

Provisions on the Administration of Foreign-Funded Employment Agencies of the PRC

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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 — These Provisions are formulated in accordance with the relevant laws and regulations on foreign investment and the administration of employment agencies for the purposes of regulating the establishment of foreign-funded employment agencies, promoting the development of the employment agency industry, and protecting the lawful rights and interests of job seekers and employers.

Article 2 — These Provisions shall apply to the establishment of Sino-foreign equity joint venture, Sino-foreign contractual joint venture, and wholly foreign-owned employment agencies (hereinafter collectively referred to as “foreign-funded employment agencies”) within the territory of the People's Republic of China.

Article 3 — Foreign-funded employment agencies shall abide by the laws and regulations of the People's Republic of China and shall not engage in any activities prohibited by laws and regulations.

Chapter II — Conditions for Establishment

Article 4 — A foreign investor that intends to establish a foreign-funded employment agency shall meet the following conditions:

- (1) The foreign investor shall be a company, enterprise, or other economic organization that is engaged in employment agency services and has a good reputation;
- (2) The main investor shall have at least three years of experience in employment agency services;
- (3) Having the financial strength commensurate with its business operations, with a registered capital of not less than USD 300,000;
- (4) Having professionals with the appropriate qualifications; and
- (5) Having a sound internal management system and service procedures.

Article 5 — A foreign-funded employment agency established in the form of a Sino-foreign equity joint venture or Sino-foreign contractual joint venture shall ensure that the Chinese party holds not less than 25% of the shares or equity.

Chapter III — Approval and Registration

Article 6 — An applicant for the establishment of a foreign-funded employment agency shall submit the following documents to the commerce authority:

- (1) An application for establishment;
- (2) The project proposal and feasibility study report;
- (3) The contract and articles of association of the enterprise;
- (4) The creditworthiness certification and registration documents of the foreign investor;
- (5) The name list and qualification certificates of the principal management personnel; and
- (6) Other documents required by the approval authority.

Article 7 — The commerce authority shall complete the examination and approval within 30 days from the date of receipt of the complete application documents and issue a certificate of approval for a foreign-invested enterprise.

Article 8 — Within 30 days from the date of receipt of the certificate of approval, the applicant shall undergo the registration procedures with the administrative department for industry and commerce to obtain a business license.

Chapter IV — Business Operations

Article 9 — Foreign-funded employment agencies may engage in the following business activities:

- (1) Providing employment information and job referral services for Chinese and foreign job seekers and employers;
- (2) Providing vocational guidance and consulting services;
- (3) Organizing job fairs;
- (4) Other employment agency services approved by the labor and social security authority.

Article 10 — Foreign-funded employment agencies shall establish service fee standards in accordance with the relevant provisions of the state and publish the fee items and standards in a prominent position on the business premises.

Article 11 — Foreign-funded employment agencies shall sign written employment agency service agreements with employers and job seekers specifying the rights and obligations of the parties.

Chapter V — Supervision and Administration

Article 12 — The labor and social security authority shall, in accordance with the law, supervise and inspect the business operations of foreign-funded employment agencies.

Article 13 — Foreign-funded employment agencies shall submit annual reports on their business operations to the labor and social security authority and the commerce authority in accordance with the relevant provisions.

Article 14 — Where a foreign-funded employment agency commits any illegal act, the relevant authorities shall impose penalties in accordance with the law. Where the circumstances are serious, the certificate of approval and the business license may be revoked.

Chapter VI — Supplementary Provisions

Article 15 — The establishment of foreign-funded employment agencies by investors from Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan shall be governed by these Provisions with reference made thereto.

Article 16 — The Ministry of Labour and Social Security and the Ministry of Commerce shall be responsible for the interpretation of these Provisions.

Article 17 — These Provisions shall enter into force on November 1, 2003.

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