Regulations on the Administration of Housing Provident Fund

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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 Regulations are formulated to strengthen the administration of the housing provident fund, safeguard the lawful rights and interests of employees in housing provident fund contributions, and promote the construction of urban housing and the improvement of the living standards of urban residents.

Article 2. These Regulations shall apply to the contribution, withdrawal, use, administration, and supervision of the housing provident fund within the territory of the People’s Republic of China. “Housing provident fund” as used in these Regulations refers to long-term housing savings funds contributed by State organs, state-owned enterprises, urban collective enterprises, foreign-invested enterprises, urban private enterprises and other urban enterprises, public institutions, private non-enterprise units, and social organizations, as well as their employees.

Article 3. The housing provident fund contributed by employees and the housing provident fund contributed by the employing unit for the employees shall be owned by the individual employees.

Article 4. The administration of the housing provident fund shall follow the principles of decision-making by the housing provident fund management committee, operation by the housing provident fund management center, special bank account storage, and financial supervision.

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Article 5. The housing provident fund shall be used for the purchase, construction, renovation, or major repair of owner-occupied housing by employees, and shall not be diverted to other uses.

Chapter II — Institutional Setup and Responsibilities

Article 6. Municipalities directly under the central government, provincial capitals, and other large and medium-sized cities divided into districts shall establish housing provident fund management committees. The housing provident fund management committee shall be the decision-making body for the administration of the housing provident fund.

Article 7. Each municipality shall establish a housing provident fund management center. The housing provident fund management center shall be a non-profit independent public institution responsible for the routine administration of the housing provident fund.

Article 8. The housing provident fund management committee shall determine the specific contribution ratio of the housing provident fund, the maximum loan amount, and other relevant matters in accordance with the provisions of relevant laws, regulations, and policies, and in light of local conditions.

Article 9. The housing provident fund management center shall: prepare and implement plans for the collection and utilization of the housing provident fund; record the contributions, withdrawals, and utilization of the housing provident fund by employees; examine and approve withdrawals and utilization of the housing provident fund; and be responsible for the preservation and return of the housing provident fund.

Article 10. The housing provident fund management center shall entrust housing provident fund business to banks designated by the housing provident fund management committee. The designated banks shall handle housing provident fund financial business such as housing provident fund accounts, collections, loans, and settlements.

Chapter III — Contribution and Deposit

Article 11. The housing provident fund management center shall establish individual housing provident fund detailed accounts for employees at the designated banks. Each employee shall have only one housing provident fund account.

Article 12. Where a new employing unit is established, it shall register for housing provident fund contributions at the housing provident fund management center within 30 days from the date of establishment. Within 20 days from the date of registration, the employing unit shall complete the formalities for establishing individual housing provident fund accounts for its employees at the designated bank.

Article 13. Where an employing unit hires an employee, it shall register the contribution and open or transfer the individual housing provident fund account at the housing provident fund management center within 30 days from the date of employment.

Article 14. The monthly contribution amount for the housing provident fund shall be the product of the employee’s average monthly salary in the previous year multiplied by the contribution ratio. The employing unit shall contribute, for each employee, an amount equal to the employee’s own contribution to the housing provident fund.

Article 15. The contribution ratio for both the employee and the employing unit shall not be lower than 5 percent of the employee’s average monthly salary in the previous year. In cities where conditions permit, the contribution ratio may be appropriately increased. The specific contribution ratio shall be determined by the housing provident fund management committee and reported to the people’s government of the province or autonomous region for approval.

Article 16. The employing unit shall make the monthly housing provident fund contributions in full and on time. Where the employing unit fails to contribute or underpays, the housing provident fund management

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center shall order it to make full contributions within a prescribed time limit.

Article 17. Where an employing unit is in genuine difficulty in production or operation and requires a reduction in the contribution ratio or a deferral of contributions, it shall submit an application to the housing provident fund management center after discussion and approval by the employees' representative assembly or the trade union, and shall implement the reduction or deferral only upon approval.

Article 18. The interest on the housing provident fund shall be calculated at a rate prescribed by the State. The interest earned shall be credited to the employee's individual housing provident fund account.

Chapter IV — Withdrawal and Use

Article 19. Under any of the following circumstances, an employee may withdraw the balance in the individual housing provident fund account: purchase, construction, renovation, or major repair of owner-occupied housing; retirement; total loss of capacity to work and termination of employment; departure from the country for permanent residence abroad; repayment of principal and interest on owner-occupied housing loans; or payment of rent exceeding a prescribed proportion of family income.

Article 20. An employee who withdraws the housing provident fund shall submit an application to the housing provident fund management center and present relevant supporting documents. The housing provident fund management center shall make a decision on approval or disapproval within three days from the date of receiving the application.

Article 21. An employee who purchases, constructs, renovates, or carries out major repairs on owner-occupied housing may apply for a housing provident fund loan from the housing provident fund management center, provided that the employee has contributed to the housing provident fund continuously for a period of not less than the prescribed minimum.

Article 22. The maximum amount, maximum term, and interest rate for housing provident fund loans shall be determined by the housing provident fund management committee and reported to the people's government of the province or autonomous region for approval before publication.

Article 23. The housing provident fund management center shall examine the borrower's application within 15 days from the date of receiving the loan application. The entrusted bank shall handle the loan formalities and make the loan within the prescribed time limit upon receiving the loan approval notice from the housing provident fund management center.

Chapter V — Supervision

Article 24. The finance departments of local people's governments at or above the county level shall strengthen financial supervision over the collection, withdrawal, and utilization of the housing provident fund within their respective administrative regions.

Article 25. The housing provident fund management center shall report the financial accounting reports for the housing provident fund to the finance department on an annual basis and make the reports public.

Article 26. The audit institutions of the people's governments at all levels shall conduct audit supervision over the revenues and expenditures of the housing provident fund in accordance with the law.

Article 27. The housing provident fund management center shall be subject to the supervision of the housing provident fund management committee, the administrative supervision department, and the general public.

Chapter VI — Penalties

Article 28. Where an employing unit fails to register for housing provident fund contributions or fails to open housing provident fund accounts for its employees, the housing provident fund management center shall

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order it to make corrections within a prescribed time limit. Where the employing unit fails to comply, a fine of not less than RMB 10,000 and not more than RMB 50,000 shall be imposed.

Article 29. Where an employing unit fails to contribute or underpays housing provident fund contributions, the housing provident fund management center shall order it to make full contributions within a prescribed time limit. Where the employing unit fails to comply within the prescribed period, the housing provident fund management center may apply to the People's Court for compulsory enforcement.

Article 30. Where the housing provident fund management center or the designated bank violates the provisions of these Regulations, the housing provident fund management committee or the banking regulatory authority shall order corrections and impose penalties in accordance with the law. Where a crime is constituted, criminal liability shall be pursued.

Article 31. These Regulations shall also apply to the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the Taiwan region investors who establish enterprises in the mainland. The provisions on housing provident fund shall be applicable to these enterprises and their employees in accordance with the relevant regulations.

Disclaimer: This English translation is provided for reference and educational purposes only. While every effort has been made to ensure accuracy, only the official Chinese text has legal force. For legal matters, consult qualified legal counsel familiar with PRC law. Dan Young Business Consultancy assumes no liability for reliance on this translation.

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