Interim Regulations on the Administration of Registration of Privately-Run Non-Enterprise Units of the PRC

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Chapter I — General Provisions

Article 1 — These Regulations are enacted for the purposes of regulating the registration and administration of privately-run non-enterprise units, safeguarding their lawful rights and interests, and promoting the healthy development of social undertakings.

Article 2 — The term "privately-run non-enterprise unit" as used in these Regulations refers to a social organization established by enterprises, public institutions, social organizations, other social forces, or individual citizens using non-state-owned assets for the purpose of engaging in non-profit social service activities.

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Article 3 — The formation of a privately-run non-enterprise unit shall be subject to the examination and consent of its competent professional authority and shall be registered in accordance with the provisions of these Regulations.

Article 4 — Privately-run non-enterprise units shall abide by the Constitution, laws, regulations, and state policies, shall not oppose the basic principles established by the Constitution, shall not endanger the unification, security, or ethnic solidarity of the state, shall not harm state interests or public interests, and shall not violate social morality. Privately-run non-enterprise units shall not engage in profit-making business activities.

Article 5 — The state shall protect the lawful rights and interests of privately-run non-enterprise units that conduct activities in accordance with their articles of association. No entity or individual may infringe upon them.

Chapter II — Competent Authorities

Article 6 — The civil affairs department under the State Council and the civil affairs departments of the local people's governments at or above the county level shall be the registration and administration authorities for privately-run non-enterprise units.

Article 7 — The relevant departments of the State Council and the relevant departments of the local people's governments at or above the county level, and organizations authorized by the State Council or the people's governments at or above the county level, shall be the competent professional authorities for privately-run non-enterprise units in the relevant industries or business scopes.

Chapter III — Registration

Article 8 — To apply for the registration of a privately-run non-enterprise unit, the following conditions shall be met: (1) it has been examined and approved by the competent professional authority; (2) it has a standardized name and necessary organizational structure; (3) it has full-time staff members appropriate to its business activities; (4) it has lawful assets and sources of funds appropriate to its business activities; (5) it has a necessary site. The naming of a privately-run non-enterprise unit shall comply with the relevant provisions.

Article 9 — The following documents shall be submitted for the application for registration of a privately-run non-enterprise unit: (1) an application for registration; (2) the approval document of the competent professional authority; (3) a capital verification report and a certificate of the ownership or right of use of the site; (4) the basic information and identity certificates of the proposed responsible persons; (5) the articles of association.

Article 10 — The articles of association of a privately-run non-enterprise unit shall include the following matters: (1) name and domicile; (2) purposes and business scope; (3) organizational management system; (4) the qualifications for and procedures for the appointment or removal of the legal representative or responsible person; (5) the management and use principles for assets; (6) procedures for amendment of the articles of association; (7) procedures for termination and disposition of assets after termination; (8) other matters required by laws or administrative regulations.

Article 11 — The registration and administration authority shall, within 60 days from the date of receiving all valid documents for the formation registration, make a decision on approval or disapproval of the registration.

Article 12 — Under any of the following circumstances, the registration and administration authority shall not approve the registration: (1) there is evidence showing that the purposes or business scope of the privately-run non-enterprise unit for which registration is applied does not conform to the provisions of Article 4 hereof; (2) the promoters or the proposed responsible persons are under criminal punishment or have been deprived of political rights; (3) a privately-run non-enterprise unit in the same industry and business

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scope already exists within the administrative region, and there is no necessity to form a new one; (4) the name of the proposed unit violates the relevant provisions; (5) other circumstances under which registration shall not be approved as provided for by laws or administrative regulations.

Article 13 — Where a privately-run non-enterprise unit that has been approved for registration shall be issued a registration certificate by the registration and administration authority. The privately-run non-enterprise unit shall not engrave a seal or open a bank account until it has been registered. The privately-run non-enterprise unit shall report the form of its seal and bank account number to the registration and administration authority for the record.

Article 14 — A privately-run non-enterprise unit may not establish branches.

Chapter IV — Change and Deregistration

Article 15 — Where any registered item of a privately-run non-enterprise unit is to be changed, the privately-run non-enterprise unit shall, within 30 days from the date on which the competent professional authority examines and approves the change, apply to the registration and administration authority for a change of registration.

Article 16 — Where a privately-run non-enterprise unit intends to be dissolved, it shall, upon examination and consent of the competent professional authority, and after completing the liquidation process, apply to the registration and administration authority for deregistration. Upon deregistration, the privately-run non-enterprise unit shall submit its registration certificate, seal, and financial vouchers to the registration and administration authority.

Article 17 — Where a privately-run non-enterprise unit is dissolved, its remaining assets after liquidation shall be disposed of in the manner prescribed by its articles of association, and shall not be distributed to any individual or for-profit entity.

Chapter V — Supervision and Administration

Article 18 — The registration and administration authority shall perform the following supervision and administration duties: (1) taking charge of the formation, change, and deregistration of privately-run non-enterprise units; (2) exercising supervision and inspection over the activities of privately-run non-enterprise units; (3) imposing administrative penalties on privately-run non-enterprise units that violate these Regulations.

Article 19 — The competent professional authority shall perform the following supervision and administration duties: (1) taking charge of pre-examination of applications for the formation, change, and deregistration of privately-run non-enterprise units; (2) supervising and guiding privately-run non-enterprise units in complying with the Constitution, laws, regulations, and state policies, and in conducting activities in accordance with their articles of association; (3) taking charge of the annual inspection of privately-run non-enterprise units; (4) assisting the registration and administration authority and other relevant departments in investigating and addressing illegal activities of privately-run non-enterprise units; (5) guiding the liquidation of privately-run non-enterprise units in conjunction with the relevant departments.

Article 20 — The assets of a privately-run non-enterprise unit must have lawful sources, and no entity or individual may embezzle, privately divide, or misappropriate the assets of a privately-run non-enterprise unit. The fees collected by privately-run non-enterprise units for carrying out activities prescribed by their articles of association must be used for the business activities prescribed by their articles of association, and shall be subject to the supervision of the financial and audit authorities.

Chapter VI — Legal Liability

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Article 21 — Where a privately-run non-enterprise unit commits any of the following acts in the course of its activities, the registration and administration authority shall issue a warning, order it to make rectification, and may order it to cease its activities within a prescribed time limit; where the circumstances are serious, its registration shall be revoked: (1) altering, leasing, or lending its registration certificate, or leasing or lending its seal; (2) conducting activities beyond the purposes and business scope prescribed by its articles of association; (3) refusing to accept supervision and inspection, or failing to accept supervision and inspection in accordance with the provisions; (4) failing to undergo a change of registration in accordance with the provisions; (5) establishing branches; (6) engaging in profit-making business activities; (7) embezzling, privately dividing, or misappropriating the assets of the privately-run non-enterprise unit or the donated assets it receives; (8) violating relevant state provisions by collecting fees, raising funds, or accepting donations or subsidies.

Article 22 — Where a privately-run non-enterprise unit that has not been registered or has had its registration revoked carries out activities in the name of a privately-run non-enterprise unit without authorization, or where a privately-run non-enterprise unit whose registration has been revoked continues to carry out activities in the name of a privately-run non-enterprise unit, the registration and administration authority shall ban it and confiscate its illegal assets; where the act constitutes a crime, criminal liability shall be pursued in accordance with the law; where the act does not constitute a crime, public security administration penalties shall be imposed in accordance with the law.

Article 23 — Where staff members of the registration and administration authority or the competent professional authority abuse their powers, neglect their duties, or commit malpractice for personal gain, they shall be subject to sanctions in accordance with the law; where the act constitutes a crime, criminal liability shall be pursued in accordance with the law.

Chapter VII — Supplementary Provisions

Article 24 — These Regulations shall not apply to privately-run educational institutions registered in accordance with the laws and administrative regulations on education.

Article 25 — These Regulations shall come into force on the date of their promulgation.

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