Private Education Promotion Law of the People’s Republic of China

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

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Chapter I — General Provisions

Article 1 — This Law is enacted in accordance with the Constitution and the Education Law in order to implement the strategy of rejuvenating the country through science and education, promote the sound development of privately-run education, and protect the lawful rights and interests of private schools and educatees.

Article 2 — This Law applies to activities in which social organizations or individuals other than state organs use non-state-owned financial resources to run schools and other educational institutions for the society. Where there are no provisions in this Law, the provisions of the Education Law and other relevant education laws shall apply.

Article 3 — Privately-run education is a public welfare undertaking and is an integral part of the socialist education undertaking. The State implements a policy of actively encouraging, vigorously supporting, correctly guiding, and lawfully administering privately-run education. The people's governments at all levels shall incorporate privately-run education into their plans for national economic and social development.

Article 4 — Private schools shall abide by the laws and regulations, implement the State's education policy, adhere to the socialist orientation in running schools, ensure the quality of education, and devote themselves to cultivating all types of talent for the socialist cause. Private schools shall implement the principle of separating education from religion. No organization or individual may use religion to conduct activities that interfere with the education system of the State.

Chapter II — Establishment of Private Schools

Article 5 — Social organizations and individuals other than state organs may establish private schools independently or jointly. Foreign-invested educational institutions established within the territory of China in accordance with the law and private schools or other educational institutions established within the territory of China through Sino-foreign cooperative education shall be governed by the relevant provisions of the State Council.

Article 6 — The host of a private school may, at its own discretion, choose to establish a non-profit or for-profit private school. However, for-profit private schools may not be established for compulsory education. The host of a non-profit private school shall not obtain any profits from running the school; all surplus funds of the school shall be used for the running of the school.

Article 7 — The establishment of a private school shall meet the needs of local economic and social development and educational development, and shall have the basic conditions prescribed by the Education Law and other relevant laws and regulations. The standards for the establishment of private schools shall be implemented by reference to the standards for the establishment of state schools of the same level and category.

Chapter III — Institutional Structure of Private Schools

Article 8 — A private school shall establish a board of directors, a board of supervisors (or a supervisor), and implement a principal responsibility system under the leadership of the board of directors. The board of directors shall be composed of the host or the representative thereof, the principal, the representatives of the teaching and other staff, and other members. One-third or more of the members of the board of directors shall be persons with at least five years of experience in education and teaching.

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Article 9 — The board of directors of a private school shall exercise the following functions and powers: (1) appointing and removing the principal; (2) amending the articles of association of the school; (3) formulating development plans; (4) approving annual work plans; (5) preparing budgets and final accounts; (6) deciding on the division or merger of the school and the termination of the school; and (7) deciding on other major matters. The board of supervisors shall supervise the decision-making and management of the board of directors, the principal's execution of duties, and the financial condition of the school.

Chapter IV — Teachers and Educatees

Article 10 — The teachers and other staff of a private school shall have the qualifications prescribed by the State for their positions. Private schools shall conclude labor contracts with the teachers and other staff they employ in accordance with the law, guarantee the salaries and welfare benefits of the teaching and other staff, and pay social insurance premiums for them. The teachers and other staff of a private school shall have the right to establish trade unions and other organizations in accordance with the law and to protect their lawful rights and interests through such organizations.

Article 11 — The educatees of a private school shall enjoy the same rights as the educatees of state schools of the same level and category in matters such as advancement to higher education, employment, preferential social treatment, and participation in the selection of advanced individuals. The State shall protect the lawful rights and interests of the educatees of private schools.

Chapter V — Assets and Financial Management

Article 12 — A private school shall have clear title to its assets. At the time of establishment, the host shall make capital contributions in accordance with the provisions, and the assets used for running the school shall be separated from other assets of the host. During the period of existence of a private school, the host shall not withdraw the capital contributions, and no organization or individual may encroach upon the assets of the private school.

Article 13 — A private school shall establish and improve financial and accounting systems, asset management systems, and fee management systems, and shall conduct cost accounting in accordance with the relevant provisions of the State. A private school shall reasonably determine the standards for collecting fees in accordance with the relevant provisions of the State and shall publicize the same.

Chapter VI — Supervision and Administration

Article 14 — The education administrative departments and the relevant departments shall strengthen the supervision and administration of private schools, establish a system of annual inspection of private schools and an information publicity system, and guide the sound development of private schools. Private schools shall accept the supervision and guidance of the education administrative departments and the relevant departments. Public interest litigation may be instituted in accordance with the law against acts of private schools that infringe upon the lawful rights and interests of educatees.

Article 15 — A private school shall establish a mechanism for the protection of the lawful rights and interests of educatees, and shall not infringe upon the lawful rights and interests of educatees. Private schools that provide education at the compulsory education stage shall comply with the provisions of the Compulsory Education Law and shall not organize entrance examinations or tests in a disguised form.

Chapter VII — Support and Rewards

Article 16 — The people's governments at all levels may, in accordance with the provisions, support private schools by means such as subsidies for funds, renting or transferring idle state-owned assets, and rewarding the hosts. The State shall implement preferential tax policies for private schools in accordance with the relevant provisions. Private schools shall enjoy the State's preferential tax policies and policies on the use of

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land.

Article 17 — The State shall encourage financial institutions to provide private schools with financial services by means such as loans and financial leasing. The State shall encourage and support social forces in establishing private education development funds, and support social organizations and individuals in making donations to private schools.

Chapter VIII — Legal Liability

Article 18 — Where a private school violates the provisions of the Education Law or the Teachers Law, sanctions shall be imposed in accordance with the relevant provisions of the Education Law or the Teachers Law. Where a private school commits any of the following acts, the education administrative department or the relevant department shall order it to make corrections and may issue a warning; where the circumstances are serious, it shall be ordered to cease enrollment and its school operation permit shall be revoked; where the case constitutes a crime, criminal liability shall be pursued in accordance with the law: (1) running a school without authorization, or running a school beyond the permitted scope; (2) maliciously terminating the running of the school, withdrawing capital contributions, or misappropriating school-running funds; or (3) issuing false or fraudulent enrollment advertisements.

Article 19 — Where a private school violates the provisions of this Law and infringes upon the lawful rights and interests of educatees, it shall be liable for compensation in accordance with the law. Where the education administrative department or any relevant department commits any of the following acts, the directly responsible person in charge and other directly responsible persons shall be subject to sanctions in accordance with the law: (1) illegally approving the establishment of a private school or issuing a school operation permit; or (2) failing to investigate and deal with illegal acts of private schools in a timely manner.

Chapter IX — Supplementary Provisions

Article 20 — The term "private schools" as used in this Law includes other privately-run educational institutions established in accordance with the law. The measures for the administration of training institutions registered by the industrial and commercial administration departments shall be separately provided for by the State Council.

Article 21 — The State Council shall formulate specific measures for the implementation of this Law 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 local regulations for promoting the development of privately-run education in light of the actual circumstances of their respective regions.

Article 22 — This Law shall come into force on September 1, 2003.

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