Administrative Provisions on Registration of Resident Representative Offices of Foreign Enterprises

Dan Young Business Consultancy — www.danyoungcpa.com

Unofficial English translation prepared for reference only. The official Chinese text prevails.

Contents

Table of Contents 1

Chapter I — General Provisions 1

Chapter II — Registration Matters 2

Chapter III — Registration Procedures 2

Chapter IV — Supervision and Management 3

Chapter V — Legal Liability 3

Chapter VI — Supplementary Provisions 4

Promulgated by the State Council on November 19, 2010
Effective: March 1, 2011

Table of Contents

- Chapter I — General Provisions
- Chapter II — Registration Matters
- Chapter III — Registration Procedures
- Chapter IV — Supervision and Management
- Chapter V — Legal Liability
- Chapter VI — Supplementary Provisions

Chapter I — General Provisions

Article 1 — These Provisions are formulated in accordance with the relevant laws and administrative regulations of the State to regulate the registration administration of resident representative offices established by foreign enterprises within the territory of China.

Article 2 — For purposes of these Provisions, "foreign enterprise" means an enterprise established under the laws of a foreign country (region). "Resident representative office of a foreign enterprise" (hereinafter referred to as "representative office") means an office established by a foreign enterprise within the territory of China to engage in non-direct business activities such as business liaison, product promotion, market research, and technical exchange related to the business of the foreign enterprise.

Article 3 — A representative office shall comply with Chinese laws and regulations and shall not impair China's national security and social and public interests. Representative offices shall not engage in profit-making activities. Where Chinese laws, administrative regulations, or the State Council provide that an

Source: https://www.danyoungcpa.com/foreign-enterprise-representative-office-registration-provisions-prc-2010-english-translation/

activity is subject to approval for a representative office, such approval shall be obtained before registration.

Article 4 — The State Administration for Industry and Commerce and its authorized local administrations for industry and commerce shall be the registration authorities for representative offices (hereinafter referred to as "registration authorities"). The registration authorities shall supervise and administer representative offices in accordance with the law.

Chapter II — Registration Matters

Article 5 — The registration matters for a representative office include: the name of the representative office, the name of the foreign enterprise, the domicile of the representative office, the number of foreign personnel stationed at the representative office, the business scope, and the term of existence. A representative office shall have a registered name that complies with the provisions. The name of a representative office shall be composed of the following elements in sequence: the country (region) of the foreign enterprise, the Chinese name of the foreign enterprise, the name of the city where the representative office is located, and "Representative Office."

Article 6 — The number of foreign personnel stationed at a representative office by a foreign enterprise (including the chief representative and representatives) shall generally not exceed four persons. The term of existence of a representative office shall generally be three years. The term of existence may be renewed upon application for renewal.

Article 7 — The business scope of a representative office shall be matters such as business liaison, product promotion, market research, and technical exchange related to the business of the foreign enterprise. The business activities conducted by a representative office shall be within the scope of business registration and may not exceed the business scope.

Article 8 — Where a foreign enterprise applies for establishing a representative office, it shall appoint a chief representative to be responsible for the representative office and may appoint one to three representatives to assist the work of the chief representative. The foreign enterprise applying for establishing a representative office shall have been legally established in the foreign country, have a good business reputation, and comply with other conditions prescribed by laws and administrative regulations.

Chapter III — Registration Procedures

Article 9 — An applicant for establishing a representative office shall submit the following documents to the registration authority: (1) an application for establishing the representative office signed by the legal representative of the foreign enterprise, including the basic information of the foreign enterprise and basic information of the proposed representative office; (2) the legal business certificate of the foreign enterprise; (3) the articles of association or organization agreement of the foreign enterprise; (4) the capital credit certificate of the foreign enterprise issued by a financial institution having business dealings with the foreign enterprise; (5) the letter of appointment of the chief representative and representatives of the representative office; (6) the identity certificates and resumes of the chief representative and representatives; (7) the certificate of the right to use the domicile of the representative office; and (8) the approval documents if approval is required by laws, administrative regulations, or the State Council.

Article 10 — The documents submitted by a foreign enterprise in accordance with the provisions of the preceding article shall be notarized by a notary public of the country where the foreign enterprise is located and authenticated by the Chinese embassy or consulate in that country. Documents in foreign languages shall be accompanied by Chinese translations.

Article 11 — The registration authority shall, within 15 days from the date of acceptance of all prescribed documents, make a decision on whether to approve the registration. If registration is approved, a Registration Certificate of Resident Representative Office of Foreign Enterprise shall be issued; if

Source: https://www.danyoungcpa.com/foreign-enterprise-representative-office-registration-provisions-prc-2010-english-translation/

registration is not approved, the reasons shall be stated in writing.

Article 12 — Where the registered matters of a representative office are changed, the foreign enterprise shall apply to the registration authority for change of registration. The registration authority shall, within 10 days from the date of acceptance of all prescribed documents for change of registration, complete the change of registration procedures.

Article 13 — Where a representative office is to be dissolved, the foreign enterprise shall apply to the registration authority for deregistration of the representative office and submit the tax clearance certificate issued by the tax authority and the certificate of closure of bank account issued by the bank. The registration authority shall complete the deregistration procedures after approval. The Registration Certificate of the representative office shall be surrendered after deregistration.

Chapter IV — Supervision and Management

Article 14 — Representative offices of foreign enterprises shall submit annual reports to the registration authority from March 1 to June 30 each year. The contents of the annual report shall include the basic information of the foreign enterprise, the business activities of the representative office, the audited fee expenditure, and other information.

Article 15 — Where a representative office engages in illegal activities, the registration authority shall investigate and penalize the matter in accordance with the law. Where a representative office is ordered to close down or its Registration Certificate is revoked in accordance with the law, the registration authority shall cancel the registration of the representative office.

Article 16 — The registration authority shall, in accordance with the law, conduct supervision and inspection of representative offices, and may exercise the following functions and powers: (1) enter the premises of a representative office to conduct on-site inspections; (2) consult, copy, seal up, and detain materials related to illegal activities; and (3) learn about the relevant situation from the personnel of the representative office. Representative offices shall cooperate with the supervision and inspection conducted by the registration authority in accordance with the law and shall not refuse or obstruct such inspections.

Chapter V — Legal Liability

Article 17 — Where a representative office is established without registration or engages in business activities without registration in violation of these Provisions, the registration authority shall order it to cease activities and impose a fine of not less than RMB 50,000 and not more than RMB 200,000.

Article 18 — Where a representative office engages in profit-making business activities in violation of the provisions of these Provisions, the registration authority shall order it to make rectification, confiscate its illegal gains, and impose a fine of not less than RMB 20,000 and not more than RMB 200,000; where the circumstances are serious, the registration certificate may be revoked.

Article 19 — Where a representative office submits false materials or obtains registration by fraudulent means, the registration authority shall order it to make rectification and impose a fine of not less than RMB 20,000 and not more than RMB 200,000; where the circumstances are serious, the registration shall be revoked or the registration certificate shall be revoked.

Article 20 — Where a representative office fails to submit an annual report in accordance with the provisions, the registration authority shall order it to submit the report within a prescribed time limit and impose a fine of not less than RMB 10,000 and not more than RMB 30,000; where the representative office fails to submit the report within the prescribed time limit, the registration authority may revoke its registration certificate.

Article 21 — Where a representative office commits any of the following acts, the registration authority shall order it to make rectification within a prescribed time limit and may, depending on the circumstances, impose

Source: https://www.danyoungcpa.com/foreign-enterprise-representative-office-registration-provisions-prc-2010-english-translation/

a fine of not less than RMB 10,000 and not more than RMB 30,000: (1) failing to change registration in accordance with the provisions when the registered matters are changed; (2) failing to apply for deregistration in accordance with the provisions when the representative office is dissolved; or (3) failing to publicize the business scope and work permit in a conspicuous place in the office premises.

Chapter VI — Supplementary Provisions

Article 22 — The registration and administration of representative offices established by enterprises and other economic organizations from Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan within the mainland shall be handled with reference to these Provisions.

Article 23 — The State Administration for Industry and Commerce shall be responsible for interpreting these Provisions.

Article 24 — These Provisions shall enter into force on March 1, 2011.

Disclaimer: This English translation is provided for reference and informational purposes only. While every effort has been made to ensure accuracy and completeness, this is not an official translation. The official Chinese text as published by the State Council of the People's Republic of China shall prevail. Readers should consult qualified legal professionals for advice on specific foreign enterprise registration matters. Dan Young Business Consultancy makes no warranty, express or implied, as to the accuracy, reliability, or completeness of this translation, and shall not be liable for any loss or damage arising from reliance on the information contained herein.

Source: https://www.danyoungcpa.com/foreign-enterprise-representative-office-registration-provisions-prc-2010-english-translation/