Administrative Provisions on the Registration of Foreign Enterprises Undertaking Projects in China

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Chapter I — General Provisions

Article 1 — These Provisions are formulated in accordance with the Construction Law of the People's Republic of China and other relevant laws and regulations for the purpose of strengthening the supervision and administration of foreign engineering construction enterprises undertaking projects within China, safeguarding the order of the construction market, and ensuring the quality and safety of construction projects.

Article 2 — For the purposes of these Provisions, "foreign enterprise" means a construction enterprise registered outside the territory of the People's Republic of China. Where a foreign enterprise undertakes engineering construction projects within the territory of China, it shall apply for registration and obtain a Registration Certificate for Foreign Enterprises Undertaking Projects in China (hereinafter referred to as "Registration Certificate") in accordance with these Provisions.

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Article 3 — The construction administrative department under the State Council and the construction administrative departments of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall be responsible for the supervision and administration of foreign enterprises undertaking projects within China.

Article 4 — Foreign enterprises undertaking engineering construction projects within China shall comply with Chinese laws, regulations, and rules, shall not endanger China's national security or harm public interests, and shall accept the supervision and administration of the construction administrative departments.

Chapter II — Conditions for Registration

Article 5 — A foreign enterprise applying for a Registration Certificate shall meet the following conditions: (1) it is legally registered in its home country or region and possesses the corresponding qualifications to engage in engineering construction activities; (2) it has the corresponding financial capacity, technical capability, management capability, and good business reputation; (3) it has obtained the consent of the project owner to undertake the project; and (4) other conditions prescribed by laws and regulations.

Article 6 — The scope of projects undertaken by a foreign enterprise shall be consistent with its qualification grade and business scope in its home country or region.

Article 7 — A foreign enterprise shall have the necessary technical personnel, equipment, and financial capacity commensurate with the scale and complexity of the project to be undertaken.

Chapter III — Registration Procedures

Article 8 — A foreign enterprise applying for registration shall submit the following documents to the construction administrative department: (1) an application form and a letter of consent from the project owner; (2) the business license and qualification certificate from its home country or region; (3) the creditworthiness certificate issued by a financial institution; (4) the resumes and qualification certificates of the proposed project management personnel and key technical personnel; (5) proof of the enterprise's similar project performance in the most recent five years; and (6) other documents required by the construction administrative department.

Article 9 — Documents issued by foreign authorities shall be notarized and authenticated in accordance with relevant provisions, and Chinese translations shall be provided. The construction administrative department shall complete the examination within 30 days from the date of receipt of complete application documents. If the application is approved, a Registration Certificate shall be issued.

Article 10 — The term of validity of the Registration Certificate shall be based on the project contract period. Upon expiration, if renewal is required, a renewal application shall be filed 30 days before expiration.

Article 11 — After obtaining the Registration Certificate, the foreign enterprise shall go through relevant procedures such as tax registration in accordance with the law, and shall obtain a work permit for its foreign personnel.

Chapter IV — Rights and Obligations

Article 12 — A foreign enterprise may, based on project needs, legally employ Chinese employees or foreign employees. The employment of foreign employees shall be handled in accordance with relevant State provisions.

Article 13 — Where a foreign enterprise needs to import equipment, materials, or components required for the project, it shall handle import formalities in accordance with the law and pay customs duties and import taxes in accordance with the law.

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Article 14 — A foreign enterprise undertaking a project within China shall assume responsibility for the quality and safety of the project. It shall purchase project insurance and work-related injury insurance for employees in accordance with Chinese law.

Article 15 — A foreign enterprise shall establish a financial and accounting system for its project within China, prepare financial reports in accordance with Chinese accounting standards, and accept inspection by relevant authorities. It shall pay taxes in accordance with the law and comply with foreign exchange control provisions.

Article 16 — A foreign enterprise shall not subcontract the entire project it has undertaken, nor shall it subcontract the project to entities without corresponding qualifications.

Article 17 — A foreign enterprise shall not transfer, lend, alter, or forge the Registration Certificate.

Chapter V — Supervision and Administration

Article 18 — The construction administrative departments shall exercise supervision and administration over the business activities of foreign enterprises undertaking projects within China. Foreign enterprises shall provide truthful reports on their business activities and relevant materials.

Article 19 — Where material changes occur to a foreign enterprise, such as a change in its name, domicile, or principal responsible person, it shall report to the original registration authority and go through change filing formalities.

Article 20 — Upon completion of the project, the foreign enterprise shall submit a completion report to the original registration authority and return the Registration Certificate. Where the project is terminated early, the foreign enterprise shall report to the registration authority and go through cancellation formalities.

Chapter VI — Supplementary Provisions

Article 21 — Where a foreign enterprise violates the provisions of these Provisions, the construction administrative department may, based on the circumstances, give a warning, order cessation of illegal activities, confiscate illegal gains, impose a fine, or revoke the Registration Certificate.

Article 22 — Enterprises from the Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan region undertaking engineering construction projects in the Mainland shall be governed by these Provisions with reference thereto.

Article 23 — The construction administrative department under the State Council shall be responsible for the interpretation of these Provisions.

Article 24 — These Provisions shall come into force on September 27, 1994.

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