

Regulations on the Administration of Registration of Enterprise Legal Persons of the PRC

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Promulgated by Decree No. 1 of the State Council of the People's Republic of China on June 3, 1988; amended in accordance with the Decision of the State Council on Amending Certain Administrative Regulations on January 8, 2011, and the Decision of the State Council on Amending Certain Administrative Regulations on February 6, 2016. Effective: July 1, 1988

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Chapter I — General Provisions

Article 1 — These Regulations are formulated for the purpose of establishing the enterprise legal person registration administration system, confirming the status of enterprise legal persons, safeguarding the lawful rights and interests of enterprises, banning illegal business operations, and maintaining social and economic order.

Article 2 — Enterprises with legal person status that are required to undergo enterprise legal person registration in accordance with the law shall register in accordance with these Regulations:

- (1) enterprises owned by the whole people;
- (2) collective-owned enterprises;
- (3) jointly-operated enterprises;
- (4) Sino-foreign equity joint ventures, Sino-foreign contractual joint ventures and foreign-funded enterprises established within the territory of the People's Republic of China;
- (5) private enterprises; and
- (6) other enterprises that are required by law to undergo enterprise legal person registration.

Article 3 — An enterprise applying for enterprise legal person registration may not commence business operations until it has been examined and approved by the registration authority and obtained a Business License for Enterprise Legal Persons.

Article 4 — The registration and administration of enterprise legal persons shall adhere to the principles of separating government administration from enterprise management, exercising administration in accordance with the law, and safeguarding the lawful rights and interests of enterprises. The registration authority shall handle registration in accordance with the law and shall not impose unlawful charges.

Article 5 — The registration authority shall exercise its functions and powers in accordance with the law, handle registration matters in a timely, fair and lawful manner, and shall not refuse, delay or obstruct the lawful registration applications of enterprises.

Chapter II — Registration Authority

Article 6 — The State Administration for Industry and Commerce (now the State Administration for Market Regulation) is the authority in charge of the registration and administration of enterprise legal persons nationwide. The local administrations for industry and commerce (now the local administrations for market regulation) at all levels shall be responsible for the registration and administration of enterprise legal persons within their respective jurisdictions.

Article 7 — The State Administration for Market Regulation shall be responsible for the registration and administration of the following enterprises:

- (1) enterprises established with the approval of the State Council or of a department authorized by the State Council;

(2) nationwide companies and enterprise groups; and

(3) other enterprises that, in accordance with the relevant provisions, shall be registered by the State Administration for Market Regulation.

The administrations for market regulation of provinces, autonomous regions, municipalities directly under the Central Government, and cities divided into districts shall be responsible for the registration and administration of other enterprises in accordance with the division of registration authority prescribed by the State.

Chapter III — Conditions for Registration and Units Applying for Registration

Article 8 — An enterprise applying for enterprise legal person registration shall meet the following conditions:

(1) it has a name, an organizational structure and articles of association;

(2) it has fixed business premises and necessary facilities;

(3) it has a definite scope of business;

(4) it has property or funds that conform to the provisions of the State;

(5) it is able to bear civil liability independently; and

(6) it meets other conditions prescribed by laws, regulations and rules.

Article 9 — The units applying for enterprise legal person registration shall be:

(1) the entity or the person in charge designated by the approving authority for enterprises established with approval; and

(2) the entity or person that actually organizes and initiates the establishment for enterprises established without prior approval.

Chapter IV — Registered Items

Article 10 — The principal registered items of an enterprise legal person shall include: name, domicile, legal representative, economic nature, scope of business, form of business operation, registered capital (funds), number of employees, term of operation, and branches.

Article 11 — The name of an enterprise legal person shall be subject to examination and approval by the registration authority, and shall not be identical with, or confusingly similar to, the name of another enterprise legal person already registered.

Article 12 — The legal representative of an enterprise legal person shall be the principal person in charge who exercises authority on behalf of the enterprise. The legal representative shall be a person with full capacity for civil conduct and shall comply with the provisions of the State.

Article 13 — The registered capital of an enterprise legal person shall be the total amount of property or funds registered with the registration authority. An enterprise legal person shall bear civil liability to the extent of the property it owns or manages.

Article 14 — The scope of business of an enterprise legal person shall conform to the provisions of the State and shall be consistent with its registered capital, premises, equipment, employees and technical capabilities. Where the scope of business involves a sector requiring special approval in accordance with the law, the enterprise shall obtain the relevant approval before registration.

Article 15 — An enterprise legal person shall operate within the approved and registered scope of business, and shall not engage in business activities beyond that scope without approval.

Chapter V — Registration of Commencement of Business

Article 16 — An enterprise applying for the registration of commencement of business shall submit the following documents to the registration authority:

- (1) an application for registration signed by the unit applying for registration;
- (2) the document of approval issued by the approving authority, where approval is required;
- (3) the articles of association of the enterprise;
- (4) the certificate of funds or property, or a capital verification certificate;
- (5) the identification documents of the legal representative; and
- (6) other documents required by the registration authority.

Article 17 — The registration authority shall, within 30 days from the date of receipt of the application, make a decision on whether to approve or reject the registration. Where the registration is approved, the registration authority shall issue a Business License for Enterprise Legal Persons; where the registration is rejected, it shall notify the applicant of the reasons in writing.

Article 18 — The date on which the Business License for Enterprise Legal Persons is issued shall be the date of establishment of the enterprise legal person. An enterprise legal person shall, upon obtaining the business license, carry out the procedures for the record of its official seal, bank account, tax registration and other matters.

Chapter VI — Registration of Changes

Article 19 — Where an enterprise legal person changes its name, domicile, legal representative, economic nature, scope of business, form of business operation, registered capital, term of operation, or branches, it shall apply to the registration authority for registration of the change within 30 days from the date on which the change is approved or resolved upon, and shall submit the relevant documents.

Article 20 — The registration authority shall, upon examination, handle the registration of changes that comply with the provisions, and shall issue a new Business License for Enterprise Legal Persons where the registered items on the business license have changed.

Chapter VII — Registration of Cancellation

Article 21 — An enterprise legal person shall apply to the registration authority for registration of cancellation in any of the following circumstances:

- (1) it is dissolved in accordance with the law;
- (2) it is declared bankrupt in accordance with the law;
- (3) its business license is revoked; or
- (4) other circumstances under which the enterprise legal person status ceases to exist.

Article 22 — An enterprise legal person applying for registration of cancellation shall submit an application for cancellation and the relevant documents, and shall, after completing the procedures for liquidation, taxation and settlement of claims and debts, have its registration cancelled by the registration authority.

Article 23 — Upon cancellation of registration, the registration authority shall withdraw the Business License for Enterprise Legal Persons and make a public announcement. The enterprise legal person status shall cease upon cancellation of registration.

Chapter VIII — Public Announcement, Annual Inspection and Administration of Certificates and Licenses

Article 24 — The registration authority shall, by means of public announcement, make known the registration, change and cancellation of registration of enterprise legal persons, so as to facilitate public inquiry and supervision.

Article 25 — Enterprise legal persons shall, in accordance with the provisions of the State, undergo annual inspection (annual report publication). An enterprise legal person shall submit its annual report to the registration authority within the prescribed time limit, truthfully reflecting its registration and business operations.

Article 26 — The Business License for Enterprise Legal Persons shall be kept in a prominent place at the business premises. It may not be forged, altered, leased, lent, assigned or sold.

Article 27 — Where the Business License for Enterprise Legal Persons is lost or damaged, the enterprise shall apply to the registration authority for a replacement or reissue after making a public announcement of the loss.

Chapter IX — Registration Administration of Institutions and Scientific and Technological Social Organizations Engaged in Business Activities

Article 28 — Institutions and scientific and technological social organizations that engage in business activities shall apply for registration in accordance with these Regulations where, in accordance with the provisions of the State, they are required to register as enterprise legal persons.

Article 29 — Institutions and scientific and technological social organizations engaged in business activities shall obtain approval from the competent authorities and shall comply with the conditions and procedures for registration prescribed by these Regulations.

Article 30 — The registration administration of institutions and scientific and technological social organizations engaged in business activities shall, in addition to complying with these Regulations, conform to the relevant provisions of the State concerning institutions and social organizations.

Chapter X — Supervision and Administration

Article 31 — The registration authority shall supervise and administer the registration matters of enterprise legal persons, and shall investigate and handle acts that violate these Regulations.

Article 32 — The registration authority shall, in exercising its powers of supervision and administration, have the right to examine the registration matters, business operations and compliance with the law of enterprise legal persons.

Article 33 — Where an enterprise legal person has committed any of the following acts, the registration authority may, in accordance with the circumstances, impose a warning, a fine, confiscation of illegal gains, suspension for rectification, or revocation of the Business License for Enterprise Legal Persons:

- (1) commencing business operations without authorization before registration or without obtaining the Business License for Enterprise Legal Persons;
 - (2) concealing the true situation or resorting to fraud in applying for registration;
 - (3) altering the principal registered items without applying for registration of the change;
 - (4) engaging in business operations beyond the approved and registered scope of business;
 - (5) forging, altering, leasing, lending, assigning or selling the Business License for Enterprise Legal Persons;
- or

(6) failing to undergo annual inspection (annual report publication) as required or failing to rectify within the prescribed time limit.

Article 34 — Where an enterprise legal person refuses to accept the administrative penalty decision of the registration authority, it may apply for administrative reconsideration or institute an administrative lawsuit in accordance with the law.

Chapter XI — Supplementary Provisions

Article 35 — The registration and administration of the branch offices of enterprise legal persons shall be governed by the relevant provisions of the State.

Article 36 — The specific rules for the implementation of these Regulations shall be formulated by the State Administration for Market Regulation in conjunction with the relevant departments of the State Council.

Article 37 — The registration of foreign enterprises that establish resident representative offices or engage in business activities within the territory of the People's Republic of China shall be governed by the relevant provisions of the State.

Article 38 — These Regulations shall apply to the registration of enterprise legal persons in special economic zones, subject to the provisions of special economic zone laws and regulations.

Article 39 — These Regulations shall come into force as of July 1, 1988. The Interim Provisions on the Registration Administration of Enterprise Legal Persons previously promulgated shall be repealed simultaneously.

Disclaimer: This is an unofficial English translation of the Regulations on the Administration of Registration of Enterprise Legal Persons of the People's Republic of China, prepared for general reference and informational purposes only. It is not an official translation and has no legal force. In the event of any discrepancy between this translation and the original Chinese text, the original Chinese text shall prevail. Readers should note that certain provisions of these Regulations have been superseded by subsequent legislation, including the Regulations on the Administration of Registration of Market Entities. This translation does not constitute legal advice, and readers should consult qualified professionals regarding specific matters. Dan Young Business Consultancy assumes no liability for any reliance placed on this translation.