Regulations on Individual Industrial and Commercial Households of the PRC

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Promulgated by the State Council of the People's Republic of China on April 16, 2011 by Decree No. 596; Revised in accordance with the Decision of the State Council on Amending Certain Administrative Regulations on February 6, 2016
Effective: November 1, 2011

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Chapter I — General Provisions

Article 1 — These Regulations are enacted for the purposes of protecting the lawful rights and interests of individual industrial and commercial households, encouraging, supporting, and guiding the healthy development of the individual industrial and commercial household sector, strengthening supervision and administration, and bringing into play the role of individual industrial and commercial households in the national economic and social development.

Article 2 — A citizen who has the capacity to operate a business and who engages in industrial or commercial business operations within the business scope permitted by laws shall be an individual industrial and commercial household upon registration with the administrative department for industry and commerce in accordance with the law. An individual industrial and commercial household may operate on an individual basis or a household basis. The lawful rights and interests of individual industrial and commercial households shall be protected by law, and no entity or individual may infringe upon them.

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Article 3 — The administrative departments for industry and commerce of the people's governments at the county level and their sub-offices shall be the registration authorities for individual industrial and commercial households. The registration authorities shall handle the registration of individual industrial and commercial households in accordance with the provisions of laws and administrative regulations.

Chapter II — Registration

Article 4 — The state shall implement egalitarian market access principles for individual industrial and commercial households. The state shall not impose restrictions on the business operations of individual industrial and commercial households on the basis of the total quantity or scale of operations, the geographic distribution, the registered capital, or other factors, unless otherwise provided for by laws or administrative regulations.

Article 5 — Any citizen meeting the following criteria may apply, in accordance with the law, for registration as an individual industrial and commercial household and engage in individual industrial and commercial business operations: (1) having the capacity to operate a business; (2) possessing the necessary funds and premises for business operations; (3) engaging in business activities within the business scope permitted by law.

Article 6 — Where a citizen applies for registration as an individual industrial and commercial household, he or she shall submit to the registration authority the following materials: (1) an application for registration signed by the applicant; (2) the applicant's identity certificate; (3) a certificate of the business premises. In the case of household-based business operations, the identity certificates of family members involved in the business operations shall be submitted. Where, in accordance with laws or administrative regulations, an approval document from the relevant department is required for a specific business item, the applicant shall submit the approval document upon application for registration.

Article 7 — The registration authority shall, within 15 days from the date of accepting the application, make a decision on whether to approve the registration. Where the registration is approved, a business license shall be issued; where the registration is not approved, the applicant shall be notified in writing of the reasons for refusal.

Article 8 — An individual industrial and commercial household may apply for a change in its registered items in accordance with the law. When changing its business operator, an individual industrial and commercial household shall apply for re-registration.

Article 9 — An individual industrial and commercial household shall, within 10 days after the change in any of the registered items, apply to the original registration authority for a change of registration. Where an individual industrial and commercial household terminates its business operations, it shall, within 15 days after the termination, apply to the original registration authority for deregistration.

Article 10 — The specific formats of business licenses for individual industrial and commercial households shall be uniformly prescribed by the administrative department for industry and commerce under the State Council.

Article 11 — Fees shall be collected for the registration of individual industrial and commercial households. The specific fee rates shall be prescribed by the financial department and the pricing department of the State Council.

Chapter III — Administration and Supervision

Article 12 — An individual industrial and commercial household that engages in business operations shall comply with laws and regulations, observe social ethics and business ethics, engage in fair competition, and accept the supervision of the relevant administrative organs in accordance with the law.

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Article 13 — An individual industrial and commercial household shall place its business license in a conspicuous position at its business premises. No individual or entity may forge, alter, lease, lend, or transfer the business license of an individual industrial and commercial household.

Article 14 — An individual industrial and commercial household shall, between January 1 and June 30 of each year, submit its annual report to the registration authority through the enterprise credit information publicity system. No fee shall be charged for the submission of the annual report.

Article 15 — The registration authority and the relevant administrative organs shall, within the scope of their respective functions and duties, supervise and administrate individual industrial and commercial households in accordance with the law. The registration authority and the relevant administrative organs shall disclose information on the administration of individual industrial and commercial households to the public in accordance with the law.

Article 16 — The registration authority shall incorporate the violation records of individual industrial and commercial households into the credit information publicity system and disclose them to the public.

Article 17 — The relevant industry organizations shall strengthen self-discipline among individual industrial and commercial household members and protect the lawful rights and interests of their members.

Chapter IV — Legal Liability

Article 18 — Where any entity or individual, in violation of laws or regulations, collects fees from, or raises funds or allocates tasks to, an individual industrial and commercial household, or requires an individual industrial and commercial household to provide a sponsorship, the individual industrial and commercial household shall have the right to refuse the same, and the relevant authorities shall investigate and address the matter in accordance with the law.

Article 19 — Where an individual industrial and commercial household submits false materials to fraudulently obtain registration, or where it engages in business operations beyond the approved business scope without authorization, the registration authority shall order rectification and may impose a fine in accordance with the provisions of laws and administrative regulations.

Article 20 — Where an individual industrial and commercial household fails to submit its annual report in accordance with the provisions, the registration authority shall include the individual industrial and commercial household in the list of enterprises with abnormal business operations and disclose the same to the public through the enterprise credit information publicity system.

Article 21 — Where an individual industrial and commercial household forges, alters, leases, lends, or transfers its business license, the registration authority shall order rectification, confiscate any illegal gains, and impose a fine of not more than RMB 5,000; where the circumstances are serious, the business license shall be revoked.

Article 22 — Where an individual industrial and commercial household changes its registered items without applying for a change of registration in accordance with the provisions, the registration authority shall order rectification and may impose a fine of not more than RMB 1,500; where the circumstances are serious, the business license shall be revoked.

Article 23 — Where registration authority staff members or other relevant functionaries abuse their powers, neglect their duties, or commit malpractice for personal gain in the course of performing their duties, they shall be subject to sanctions in accordance with the law; where the act constitutes a crime, criminal liability shall be pursued in accordance with the law.

Chapter V — Supplementary Provisions

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Article 24 — Where an individual industrial and commercial household applies for registration as a sole proprietorship enterprise, it shall undergo the registration procedures in accordance with the relevant laws and administrative regulations.

Article 25 — The specific measures for the administration of registration of individual industrial and commercial households shall be formulated by the administrative department for industry and commerce under the State Council.

Article 26 — These Regulations shall come into force on November 1, 2011. The Interim Regulations on the Administration of Urban and Rural Individual Industrial and Commercial Households promulgated by the State Council on August 18, 1987 shall be repealed simultaneously.

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