Budget Law of the PRC

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Chapter I — General Provisions

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Article 1 — This Law is enacted in accordance with the Constitution for the purposes of strengthening the distribution and supervision functions of the budget, perfecting budget management, strengthening the state's macro-control, and ensuring the sound development of the economy and society.

Article 2 — The state shall implement a budget management system under which the central and local governments operate at separate levels, and budgets at all levels shall maintain a balanced budget. The state shall implement a modern budget system featuring comprehensive standardization, openness and transparency, and binding force. This Law shall apply to the compilation, review, approval, implementation, supervision, and adjustment of budgets and final accounts.

Article 3 — The state shall establish a budget at each level of government: the central, provincial, autonomous regional, municipal directly under the Central Government, city divided into districts, autonomous prefectural, county, autonomous county, city not divided into districts, municipal district, township, ethnic township, and town levels. The budget consists of the general public budget, the government-managed fund budget, the state capital operations budget, and the social insurance fund budget.

Article 4 — The people's congresses and their standing committees at various levels shall, in accordance with the law, exercise the authority to review and approve budgets and final accounts and to supervise the implementation of budgets. The budgets and final accounts at all levels shall fully and truthfully reflect the fiscal revenues and expenditures activities of the government.

Article 5 — A budget consists of budgetary revenues and budgetary expenditures. All government revenues and expenditures shall be included in the budget.

Article 6 — The general public budget is a budget for revenues and expenditures arranged through fiscal means, with tax revenues as the main body, to ensure and improve people's livelihood, promote economic and social development, safeguard national security, and maintain the normal operation of state institutions.

Chapter II — Budget Management Authority

Article 20 — The National People's Congress shall review the draft central and local budgets and the reports on the implementation of the central and local budgets, approve the central budget and the report on the implementation of the central budget, and alter or annul inappropriate resolutions of the Standing Committee of the National People's Congress on budgets and final accounts.

Article 21 — The Standing Committee of the National People's Congress shall supervise the implementation of the central and local budgets, review and approve the central budget adjustment plans, review and approve the central final accounts, and annul administrative regulations, decisions, or orders formulated by the State Council, or resolutions formulated by the people's congresses and their standing committees of provinces, autonomous regions, and municipalities directly under the Central Government on budgets and final accounts that contravene the Constitution or laws.

Article 22 — The local people's congresses at or above the county level shall review the draft budgets at the corresponding levels and the reports on the implementation of budgets at the corresponding levels, approve the budgets at the corresponding levels and the reports on the implementation of budgets at the corresponding levels, and alter or annul inappropriate resolutions of the standing committees of the people's congresses at the corresponding levels on budgets and final accounts.

Article 23 — The State Council shall compile the draft central budget and draft final accounts, organize the implementation of the central and local budgets, and submit reports to the National People's Congress or its Standing Committee on the implementation of the central and local budgets.

Article 24 — The local people's governments at or above the county level shall compile the draft budgets and draft final accounts at the corresponding levels, organize the implementation of the budgets at the

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corresponding levels, and submit reports to the people's congresses at the corresponding levels or their standing committees on the implementation of the budgets at the corresponding levels.

Article 25 — The finance departments of the State Council shall specifically compile the draft central budget and draft final accounts, specifically organize the implementation of the central and local budgets, and submit reports to the State Council and the financial departments at the next higher level on the implementation of the budgets at the corresponding level.

Chapter III — Scope of Budget Revenues and Expenditures

Article 27 — The general public budget revenues shall include tax revenues at all levels, revenues from administrative charges, revenues from fines and confiscations, revenues from the transfer of state-owned assets and resources, and other revenues that shall be turned over to the state treasury. General public budget expenditures shall be classified by function and by economic nature.

Article 28 — Government-managed fund budgets shall be compiled on the basis of funds and projects, with expenditures arranged according to revenues. The balance of a government-managed fund budget may be carried forward to the following year for use, under the specific provisions of the State Council.

Article 29 — State capital operations budgets shall arrange expenditures in accordance with the principles of balancing revenues and expenditures and retaining reasonable carryovers, and shall not list any deficit. Funds from state capital operations budgets may be transferred to the general public budget upon approval in accordance with the provisions of the State Council.

Article 30 — Social insurance fund budgets shall be compiled separately based on the overall planning level and arranged for specific purposes for each item. Social insurance fund budgets shall not be used to balance the general public budget.

Chapter IV — Budget Compilation

Article 31 — The State Council shall promptly issue an order on the compilation of the draft budget for the following year. The specific matters concerning the compilation of the draft budget shall be arranged by the financial department of the State Council. The governments of provinces, autonomous regions, and municipalities directly under the Central Government shall, in accordance with the time limit prescribed by the State Council, submit the draft general budgets at the corresponding levels to the State Council for review and summary.

Article 32 — When compiling a budget, the people's governments at all levels and the various departments and entities shall observe the budget cycle. The budget year shall commence on January 1 and end on December 31 of each calendar year.

Article 33 — Budgets shall be compiled in accordance with the statutory functions of the government and the relevant policies and plans for economic and social development, by reference to the implementation of the previous year's budget, the forecast of economic and social development of the current year, and the revenue projections for the budget year, through comprehensive calculation of expenditures needed and revenues available. Budgetary revenues at all levels shall be compiled in a scientific and truthful manner, being consistent with the level of economic and social development and connected with fiscal policies.

Article 34 — The central general public budget shall include budgets of the various departments at the central level and budgets for tax rebates and transfer payments to local governments. The central general public budget shall list necessary reserves to be used in the implementation of the budget for unforeseen events such as natural disasters and other emergencies.

Article 35 — Local budgets at all levels shall be compiled in accordance with the principle of balancing revenues and expenditures, and no deficit shall be listed. Except as otherwise provided in this Law, no local

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government or any department thereof may borrow debts in any form or provide guarantees for the debts of any entity or individual. Upon approval by the State Council, the budgets of provinces, autonomous regions, and municipalities directly under the Central Government may list a necessary amount of deficit for construction investment, which shall be covered by borrowing within the limits approved by the State Council.

Chapter V — Budget Review and Approval

Article 40 — The central budget shall be reviewed and approved by the National People's Congress. Local budgets at all levels shall be reviewed and approved by the people's congresses at the corresponding levels.

Article 41 — The people's governments at all levels shall submit the draft budgets to the people's congresses at the corresponding levels for review and approval within the period prescribed by law. The financial departments at all levels shall submit the main projected revenue and expenditure schedules of the central or local budgets to the people's congresses at the corresponding levels.

Article 42 — The State Council and the local people's governments at or above the county level shall, when holding a session of the people's congress at the corresponding level, make a report on the draft general budget and the draft general budget at the next higher level to the people's congress.

Chapter VI — Budget Implementation

Article 45 — After a budget is approved, it shall become legally binding within its scope of authority, and shall not be altered without statutory procedures. The implementation of the budget at each level shall be organized by the people's government at the corresponding level, and the financial department at the corresponding level shall be responsible for the specific work.

Article 46 — The budgetary revenue collection authorities at all levels shall, in accordance with the provisions of laws and administrative regulations, collect the budgetary revenues in full and in a timely manner, and shall not violate the provisions of laws and administrative regulations by collecting more, collecting in advance, reducing, or exempting budgetary revenues that should be collected, nor by intercepting, misappropriating, or delaying the turn-over of budgetary revenues.

Article 47 — The financial departments of the governments at all levels shall, in accordance with the provisions of laws, administrative regulations, and the financial management system of the State Council, turn over the budgetary revenues to the state treasury in full and in a timely manner, and shall not intercept, misappropriate, or delay the turning-over of budgetary revenues. All budgetary revenue funds shall be turned over to the state treasury, and no entity or individual may retain or set up its own treasury for budgetary revenue funds.

Article 48 — The financial departments of the governments at all levels shall appropriate budgetary expenditure funds in accordance with the budget and shall not appropriate funds beyond the budget. Budgetary expenditures shall be paid in accordance with the prescribed purposes and shall not be used for other purposes.

Chapter VII — Budget Adjustment

Article 53 — Budget adjustment means a change to the approved budget at the corresponding level that causes an increase in total expenditure exceeding the total expenditure of the original approved budget, or a decrease in total revenue below the total revenue of the original approved budget, a change in the purpose of the reserve fund, or an over-expenditure or under-collection of a category of expenditure or revenue of the budget.

Article 54 — Where budget adjustment is necessary at any level of government, the people's government at the corresponding level shall compile a budget adjustment plan. The budget adjustment plan shall list the

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items, reasons, amounts, and measures for the adjustment. The central budget adjustment plan shall be submitted to the Standing Committee of the National People's Congress for review and approval. The budget adjustment plans of the local people's governments at or above the county level shall be submitted to the standing committees of the people's congresses at the corresponding levels for review and approval.

Article 55 — No unit or individual shall make a decision to reduce budgetary revenues or increase budgetary expenditures without approval. A local people's government at any level that needs to increase expenditures or reduce revenues in the implementation of the budget shall prepare a budget adjustment plan and submit it for approval as required.

Chapter VIII — Final Accounts

Article 58 — A final account is the summary of annual budget implementation and shall be compiled and handled in accordance with the statutory procedures. Every department and entity at each level shall compile its own draft final accounts within the prescribed time limit.

Article 59 — When compiling draft final accounts, the people's governments at all levels and the various departments and entities shall ensure the accuracy of the data, the completeness of the content, and the timeliness of the submission, and shall not make false reports or conceal facts.

Article 60 — The central final accounts shall be reviewed and approved by the Standing Committee of the National People's Congress. The final accounts of the local people's governments at or above the county level shall be reviewed and approved by the standing committees of the people's congresses at the corresponding levels.

Chapter IX — Supervision

Article 64 — The people's congresses and their standing committees at all levels shall exercise supervision over the implementation of the budgets and final accounts at the corresponding levels and at lower levels. The people's congresses at all levels and the standing committees of the people's congresses at or above the county level shall have the right to conduct inquiries or raise questions on major matters or specific issues in budgets and final accounts.

Article 65 — The people's governments at all levels shall supervise the budget implementation of the government departments and entities at lower levels, and the financial departments at all levels shall supervise and inspect the budget implementation of the various departments and entities at the corresponding level.

Article 66 — The audit institutions at all levels shall exercise audit supervision over the budget implementation and final accounts at the corresponding levels in accordance with the law.

Article 67 — Citizens, legal persons, or other organizations that discover any violation of this Law shall have the right to report to the relevant state authorities. The authority receiving the report shall handle the matter in accordance with the law and shall keep the informant confidential.

Chapter X — Legal Liability

Article 69 — Where a people's government at any level or the relevant department thereof, in violation of the provisions of this Law, appropriates or misappropriates budgetary expenditures or fails to turn over budgetary revenues in a timely and full manner, the people's government at the next higher level or the relevant financial department at the corresponding level shall order it to make corrections and, depending on the circumstances, impose administrative sanctions on the persons in charge and other persons directly responsible.

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Article 70 — Where a violation of the provisions of this Law results in a major loss of state property, and the circumstances are serious enough to constitute a crime, criminal liability shall be pursued in accordance with the law.

Article 71 — Where an entity or individual, in violation of the provisions of this Law, retains or sets up its own treasury for budgetary revenue funds, or intercepts or misappropriates budgetary revenues, it shall be ordered to make corrections, and the illegally obtained funds shall be recovered, and administrative sanctions shall be imposed on the persons in charge and other persons directly responsible.

Article 72 — Where the relevant departments of the people's governments at all levels or the entities at all levels conceal budgetary revenues or make false reports of budgetary expenditures, the financial departments at the corresponding levels shall order them to make corrections.

Chapter XI — Supplementary Provisions

Article 76 — The provisions of this Law shall apply to the implementation of government-managed fund budgets, state capital operations budgets, and social insurance fund budgets, unless otherwise provided by this Law or other laws or administrative regulations.

Article 77 — The specific measures for budget management shall be formulated by the State Council in accordance with this Law. The standing committees of the people's congresses of provinces, autonomous regions, and municipalities directly under the Central Government may formulate measures for budget review and supervision in accordance with this Law and in light of the actual conditions of their respective administrative areas.

Article 78 — This Law shall apply to the budget management of the ethnic autonomous areas. Where the relevant provisions of the Law on Regional Ethnic Autonomy cannot be applied, the provisions of the Law on Regional Ethnic Autonomy and the relevant provisions of this Law shall apply.

Article 79 — This Law shall come into effect on January 1, 1995. The Regulations on the Administration of State Budgets promulgated by the State Council on October 21, 1991, shall be repealed simultaneously. The revised version shall come into effect on January 1, 2019.

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