Administrative Measures for the Registration of Pledges of Equity Interests of the PRC

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Chapter I — General Provisions

Article 1 — These Measures are formulated in accordance with the Property Law of the People's Republic of China and other laws and regulations for the purpose of regulating the registration of pledges of equity interests.

Article 2 — For the purposes of these Measures, the term "pledge of equity interests" means the creation of a pledge over the equity interests held by a shareholder of a limited liability company or a joint stock limited company registered with the company registration authority.

Article 3 — The administrative departments for industry and commerce at all levels shall be responsible for the registration of pledges of equity interests of companies registered with them.

Article 4 — The registration of pledges of equity interests shall be conducted in accordance with the principles of legality, openness, and efficiency.

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Article 5 — The parties applying for registration of a pledge of equity interests shall be responsible for the truthfulness of the application materials.

Chapter II — Registration of Pledges

Article 6 — The parties applying for the registration of the creation of a pledge of equity interests shall submit the following documents:

1. An application for the registration of a pledge of equity interests signed by both the pledgor and the pledgee;

2. A copy of the business license of the company whose equity interests are pledged;

3. The equity pledge contract;

4. Proof of the pledgor's identity as a shareholder of the company whose equity interests are pledged;

5. Where the pledgor or pledgee is a legal person or other organization, the qualification certificate of the legal person or other organization; where the pledgor or pledgee is a natural person, a copy of the identity certificate of the natural person.

Article 7 — The application for the registration of a pledge of equity interests shall specify the following particulars:

1. The names and addresses of the pledgor and the pledgee;

2. The amount of the secured claim and the type of the secured claim;

3. The equity interests pledged and the amount thereof;

4. The scope of the security provided by the pledge;

5. The period of the pledge.

Article 8 — The equity pledge contract shall be in writing and shall generally specify the following particulars:

1. The names and addresses of the pledgor and the pledgee;

2. The type and amount of the secured principal claim;

3. The time limit for the debtor to perform the obligation;

4. The name and amount of the equity interests pledged;

5. The scope of the security provided by the pledge;

6. Other matters agreed upon by the parties.

Article 9 — The registration authority shall examine the application and, where the application is complete in form and meets the statutory requirements, register the pledge on the spot and issue a Notice of Registration of Pledge of Equity Interests. Where the application does not meet the statutory requirements, the registration authority shall not register the pledge and shall notify the applicant of the reasons for non-registration.

Article 10 — Where the pledgor is a shareholder of a limited liability company, the pledgor shall also submit a certificate that more than half of the other shareholders agree to the pledge, unless otherwise provided in the articles of association of the company.

Article 11 — The registration authority shall establish a register of pledges of equity interests for public inquiry by the public. The registration authority shall keep confidential the commercial secrets contained in the application materials.

Article 12 — The registration authority shall enter the following particulars in the register of pledges of equity interests:

1. The names of the pledgor and the pledgee;

2. The equity interests pledged and the amount thereof;

3. The amount of the secured claim;

4. The date of creation of the pledge;

5. The registration date.

Chapter III — Amendment and Cancellation of Registration

Article 13 — Where the registered particulars of a pledge of equity interests change, the parties shall apply for amendment of the registration within 30 days from the date of the change.

Article 14 — Where the security interest in the pledge of equity interests is extinguished, the pledgor and the pledgee shall jointly apply for cancellation of the registration.

Article 15 — The parties applying for amendment or cancellation of registration shall submit the following documents:

1. An application for amendment or cancellation of registration signed by the pledgor and the pledgee;

2. The original Notice of Registration of Pledge of Equity Interests;

3. Proof of the change or extinguishment of the registration particulars.

Article 16 — The registration authority shall examine the application for amendment or cancellation of registration and, where the application meets the requirements, process the amendment or cancellation on the spot.

Chapter IV — Legal Liability

Article 17 — Where the parties apply for registration by submitting false materials or by other fraudulent means, the registration authority shall order them to make corrections and may impose a fine in accordance with the relevant provisions.

Article 18 — Where the registration authority and its staff members fail to perform their duties in accordance with these Measures, causing damage to the parties, the registration authority shall bear corresponding liability in accordance with the law.

Chapter V — Supplementary Provisions

Article 19 — The registration of pledges of equity interests of companies whose registration authority is not the administrative department for industry and commerce shall be handled in accordance with the relevant provisions of the State.

Article 20 — The registration of pledges of unlisted shares of joint stock limited companies shall be handled with reference to these Measures.

Article 21 — The registration of pledges of fund shares or securities registered with a securities registration and clearing institution shall be handled in accordance with the relevant provisions of securities registration and clearing institutions.

Article 22 — The foreign-related pledge of equity interests shall also comply with the relevant provisions of the State on foreign investment administration.

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Article 23 — These Measures shall take effect as of October 1, 2008. The Interim Measures for the Registration of Pledges of Equity Interests of Limited Liability Companies promulgated earlier shall be repealed simultaneously.

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