

Provisions on Foreign-Invested Publishing Enterprises of the PRC

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Chapter I — General Provisions

Article 1 — These Provisions are formulated in accordance with the laws and administrative regulations on foreign-invested enterprises, the Regulations on the Administration of Publishing, and other relevant laws and regulations for the purposes of further expanding opening-up in the publishing industry, regulating the establishment of foreign-invested publishing enterprises, and promoting the healthy development of the publishing industry.

Article 2 — These Provisions shall apply to the establishment of foreign-invested publishing enterprises within the territory of the People's Republic of China and the engagement in publishing business activities. For the purposes of these Provisions, "foreign-invested publishing enterprises" means Sino-foreign equity joint venture, Sino-foreign contractual joint venture, and wholly foreign-owned publishing enterprises established within the territory of China by foreign investors and Chinese investors in accordance with the law. "Publishing business activities" includes the publishing of books, newspapers, periodicals, audio-visual

products, and electronic publications.

Article 3 — The State shall, in accordance with the law, protect the lawful rights and interests of foreign-invested publishing enterprises. Foreign-invested publishing enterprises engaging in publishing business activities shall comply with Chinese laws, regulations, and rules, and shall not compromise the national security and the public interest of China.

Article 4 — The General Administration of Press and Publication shall be responsible for the supervision and administration of foreign-invested publishing enterprises nationwide. The press and publication administrative departments of local people's governments at or above the county level shall be responsible for the supervision and administration of foreign-invested publishing enterprises within their respective administrative areas.

Article 5 — The establishment of foreign-invested publishing enterprises shall comply with the national industrial policies for foreign investment and the development plan for the publishing industry. Foreign-invested publishing enterprises shall adhere to the orientation of serving the people and serving socialism, and shall spread and accumulate scientific, technological, and cultural knowledge beneficial to economic development and social progress.

Chapter II — Establishment Conditions and Procedures

Article 6 — To establish a foreign-invested publishing enterprise, the following conditions shall be met: (1) the investors comply with the provisions of the laws and administrative regulations on foreign-invested enterprises; (2) there are Chinese and foreign investors that meet the qualification requirements; (3) there is a business development plan that complies with the national industrial policies; (4) there is a name and articles of association determined in accordance with the law; (5) there is a fixed business site and necessary business facilities; and (6) other conditions provided for by laws and regulations.

Article 7 — The establishment of a foreign-invested publishing enterprise shall be subject to the examination and approval of the General Administration of Press and Publication and the Ministry of Commerce or their authorized authorities. The application for the establishment of a foreign-invested publishing enterprise shall first be submitted to the General Administration of Press and Publication. The General Administration of Press and Publication shall, within 60 days from the date of receipt of all the application documents, make a decision on whether to approve the application.

Article 8 — After the General Administration of Press and Publication approves the application, the applicant shall submit the approval documents and other application materials to the Ministry of Commerce or its authorized authority. The Ministry of Commerce or its authorized authority shall, within 90 days from the date of receipt of all the application documents, make a decision on whether to approve the application, and issue a foreign-invested enterprise approval certificate to the applicant that has been approved.

Article 9 — After receiving the approval certificate for the foreign-invested enterprise, the applicant shall undergo the registration formalities with the administrative department for industry and commerce within 30 days and obtain a business license. After obtaining the business license, the applicant shall undergo the relevant formalities with the taxation, foreign exchange control, and other relevant authorities.

Article 10 — Foreign-invested publishing enterprises applying for the alteration of registered matters shall undergo the relevant formalities with the original examination and approval authority and registration authority in accordance with the law. The examination and approval of the alteration of registered matters of foreign-invested publishing enterprises shall be handled with reference to the provisions on establishment approval.

Article 11 — Foreign investors shall fulfill their obligation to contribute capital within the time limit stipulated in the articles of association and the contract. The term of business of a foreign-invested publishing enterprise

shall generally not exceed 30 years. Foreign-invested publishing enterprises applying for extension of the term of business shall undergo the extension formalities with the original examination and approval authority three months before the expiration of the term of business.

Chapter III — Business Scope and Operations

Article 12 — Foreign-invested publishing enterprises may engage in the following business activities: (1) publishing books, newspapers, periodicals, audio-visual products, and electronic publications; (2) engaging in copyright trade and publishing cooperation and exchange; (3) engaging in the import and export of publications; and (4) other business activities approved by the General Administration of Press and Publication. The specific business scope of foreign-invested publishing enterprises shall be specified in the approval documents.

Article 13 — Foreign-invested publishing enterprises shall comply with the relevant State provisions on major topics and content censorship. Publications of foreign-invested publishing enterprises shall not contain any content prohibited by the relevant State provisions.

Article 14 — Foreign-invested publishing enterprises shall strictly implement the publication content review system and editing responsibility system, ensure the quality of publications, and correctly handle the social benefits of publications. Foreign-invested publishing enterprises shall report the catalog of their published materials to the press and publication administrative department for filing in accordance with the provisions.

Article 15 — The import of publications by foreign-invested publishing enterprises shall comply with the relevant State provisions. The catalog of imported publications shall be submitted to the General Administration of Press and Publication for examination and approval.

Article 16 — Foreign-invested publishing enterprises may cooperate with overseas publishing institutions to publish publications, and such cooperative publishing shall be subject to the examination and approval of the General Administration of Press and Publication.

Article 17 — Foreign-invested publishing enterprises shall establish a financial management system and submit financial and accounting reports in accordance with the law. Foreign-invested publishing enterprises shall not engage in unfair competition in the publishing market.

Chapter IV — Supervision and Administration

Article 18 — The press and publication administrative departments shall, in accordance with the law, supervise and administer the publishing business activities of foreign-invested publishing enterprises. Foreign-invested publishing enterprises shall accept the supervision and inspection of the press and publication administrative departments and truthfully provide the relevant materials.

Article 19 — The press and publication administrative departments shall, in accordance with the provisions, conduct annual inspections of foreign-invested publishing enterprises and publicize the results of the inspections. Foreign-invested publishing enterprises shall submit annual reports on their business operations to the press and publication administrative departments in accordance with the provisions.

Article 20 — Where a foreign-invested publishing enterprise ceases its publishing business activities, it shall report to the original examination and approval authority 60 days in advance, and handle the relevant formalities in accordance with the law. Where a foreign-invested publishing enterprise terminates, it shall undergo liquidation in accordance with the law and handle the formalities for cancellation of registration.

Article 21 — The press and publication administrative departments shall establish a credit file system for foreign-invested publishing enterprises, record their illegal acts in the credit files, and publish the same to the public.

Chapter V — Legal Liability

Article 22 — Where a foreign-invested publishing enterprise engages in publishing business activities without approval or with an expired approval certificate, the press and publication administrative department shall ban such enterprise and impose penalties in accordance with the law; where a crime is constituted, criminal liability shall be pursued in accordance with the law.

Article 23 — Where a foreign-invested publishing enterprise commits any of the following acts, the press and publication administrative department shall order it to make corrections and may impose a warning or a fine: (1) failing to submit the catalog of published materials for filing in accordance with the provisions; (2) publishing content prohibited by the relevant State provisions; (3) failing to accept the annual inspection or failing to pass the annual inspection; or (4) violating other provisions of these Provisions.

Article 24 — Where a foreign-invested publishing enterprise is ordered to cease business for rectification or its business license is revoked, the press and publication administrative department shall inform the original examination and approval authorities, and the original examination and approval authorities shall cancel the approval certificate.

Article 25 — Where a functionary of a press and publication administrative department commits any of the following acts, he or she shall be subject to administrative sanctions in accordance with the law; where a crime is constituted, criminal liability shall be pursued in accordance with the law: (1) approving an application that does not meet the statutory conditions; (2) failing to perform supervision and administration duties in accordance with the law; or (3) other acts of abusing power, neglecting duties, or engaging in malpractice for personal gain.

Chapter VI — Supplementary Provisions

Article 26 — These Provisions shall apply with reference to the establishment of publishing enterprises within the territory of China by investors from the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the Taiwan region. The publishing of online publications by foreign-invested publishing enterprises shall also comply with the relevant State provisions on the administration of online publishing services.

Article 27 — The General Administration of Press and Publication shall be responsible for the interpretation of these Provisions.

Article 28 — These Provisions shall come into force on May 1, 2011.

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