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# Regulations on Registration Administration of Resident Representative Offices of Foreign Enterprises

(Adopted at the 132<sup>nd</sup> Executive Meeting of the State Council on November 10, 2010, promulgated by Decree No. 584 of the State Council of the People's Republic of China on November 19, 2010, and effective as of March 1, 2011)

## **Chapter I General Provisions**

Article 1 These Regulations are formulated for the purpose of regulating the establishment and business activities of resident representative offices of foreign enterprises.

Article 2 The term "resident representative offices of foreign enterprises" (hereinafter referred to as representative offices) in these Regulations means the offices established within the territory of China by foreign enterprises in accordance with the provisions of these Regulations to engage in non-profit activities related to their businesses. A representative office does not have the status of a legal person.

**Article 3** A representative office shall abide by the law of China and shall not impair national security and public interests of China.

**Article 4** The establishment, alteration and termination of a representative office shall be registered in accordance with the provisions of these Regulations.

A foreign enterprise that applies for registering a representative office shall be responsible for the truthfulness of the application documents and materials.

Article 5 The State Administration for Industry and Commerce and the local administrations for industry and commerce authorized by it are the competent authorities for registration and administration of representative offices (hereinafter referred to as the registration authorities).

The registration authorities shall put in place an information sharing mechanism with other relevant departments to provide one another with information about representative offices.

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Article 6 A representative office shall submit an annual report to the registration authority between March 1 and June 30 each year. The annual report shall include information on the lawful existence of the foreign enterprise, business activities of the representative office, its revenues and expenditures audited by an accounting firm, etc.

Article 7 A representative office shall set up accounting books in accordance with law, truthfully record the fund it receives from the foreign enterprise and its revenues and expenditures, and keep the accounting books at its premises.

A representative office shall not use an account of any other enterprise, organization or individual.

Article 8 The chief representative and representatives appointed by a foreign enterprise and the staff members of a representative office shall abide by the provisions of the laws and administrative regulations on entry and exit, residence, employment, tax payment, foreign exchange registration, etc.; a violation of such provisions shall be dealt with by the relevant departments in accordance with the relevant provisions of laws and administrative regulations.

## Chapter II Registration Particulars

Article 9 The registration particulars of a representative office include the name of the representative office, name of the chief representative, scope of business, premises, duration of accreditation, and the name and domicile of the foreign enterprise.

Article 10 The name of a representative office shall consist of elements in the following sequence: nationality of the foreign enterprise, Chinese name of the foreign enterprise, name of the city of residence of the representative office, and the Chinese characters of "representative office", and shall not have the following contents or words that

- (1) impair national security or public interests of China;
- (2) are used as the name of an international organization; or

(3) are prohibited by laws, administrative regulations or the provisions of the State Council.

A representative office shall conduct its business activities under the name registered with the registration authority.

Article 11 A foreign enterprise shall appoint a chief representative. The chief representative may, within the scope of the written authorization given by the foreign enterprise, sign the application documents for registering a representative office on behalf of the foreign enterprise.

A foreign enterprise may appoint one to three representatives as called for by its business activities.

- Article 12 An individual who comes under one of the following circumstances shall not serve as a chief representative or representative:
- (1) he has been sentenced to criminal penalty for impairing national security or public interests of China;
- (2) he is the chief representative or representative of a representative office that conducts illegal activities impairing national security or public interests of China and thus has its establishment registration cancelled or its registration certificate revoked in accordance with law or is ordered to close down by the competent department in accordance with law, and a period of five years has not elapsed from the date of such cancellation, revocation or closure; or
- (3) he comes under other circumstances prescribed by the State Administration for Industry and Commerce.
- Article 13 A representative office shall not conduct any profit-making activities.

Where an international treaty or agreement concluded or acceded to by China provides otherwise, such treaty or agreement shall prevail, except for the provisions on which China has made reservation.

- **Article 14** A representative office may engage in the following activities related to the business of the foreign enterprise:
  - (1) market study, exhibition and promotion relating to products or services of the

foreign enterprise; and

(2) liaison activities relating to product marketing, service delivery, domestic procurement and domestic investment by the foreign enterprise.

Where the conducting of business activities specified in the preceding paragraph is subject to approval as prescribed by laws, administrative regulations or the provisions of the State Council, a representative office shall obtain such approval.

**Article 15** The premises of a representative office shall be chosen at the foreign enterprise's discretion.

Out of need of national security and public interests, the competent department may require a representative office to relocate to new office premises, and promptly notify the registration authority of such relocation.

**Article 16** The duration of accreditation of a representative office shall not exceed the period of existence of the foreign enterprise.

Article 17 The registration authority shall keep the registration particulars of representative offices in a register of representative offices for public access and copying.

Article 18 A representative office shall display the registration certificate for the resident representative office of the foreign enterprise (hereinafter referred to as the registration certificate) issued by the registration authority at a conspicuous place of its premises.

**Article 19** No organization or individual may forge, alter, lease, lend, or transfer a registration certificate or a representative certificate of a chief representative or representative (hereinafter referred to as the representative certificate).

Where a registration certificate or representative certificate is lost or destroyed, the representative office shall declare its invalidity in the designated media and apply for reissuance of such certificate.

Where the registration authority decides, in accordance with law, to approve modification of registration, to approve deregistration, to cancel modification of registration, or to revoke a registration certificate, the original registration certificate of the representative office and the representative certificate of the original chief representative or representative shall automatically cease to be valid.

**Article 20** A foreign enterprise shall make a public announcement on the establishment or alteration of its representative office in the media designated by the registration authority.

Where a representative office is deregistered or has its establishment registration cancelled or its registration certificate revoked in accordance with law, the registration authority shall make a public announcement thereon.

- Article 21 In investigating and dealing with a suspected violation of these Regulations by a representative office, the registration authority may exercise the following powers in accordance with law:
- (1) to conduct investigations and find out the facts from the relevant organizations or individuals;
- (2) to consult, copy, seal up or impound contracts, negotiable instruments, accounting books or other materials related to the illegal act;
- (3) to seal up or impound the tools, equipment, raw materials, products (goods) or other articles exclusively used for committing the illegal act; and
- (4) to inquire into the accounts of the representative office committing the illegal act and the accounting vouchers, accounting books, statements, etc. related to its deposits.

## Chapter III Registration of Establishment

- **Article 22** For the establishment of a representative office, an application shall be submitted to the registration authority for the registration of establishment.
- Article 23 In applying for establishing a representative office, a foreign enterprise shall submit to the registration authority the following documents and materials:
  - (1) an application for registering the establishment of the representative office;
- (2) the proof of the domicile of the foreign enterprise and the proof of its lawful operation for not less than two consecutive years;

- (3) the articles of association or constitutional agreement of the foreign enterprise;
- (4) the letters of appointment for the chief representative and representatives issued by the foreign enterprise;
- (5) the identity certificates and resumes of the chief representative and representatives;
- (6) the certificate of creditworthiness issued by financial institutions that have business transactions with the foreign enterprise; and
  - (7) the certificate of lawful use of the premises of the representative office.

Where the establishment of a representative office is subject to approval as prescribed by laws, administrative regulations or the provisions of the State Council, the foreign enterprise shall, within 90 days from the date of approval, apply to the registration authority for registration of establishment and submit the document of approval.

Where an international treaty or agreement concluded or acceded to by China prescribes that a representative office may be established to conduct profit-making activities, the relevant documents shall be submitted in accordance with laws, administrative regulations or the provisions of the State Council.

Article 24 The registration authority shall decide whether or not to approve registration within 15 days from the date of acceptance of an application and may, when necessary, seek opinions from the relevant departments prior to making decision. If the registration authority decides to approve registration, it shall issue the registration certificate and representative certificates to the applicant within five days from the date of decision; if it decides not to approve registration, it shall, within five days from the date of decision, issue to the applicant a notice of denial of registration that states the reasons for not approving registration.

The date of issuance of the registration certificate is the date of establishment of the representative office.

Article 25 A representative office, its chief representative and representatives shall, on the basis of the registration certificate and representative certificates,

complete the formalities relating to residence, employment, tax payment, foreign exchange registration, etc.

#### Chapter IV Modification of Registration

**Article 26** In the case of any alteration to the registration particulars of a representative office, the foreign enterprise shall apply to the registration authority for modification of registration.

**Article 27** Where any registration particular is altered, an application for modification of registration shall be submitted within 60 days from the date of alteration.

Where, in accordance with the laws, administrative regulations or the provisions of the State Council, the alteration to registration particulars is subject to approval prior to modification of registration, an application for modification of registration shall be submitted within 30 days from the date of approval.

**Article 28** Where a representative office is to continue to engage in its business activities upon expiry of its duration of accreditation, the foreign enterprise shall, within 60 days prior to the expiry, apply for modification of registration to the registration authority.

Article 29 In applying for modification of registration of a representative office, an application therefor and the relevant documents prescribed by the State Administration for Industry and Commerce shall be submitted.

Where, in accordance with the laws, administrative regulations or the provisions of the State Council, the alteration to registration particulars is subject to approval prior to modification of registration, the relevant documents of approval shall be submitted.

Article 30 The registration authority shall decide whether or not to approve modification of registration within 10 days from the date of acceptance of an application. If the registration authority decides to approve modification of registration, it shall renew the registration certificate and representative certificates

within five days from the date of decision; if it decides not to approve modification of registration, it shall, within five days from the date of decision, issue to the applicant a notice of denial of modification of registration that states the reasons for not approving modification of registration.

Article 31 In the case of any alteration to the authorized signatory, corporate liability, capital (assets), scope of business or a representative of a foreign enterprise, the foreign enterprise shall report such alteration to the registration authority for the record within 60 days from the date of alteration.

#### Chapter V Deregistration

- **Article 32** A foreign enterprise shall apply for deregistration to the registration authority within 60 days from the date on which:
  - (1) the foreign enterprise dissolves its representative office;
- (2) the representative office ceases to engage in its business activities upon expiry of its duration of accreditation;
  - (3) the foreign enterprise terminates; or
- (4) the approval for establishment of the representative office is revoked or the representative office is ordered to close down in accordance with law.
- **Article 33** In applying for deregistration of its representative office, a foreign enterprise shall submit to the registration authority the following documents:
  - (1) an application for deregistration of the representative office;
- (2) the documents certifying the cancellation of tax registration of the representative office;
- (3) the documents issued by the Customs or the foreign exchange administration department certifying that relevant matters have been settled or that the representative office has not completed the relevant formalities; and
- (4) other documents to be submitted as prescribed by the State Administration for Industry and Commerce.

Where the termination of activities of a representative office is subject to

approval as prescribed by laws, administrative regulations or the provisions of the State Council, the relevant documents of approval shall be submitted.

Article 34 The registration authority shall decide whether or not to approve deregistration within 10 days from the date of acceptance of an application. If the registration authority decides to approve deregistration, it shall issue a notice of approval within five days from the date of decision, and take back the registration certificate and representative certificates; if it decides not to approve deregistration, it shall, within five days from the date of decision, issue to the applicant a notice of denial of deregistration that states the reasons for not approving the deregistration.

## Chapter VI Legal Liability

Article 35 Where, without registration, a representative office is established or the business activities of a representative office are conducted, the registration authority shall order the violator to stop such activities and impose on it/him a fine of not less than 50,000 yuan but not more than 200,000 yuan.

Where a representative office conducts profit-making activities in violation of the provisions of these Regulations, the registration authority shall order it to make corrections, confiscate its illegal income and the tools, equipment, raw materials, products (goods) and other articles exclusively used for conducting profit-making activities, and impose on it a fine of not less than 50,000 yuan but not more than 500,000 yuan; if the circumstances are serious, its registration certificate shall be revoked.

Article 36 Where a representative office is registered or files for the record by submitting false documents or taking other fraudulent means to conceal the facts, the registration authority shall order corrections to be made, impose a fine of not less than 20,000 yuan but not more than 200,000 yuan on the representative office, and impose a fine of not less than 1,000 yuan but not more than 10,000 yuan on the person in charge with competent accountability and other persons with competent accountability; if the circumstances are serious, the registration authority shall cancel

its registration or revoke its registration certificate, and take back the representative certificates.

Where a representative office conceals facts or practices fraud in submitting its annual reports, the registration authority shall order it to make corrections, and impose on it a fine of not less than 20,000 yuan but not more than 200,000 yuan; if the circumstances are serious, its registration certificate shall be revoked.

Where a registration certificate or representative certificate is forged, altered, leased, lent or transferred, the registration authority shall impose a fine of not less than 10,000 yuan but not more than 100,000 yuan on the representative office, and impose a fine of not less than 1,000 yuan but not more than 10,000 yuan on the person in charge with competent accountability and other persons with competent accountability; if the circumstances are serious, the registration certificate shall be revoked and the representative certificate shall be taken back.

Article 37 Where a representative office conducts ultra vires activities in violation of the provisions of Article 14 of these Regulations, the registration authority shall order it to make corrections within a specified time limit; if it fails to make corrections within the specified time limit, a fine of not less than 10,000 yuan but not more than 100,000 yuan shall be imposed on it; if the circumstances are serious, its registration certificate shall be revoked.

Article 38 Where a representative office comes under one of the following circumstances, the registration authority shall order it to make corrections within a specified time limit, and impose on it a fine of not less than 10,000 yuan but not more than 30,000 yuan; if it fails to make corrections within the specified time limit, its registration certificate shall be revoked:

- (1) failing to submit an annual report in accordance with the provisions of these Regulations;
- (2) failing to conduct business activities under the name registered with the registration authority;
- (3) failing to relocate to new office premises as required by the competent department of the Chinese government;

- (4) failing to make a public announcement on its establishment or alteration in accordance with the provisions of these Regulations; or
- (5) failing to complete the relevant formalities for modification of registration or deregistration or to file for the record in accordance with the provisions of these Regulations.

**Article 39** Where a representative office conducts serious illegal activities that impair national security or public interests of China, the registration authority shall revoke its registration certificate.

Where a representative office has its establishment registration cancelled or its registration certificate revoked due to violation of the provisions of these Regulations or is ordered to close down by the competent department of the Chinese government in accordance with law, the foreign enterprise that establishes the said representative office is not allowed to establish any representative office within the territory of China within five years from the date of such cancellation, revocation or closure.

Article 40 Where a registration authority and its staff members abuse power, neglect duty or commit illegalities for personal gain, or fail to handle registration procedures or to investigate and deal with illegal acts in accordance with the provisions of these Regulations, or support, harbor or connive at illegal acts, they shall be given sanctions in accordance with law.

Article 41 Where a violation of the provisions of these Regulations constitutes a violation against public security administration, the violator shall be penalized in accordance with the provisions of the Law of the People's Republic of China on Penalties for Administration of Public Security; if such violation constitutes a crime, criminal liability shall be investigated for in accordance with law.

## Chapter VII Supplementary Provisions

Article 42 The term "foreign enterprise" in these Regulations means a profit-making organization established outside the territory of China under foreign laws.

Article 43 The items of collection of fees for registration of representative offices shall be governed by the relevant provisions of the finance department and the competent pricing department of the State Council, and the standards for collection of fees for registration of representative offices shall be governed by the relevant provisions of the competent pricing department and the finance department of the State Council.

Article 44 The registration administration of the representative offices established in the mainland of China by enterprises based in the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan region shall be governed with reference to these Regulations.

Article 45 These Regulations shall be effective as of March 1, 2011. The Measures for Registration Administration of Resident Representative Offices of Foreign Enterprises approved by the State Council on March 5, 1983, and promulgated by the former State Administration for Industry and Commerce on March 15, 1983, shall be repealed simultaneously.

本译本仅供参考,若有歧义,请以中文版本为准。

The English version is for reference only. In case of any discrepancy or ambiguity of meaning between this English translation and the Chinese version, the latter shall prevail.