concrete measures for reasonable shall be formulated by the State Council.

Article 52 The state shall take measures to support and encourage social bodies and individuals to run non-state schools in regions inhabited by the minority ethnic groups and in the outlying and poverty-stricken areas for the development of educational undertakings.

Chapter VIII Modifications and Termination

Article 53 The division or merge of a non-state school shall be reported to the examination and approval organ for approval via the school council or the board of directors after the financial liquidation has been completed.

Within 3 months as of the acceptance of an application for division or merge of a non-state school, the examination and approval organ shall make a written reply to the applicant. For an application of division or merge of a non-state college or university, the examination and approval organ may also make a written reply to the applicant within 6 months as of the acceptance of the application.

Article 54 Where a non-state school is to modify its founders, the proposition shall be put forward by the founders, and after the financial liquidation has been completed, it shall be reported to examination and approval organ upon the consent of the school council or the board of directors.

Article 55 Modifications of a non-state school's name, level or category shall be reported to the examination and approval organ for approval.

The examination and approval organ shall make a written reply to the applicant within 3 months as of the acceptance of the application for changing into another non-state school. For an application of changing into a non-state college or university, the examination and approval organ may also make a written reply within 6 months as of the acceptance of the application.

Article 56 A non-state school shall terminate under any of the following circumstances:

- (1) as required by the articles of incorporation of the school and upon the approval of the examination and approval organ;
- (2) the license to run a school has been revoked;
- (3) It is unable to keep on running the school because of insolvency.

Article 57 When a non-state school terminates, it shall make proper arrangement for the students at school. When a non-state school engaged in compulsory education terminates, the examination and approval organ shall assist the school in arranging the students to continue their school education.

Article 58 When a non-state school terminates, it shall make financial liquidation in accordance with the law.

Where a non-state school requests for the termination itself, the school shall organize the liquidation. Where a non-state school is canceled by the examination and approval organ in accordance with the law, the examination and approval organ shall organize the liquidation. Where a non-state school is unable to keep on running the school because of insolvency, the people's court shall organize the liquidation.

Article 59 The properties of a non-state school shall be cleared according to following order:

- (1) repaying the students tuition fees, incidental expenses and other fees;
- (2) paying the faculty and staff their wages and social insurance fees;
- (3) repaying other debts.

The properties left after clearing the above-mentioned items shall be disposed of pursuant to relevant laws and regulations.

Article 60 Where a non-state school is terminated, the examination and approval organ shall take back its license, destroy its seals and make deregistration.

Article 61 Where a non-state school violates the [Education Law](#) or the [Teachers Law](#), it shall be given punishments in accordance with the [Education Law](#) or the [Teachers Law](#).

Article 62 Where a non-state school has any of the following acts, the examination and approval organ or other relevant departments shall order it to correct within a time limit and give it a warning. Where a non-state school has illegal incomes, the illegal incomes shall be confiscated after the collected fees have been reimbursed. Where the circumstances are serious, it shall be ordered to stop enrollment and its license shall be taken back. Where the violation constitutes a crime, it shall be investigated for criminal liabilities.

- (1) the division or merge of a non-state school without permission;
- (2) the modifications of non-state school's name, level, category and founders without permission;
- (3) issuing false enrollment brochures or advertisements for the purpose of cheating property of money;
- (4) illegally conferring or forging diplomas, certificates of completion, training course certificates and vocational qualifications certificates;
- (5) causing bad consequences in the society due to poor management such that the teaching has been affected;
- (6) obtaining the license to run a school by submitting false evidential documents or by other fraudulent means of disguising some important facts;
- (7) forging, altering, selling or buying, leasing or lending the license to run a school;
- (8) to stop running a school maliciously, to spirit the capital away or to appropriate the funds of running a school.

Article 63 Where an examination and approval or one of the relevant departments has any of the following acts, its superior organ shall order it to get right. If the circumstances are serious, the person chiefly in direct charge and other persons held to be directly responsible shall be imposed an administrative sanction in accordance with the law; If the act caused economic losses, they shall bear the liability for compensation. If the act constitutes a crime, the offender shall be subject to criminal liabilities pursuant to the law:

- (1) Having accepted the establishment application, but it failed to make a reply within the time limit as provided by the present Law;
- (2) granting approval to the application which is inconsistent with the requirements of the present Law;
- (3) negligence of management which has brought serious consequences;
- (4) collecting fees in violation of relevant regulations of the state;
- (5) infringing upon the legitimate rights and interests of a non-state school;

(6) other acts of abuse of power and malpractice for gaining private interests.

Article 64 Where any social body or individual runs non-state schools without permission, the relevant administrative departments of the people's government at or above the county level shall order it to get right within a time limit. Among them, those are in consistence with the requirements for a non-state school of the present Law and other relevant laws and regulations may make up for handling the examination and approval procedures. If overdue, those fall short of the requirements for a non-state school shall be ordered to stop running the school. If they have caused economic losses, they shall bear the liability for compensation in accordance with the law.

Chapter X Supplementary Provisions

Article 65 The term "non-state schools" in the present Law include other non-state educational institutions established in accordance with the law. The term "president" in the present Law includes the main administrative person-in-charge of other non-state educational institutions.

Article 66 The administrative measures concerning the operational non-state training institutions registered in the administrative organs of industry and commerce shall be separately formulated by the State Council.

Article 67 The measures governing the jointly-run schools within China by overseas institution or individual shall be separately formulated by the State Council.

Article 68 The present Law shall be implemented as of September 1, 2003 and the [Provisions for Schools Run by Social Resources](#) promulgated by the State Council on July 31, 1997 shall be abolished at the same time.