

Provisions on the Administration of Labor Dispatch Administrative Licensing of the People's Republic of China

Dan Young Business Consultancy — www.danyoungcpa.com

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

Adopted at the 14th Ministerial Meeting of the Ministry of Human Resources and Social Security on April 19, 2013, promulgated by Order No. 19 of the Ministry of Human Resources and Social Security of the People's Republic of China on June 19, 2013, effective as of July 1, 2013.

Article 1 — Purpose — These Provisions are formulated in accordance with the Labor Contract Law of the People's Republic of China and the Administrative Licensing Law of the People's Republic of China for the purposes of regulating the administrative licensing of labor dispatch and safeguarding the lawful rights and interests of dispatched workers.

Article 2 — Scope of Application — These Provisions shall apply to the administrative licensing and supervision of labor dispatch service providers within the territory of the People's Republic of China. Any entity or individual shall not engage in labor dispatch services without obtaining a labor dispatch administrative license.

Article 3 — Licensing Authority — The human resources and social security administrative departments of the people's governments at or above the county level shall be responsible for the examination, approval and supervision of labor dispatch administrative licensing within their respective administrative regions.

Article 4 — Application Conditions — To apply for a labor dispatch administrative license, the following conditions shall be met:

1. Having a registered capital of not less than 2 million yuan; 2. Having a fixed business premises and facilities suitable for carrying out the business; 3. Having a labor dispatch management system that complies with the provisions of laws and administrative regulations; 4. Having other conditions prescribed by laws and administrative regulations.

Article 5 — Application Materials — To apply for a labor dispatch administrative license, the following materials shall be submitted:

1. An application for labor dispatch business license; 2. A business license or the Notice of Pre-Approval of Enterprise Name; 3. The articles of association and capital verification report; 4. Proof of business premises and office facilities; 5. Labor dispatch management systems, including labor contract management, wage payment, social insurance, working hours and rest and vacations, and labor discipline; 6. Other materials required.

Article 6 — Examination Procedures — The human resources and social security administrative department shall complete the examination within 20 working days from the date of receipt of the application. An on-site inspection may be conducted if necessary.

Article 7 — License Validity and Renewal — A labor dispatch administrative license shall be valid for three years. Where continued engagement in labor dispatch services is required upon expiration, an application for renewal shall be filed with the licensing authority 60 days before the expiration.

Article 8 — Change and Cancellation — Where a labor dispatch service provider changes its name, address, legal representative or registered capital, it shall apply for a change in the license. Where a labor dispatch service provider ceases operations or its license is revoked, the license shall be cancelled.

Article 9 — Supervision and Administration — The human resources and social security administrative department shall strengthen daily supervision and inspection of labor dispatch service providers.

Article 10 — Legal Liability — Where a labor dispatch service provider provides labor dispatch services without obtaining a license, the human resources and social security administrative department shall order cessation of the illegal activities, confiscate illegal gains and impose a fine. Where a labor dispatch service provider violates licensing requirements, the human resources and social security administrative department shall order correction and may revoke its license.

Article 11 — Supplementary Provisions — These Provisions shall come into force on July 1, 2013.

This translation is provided for informational purposes only. For legal matters, please consult the original Chinese text or seek professional legal advice. For assistance with labor dispatch licensing and HR compliance in China, please contact Dan Young Business Consultancy.