

Provisions on the Administration of Foreign-Funded Human Resources Service Agencies of the PRC

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

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Promulgated by the Ministry of Personnel and the Ministry of Commerce on September 4, 2003
Effective: November 1, 2003

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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 human resources services for the purposes of regulating the establishment of foreign-funded human resources service agencies, promoting the development of the human resources service industry, and meeting the needs of the market for human resources services.

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

Article 3 — Foreign-funded human resources service 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 human resources service agency shall meet the following conditions:

- (1) The foreign investor shall be a company, enterprise, or other economic organization that is engaged in human resources services and has a good reputation;
- (2) The main investor shall have at least three years of experience in human resources 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, with at least five full-time staff members holding the human resources service professional qualification; and
- (5) Having a sound management system and service procedures.

Article 5 — A foreign-funded human resources service 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 human resources service agency shall submit the application documents to the human resources authority for preliminary examination, and after the preliminary examination is passed, submit the same to the commerce authority for approval.

Article 7 — The commerce authority shall complete the examination and approval within 45 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 and the human resources authority to obtain a business license and a human resources service permit.

Chapter IV — Business Operations

Article 9 — Foreign-funded human resources service agencies may engage in the following business activities:

- (1) Providing human resources information and intermediary services for domestic and foreign employers and job seekers;
- (2) Providing human resources consulting and management services;
- (3) Providing talent recruitment, assessment, and training services;
- (4) Providing human resources outsourcing and dispatch services, subject to the relevant provisions of the state; and
- (5) Other human resources services approved by the human resources authority.

Article 10 — Foreign-funded human resources service agencies shall establish service fee standards in accordance with the relevant provisions and publish the fee items and standards.

Chapter V — Supervision and Administration

Article 11 — The human resources authority shall, in accordance with the law, supervise and inspect the business operations of foreign-funded human resources service agencies.

Article 12 — Foreign-funded human resources service agencies shall submit annual reports to the human resources authority and the commerce authority.

Chapter VI — Supplementary Provisions

Article 13 — The establishment of foreign-funded human resources service 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 14 — The Ministry of Personnel and the Ministry of Commerce shall be responsible for the interpretation of these Provisions.

Article 15 — These Provisions shall enter into force on November 1, 2003.

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