

Provisions on the Formulation of Enterprise Internal Labor Rules and Regulations of the People's Republic of China

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

Issued by the Ministry of Labor and Social Security, effective as of 1995, revised in subsequent years in accordance with the Labor Law and Labor Contract Law of the People's Republic of China.

Article 1 — Purpose and Basis — These Provisions are formulated in accordance with the Labor Law, the Labor Contract Law and other relevant laws and regulations for the purposes of regulating the formulation of enterprise internal labor rules and safeguarding the lawful rights and interests of workers.

Article 2 — Scope of Application — These Provisions shall apply to the formulation of internal labor rules and regulations by enterprises, individually-owned businesses and other employers within the territory of the People's Republic of China.

Article 3 — Content of Internal Labor Rules — Enterprise internal labor rules and regulations shall include the following content:

1. Labor contract management, including the conclusion, modification, rescission and termination of labor contracts; 2. Wage management, including wage distribution, wage adjustment, bonus payments and overtime pay; 3. Working hours and rest and vacation systems; 4. Labor discipline and attendance management; 5. Employee assessment and reward and punishment systems; 6. Labor safety and hygiene; 7. Social insurance and welfare benefits; 8. Employee training and development; 9. Internal complaint and dispute resolution mechanisms; 10. Other labor management matters prescribed by laws and regulations.

Article 4 — Principles for Formulating Rules — The formulation of internal labor rules and regulations shall adhere to the principles of legality, fairness, openness and reasonableness.

Article 5 — Democratic Procedures — When formulating, amending or deciding on rules and regulations that directly affect the vital interests of workers, such as labor remuneration, working hours, rest and vacations, labor safety and hygiene, insurance and welfare benefits, employee training, labor discipline and labor quota management, an employer shall discuss the matter with the workers' congress or all workers, put forward plans and opinions, and determine the rules through equal consultation with the trade union or workers' representatives.

Article 6 — Publicity Requirement — An employer shall publicize or inform workers of internal labor rules and regulations that directly affect the vital interests of workers. The employer may publicize the rules by posting notices, distributing employee handbooks, email notifications, or holding employee meetings.

Article 7 — Validity of Rules — Internal labor rules and regulations formulated in accordance with the law and publicized to workers shall be binding on both the employer and the workers.

Article 8 — Prohibition of Discriminatory Provisions — Internal labor rules and regulations shall not contain discriminatory provisions against workers on the basis of gender, ethnicity, race, religious belief, household registration, etc.

Article 9 — Filing and Review — The labor administrative department may review the internal labor rules and regulations of an employer and shall order correction of illegal provisions.

Article 10 — Amendment and Abolition — Where laws and regulations change or the circumstances of the employer change, the internal labor rules shall be amended or abolished in accordance with the law.

Article 11 — Legal Liability — Where an employer's internal labor rules violate the provisions of laws and regulations, the labor administrative department shall issue a warning and order correction. Where damage is caused to a worker, the employer shall bear compensation liability.

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