Regulations on the Administration of Registration of Resident Representative Offices of Foreign Enterprises

Dan Young Business Consultancy — www.danyoungcpa.com

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

Contents

Table of Contents 1

Chapter I — General Provisions 1

Chapter II — Registration Matters 1

Chapter III — Supervision and Administration 2

Chapter IV — Legal Liability 3

Chapter V — Supplementary Provisions 3

Promulgated by the State Council on November 19, 2010, and revised in accordance with the Decision of the State Council on Abolishing and Amending Certain Administrative Regulations on March 1, 2018
Effective: March 1, 2011

Table of Contents

- Chapter I — General Provisions
- Chapter II — Registration Matters
- Chapter III — Supervision and Administration
- Chapter IV — Legal Liability
- Chapter V — Supplementary Provisions

Chapter I — General Provisions

Article 1 — These Regulations are formulated for the purposes of regulating the registration of resident representative offices of foreign enterprises, strengthening the supervision and administration thereof, and promoting the development of foreign economic and trade cooperation.

Article 2 — For the purposes of these Regulations, "foreign enterprises" means enterprises and other economic organizations established in accordance with foreign laws outside the territory of China. "Resident representative offices" means offices established within the territory of China by foreign enterprises to engage in non-direct business activities such as business liaison, product promotion, market research, and technical exchange.

Article 3 — The establishment, alteration, and termination of resident representative offices shall be subject to registration in accordance with the provisions of these Regulations. Resident representative offices registered in accordance with the law shall be protected by Chinese laws.

Chapter II — Registration Matters

Source: https://www.danyoungcpa.com/foreign-enterprise-representative-office-registration-regulations-prc-2018/

Article 4 — To establish a resident representative office, a foreign enterprise shall apply to the registration authority for establishment registration. The registration authority for resident representative offices shall be the State Administration for Market Regulation and its authorized local administrations for market regulation.

Article 5 — To apply for establishment registration of a resident representative office, the following documents shall be submitted:

Article 5.1 — An application for registration signed by the legal representative or authorized signatory of the foreign enterprise;

Article 5.2 — A certificate of lawful establishment of the foreign enterprise;

Article 5.3 — The articles of association or similar organizational documents of the foreign enterprise;

Article 5.4 — A letter of appointment for the chief representative and representatives of the resident representative office, and their identification documents and resumes;

Article 5.5 — A creditworthiness certificate issued by a financial institution with which the foreign enterprise has business dealings;

Article 5.6 — Proof of the right to use the residence of the resident representative office.

Article 6 — The registration authority shall complete the examination within 15 working days from the date of receipt of all required application documents. Where the application meets the prescribed conditions, a Registration Certificate for Resident Representative Office of Foreign Enterprise shall be issued. Where the conditions are not met, the reasons shall be explained.

Article 7 — The following matters of a resident representative office shall be registered: the name of the resident representative office; the name, domicile, and country of registration of the foreign enterprise; the business scope of the foreign enterprise; the duration of the resident representative office; the name of the chief representative; the business activities to be engaged in; the address of the resident representative office.

Article 8 — Where a registered matter of a resident representative office changes, the foreign enterprise shall apply to the registration authority for registration of the change. The registration authority shall complete the examination within 10 working days.

Article 9 — The term of existence of a resident representative office shall generally not exceed three years. Where it is necessary to extend the term of existence upon expiration, an application for extension shall be submitted to the registration authority 60 days prior to the expiration.

Article 10 — Where a resident representative office ceases its business activities, the foreign enterprise shall apply to the registration authority for cancellation of registration within 30 days after the termination of activities.

Chapter III — Supervision and Administration

Article 11 — A resident representative office shall engage in business activities that are not for direct business operations. A resident representative office shall not engage in profit-making business activities.

Article 12 — A resident representative office shall submit an annual report to the registration authority between March 1 and June 30 of each year. The annual report shall include information on the lawful and continuous existence of the foreign enterprise, the changes to the registered matters of the resident representative office, the business activities of the resident representative office, and the audited expense accounts.

Article 13 — The Registration Certificate for Resident Representative Office shall be placed in a prominent position at the residence of the office. No entity or individual shall forge, alter, lease, lend, or transfer the

Source: https://www.danyoungcpa.com/foreign-enterprise-representative-office-registration-regulations-prc-2018/

Registration Certificate.

Article 14 — The registration authority shall conduct supervision and inspection of resident representative offices in accordance with the law. When conducting inspections, the registration authority shall have the right to access relevant materials and inquire with relevant personnel. Resident representative offices shall cooperate and shall not refuse or obstruct.

Chapter IV — Legal Liability

Article 15 — Where a resident representative office engages in profit-making business activities, the registration authority shall order it to make corrections and may impose a fine of not less than RMB 10,000 and not more than RMB 100,000. Where the circumstances are serious, the registration certificate shall be revoked.

Article 16 — Where a resident representative office fails to submit an annual report in accordance with the regulations, the registration authority shall order it to make corrections within a specified time limit. Where it fails to make corrections, a fine of not less than RMB 10,000 and not more than RMB 30,000 may be imposed. Where no annual report is submitted for two consecutive years, the registration certificate shall be revoked.

Article 17 — Where a resident representative office engages in activities other than those registered, the registration authority shall order it to make corrections. Where the circumstances are serious, a fine of not less than RMB 20,000 and not more than RMB 200,000 shall be imposed, or the registration certificate shall be revoked.

Article 18 — Where a foreign enterprise establishes a resident representative office without registration, the registration authority shall order it to cease its activities and may impose a fine of not less than RMB 50,000 and not more than RMB 200,000.

Chapter V — Supplementary Provisions

Article 19 — The administration of resident representative offices established within the territory of China by enterprises from the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the Taiwan region shall be handled with reference to these Regulations.

Article 20 — The detailed rules for the implementation of these Regulations shall be formulated by the registration authority under the State Council.

Article 21 — These Regulations shall take effect on March 1, 2011. The measures previously promulgated with respect to resident representative offices of foreign enterprises shall be repealed simultaneously.

Disclaimer: This English translation is provided for informational and reference purposes only by Dan Young Business Consultancy. While every effort has been made to ensure accuracy, this is an unofficial translation. For legal and regulatory compliance purposes, the original Chinese text promulgated by the State Council of the People's Republic of China shall prevail. Readers should consult qualified legal professionals for advice on specific representative office establishment matters. The translator and publisher assume no liability for any errors, omissions, or reliance on this translation.

Source: https://www.danyoungcpa.com/foreign-enterprise-representative-office-registration-regulations-prc-2018/