Charity Law of the PRC

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Chapter I — General Provisions

Article 1 — This Law is enacted for the purposes of developing charitable undertakings, promoting the culture of charity, regulating charitable activities, protecting the lawful rights and interests of charitable organizations, donors, volunteers, beneficiaries, and other participants in charitable activities, and promoting social progress and sharing the fruits of development.

Article 2 — This Law shall apply to charitable activities and related activities voluntarily conducted by natural persons, legal persons, and other organizations within the territory of the People's Republic of China for the purposes of: (1) helping the poor and the needy; (2) assisting the elderly, orphans, the sick, the disabled, and providing special care and benefits; (3) providing relief for losses caused by natural disasters, accidents, public health incidents, and other emergencies; (4) promoting the development of education, science, culture, health, sports, and other undertakings; (5) preventing and controlling pollution and other public hazards, and protecting and improving the ecological environment; and (6) other public welfare activities prescribed by law.

Article 3 — Charitable activities shall be carried out in a lawful, voluntary, and non-profit manner, and shall not violate social morality or endanger national security, damage public interests, or the lawful rights and interests of others.

Article 4 — The state shall encourage and support charitable activities by natural persons, legal persons, and other organizations. The state shall provide fiscal, tax, financial, land, and other policy support to charitable activities.

Chapter II — Charitable Organizations

Article 8 — For the purposes of this Law, "charitable organization" means a non-profit organization established in accordance with the law and conforming to the provisions of this Law, with the purpose of carrying out charitable activities for the public good. Charitable organizations may take the forms of foundations, social organizations, social service institutions, and the like.

Article 9 — A charitable organization shall meet the following conditions: (1) it is established for the purpose of carrying out charitable activities; (2) it does not seek profit as its purpose; (3) it has its own name and domicile; (4) it has its articles of association; (5) it has the necessary property; (6) it has an organizational structure and responsible persons meeting the requirements; and (7) other conditions prescribed by laws and administrative regulations.

Article 10 — The establishment of a charitable organization shall be subject to registration with the civil affairs department of the people's government at or above the county level. The civil affairs department shall make a decision on whether to approve the registration within 30 days from the date of accepting the application. Where conditions are met, the registration shall be approved and a public announcement shall be made; where conditions are not met, the registration shall not be approved and the reasons shall be stated in writing.

Chapter III — Charitable Donations

Article 16 — For the purposes of this Law, "charitable donation" means the voluntary and gratuitous act of a natural person, legal person, or other organization to give property to a charitable organization for charitable activities. Donors may donate property through charitable organizations or directly to beneficiaries.

Article 17 — Donors may donate property in the form of money, in kind, buildings, securities, equity, intellectual property, and other tangible and intangible property. Where the donated property is in kind, the donated property shall have use value, conform to safety, health, environmental protection, and other standards.

Article 18 — Donors shall have the right to inquire about and duplicate the relevant documents on the use and management of the donated property. Charitable organizations shall, at the request of the donors,

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provide the donors with information on the use and management of the donated property and accept the supervision of the donors.

Chapter IV — Charitable Trusts

Article 21 — For the purposes of this Law, “charitable trust” means a trust established by a settlor in accordance with the law for charitable purposes, in which the trustee manages and disposes of the trust property for charitable purposes in accordance with the settlor’s instructions. Charitable trusts shall be governed by the relevant provisions of this chapter; where this chapter has no provisions, the relevant provisions of the Trust Law of the People’s Republic of China shall apply.

Article 22 — The trustee of a charitable trust shall be a charitable organization or a trust company. The settlor of a charitable trust may determine the trustee.

Article 23 — The establishment of a charitable trust, the determination of the trustee and the supervisor, shall be reported to the civil affairs department for the record in writing within seven days from the date of the establishment of the charitable trust.

Chapter V — Charitable Property

Article 26 — The property of a charitable organization shall include: (1) property donated by promoters, donors, and members; (2) property obtained through donations; (3) other lawful property of the charitable organization; and (4) value-added property of the charitable organization. Charitable property shall be used for charitable purposes in accordance with the articles of association of the organization and the donation agreement, and shall not be distributed among the promoters, donors, or members of the charitable organization.

Article 27 — A charitable organization shall implement unified management and separate accounting of its charitable property and shall strictly administer and use all charitable property in accordance with the relevant provisions.

Article 28 — A charitable organization may, in accordance with the law, realize the preservation and appreciation of the value of its charitable property through investment activities such as deposits, the purchase of bonds, stocks, investment funds, and other financial products. The income from investment shall be used for charitable purposes.

Chapter VI — Charitable Services

Article 32 — Charitable services shall be carried out in a lawful, safe, and orderly manner. When carrying out charitable services, the personal dignity and privacy of the beneficiaries and volunteers shall be respected, and the lawful rights and interests of the beneficiaries and volunteers shall not be infringed upon.

Article 33 — A charitable organization may organize volunteers to provide charitable services. The charitable organization shall inform the volunteers of the possible risks involved in the charitable services and may arrange for volunteers to purchase corresponding personal accident insurance.

Chapter VII — Information Disclosure

Article 38 — Charitable organizations shall disclose information to the public in accordance with the law. Information disclosure shall be truthful, complete, and timely. Information involving state secrets, trade secrets, or personal privacy shall not be disclosed, unless otherwise provided by law.

Article 39 — A charitable organization shall disclose to the public its articles of association and the following information: (1) the names of the members of the board of directors and the board of supervisors; (2) the annual work report and financial accounting report; (3) information on the raising of donations; (4)

information on the use and management of charitable property; (5) information on the implementation of charitable projects; and (6) other information prescribed by laws and administrative regulations.

Chapter VIII — Promotion Measures

Article 43 — The state shall provide tax preferences for charitable activities. Enterprises, public institutions, and other organizations that donate property for charitable activities shall enjoy tax preferences in accordance with the law. Natural persons, individual industrial and commercial households, and other organizations that donate property for charitable activities shall enjoy tax preferences in accordance with the law.

Article 44 — Where a charitable organization and its income from charitable activities enjoy tax preferences in accordance with the law, the state shall provide tax preferences such as exemption and reduction of enterprise income tax and value-added tax.

Chapter IX — Supervision and Administration

Article 47 — The civil affairs departments of the people's governments at or above the county level shall, in accordance with the law, supervise and administer charitable activities and investigate and punish illegal acts in charitable activities.

Article 48 — The civil affairs departments shall establish an evaluation system for charitable organizations and regularly organize evaluations of charitable organizations. The evaluation results shall be made public.

Chapter X — Legal Liability

Article 52 — Where a charitable organization violates the provisions of this Law, the civil affairs department shall order it to make corrections within a specified period of time; where corrections are refused, the registration may be revoked. Where losses are caused to the charitable property, beneficiaries, or third parties, compensation shall be made in accordance with the law.

Article 53 — Where a charitable organization or any other organization or individual unlawily raises donations privately, the civil affairs department shall impose penalties in accordance with the law. Where a crime is constituted, criminal liability shall be pursued in accordance with the law.

Chapter XI — Supplementary Provisions

Article 55 — Urban and rural community organizations and entities may carry out mass mutual-assistance activities such as charitable donations and volunteer services within their own communities or entities. Such activities shall be governed by the relevant provisions of this Law.

Article 56 — The civil affairs department of the State Council shall formulate measures for the administration of charitable organizations' Internet fundraising in accordance with this Law.

Article 57 — This Law shall come into effect on September 1, 2016.

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