Regulations on the Administration of Representative Offices of Foreign Law Firms in China

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Contents

Table of Contents 1

Chapter I — General Provisions 1

Chapter II — Establishment and Registration of Representative Offices 2

Chapter III — Business Scope and Professional Activities 3

Chapter IV — Administration and Supervision 3

Chapter V — Legal Liability 4

Chapter VI — Supplementary Provisions 4

Adopted at the 78th Executive Meeting of the State Council on December 19, 2001; Came into effect on January 1, 2002

Effective: January 1, 2002

Table of Contents

- Chapter I — General Provisions
- Chapter II — Establishment and Registration of Representative Offices
- Chapter III — Business Scope and Professional Activities
- Chapter IV — Administration and Supervision
- Chapter V — Legal Liability
- Chapter VI — Supplementary Provisions

Chapter I — General Provisions

Article 1 — These Regulations are formulated in accordance with the Lawyers Law of the People's Republic of China and other relevant laws and regulations to regulate the establishment of representative offices in China by foreign law firms and the provision of legal services within Chinese territory, and to promote international exchanges and cooperation in the legal service sector.

Article 2 — For the purposes of these Regulations, the term "foreign law firm" means a law practice or legal professional partnership legally established and lawfully practicing outside the territory of China. The term "representative office" means an office established within Chinese territory by a foreign law firm to engage in legal service activities as prescribed by these Regulations. A representative office and its representatives engaging in legal service activities within Chinese territory shall comply with these Regulations and other relevant laws and regulations of China.

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Article 3 — A representative office and its representatives engaging in legal service activities within Chinese territory shall not prejudice the national security and the public interest of China. The lawful business activities of a representative office and its representatives within Chinese territory shall be protected by the laws of China.

Article 4 — The judicial administration department of the State Council shall be the competent authority in charge of the administration of representative offices and their representatives. The judicial administration departments of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall assist the judicial administration department of the State Council in exercising supervision and administration over representative offices and their representatives within their respective administrative areas.

Chapter II — Establishment and Registration of Representative Offices

Article 5 — A foreign law firm applying to establish a representative office in China shall meet the following conditions: (1) the foreign law firm has been lawfully established and has been practicing law in its home country, and has no record of violating professional ethics or practice discipline; (2) the representatives of the representative office shall be practicing lawyers who are members of the bar or law society of the country where the foreign law firm is located, have practiced law for not less than two years, and have no record of criminal punishment or violation of professional ethics or practice discipline; (3) the chief representative of the representative office shall have practiced law for not less than three years and shall be a partner of the foreign law firm or a lawyer of equivalent status.

Article 6 — A foreign law firm applying to establish a representative office in China shall submit the following documents: (1) a written application signed by the principal responsible person of the foreign law firm, specifying the name of the proposed representative office, the city where it is to be established, its business scope, the form of its establishment, and a letter of appointment of the chief representative and representatives; (2) documents certifying that the foreign law firm has been lawfully established and is practicing in its home country; (3) a certificate of partnership or equivalent document with a list of partners of the foreign law firm; (4) letters of recommendation issued by the bar association or lawyers' organization of the country where the foreign law firm is located for the proposed chief representative and representatives; (5) practice certificates issued by the bar association or lawyers' organization of the country where the chief representative and representatives are qualified to practice; (6) articles of association or partnership agreement of the foreign law firm. The documents listed in the preceding paragraph shall be certified by a notary public or a notary organization of the home country of the applicant and shall be authenticated by the Chinese embassy or consulate in that country.

Article 7 — The judicial administration department of the people's government of the province, autonomous region, or municipality directly under the Central Government where the representative office is to be located shall, within three months of receiving the application documents, examine the documents and submit them together with its examination opinions to the judicial administration department of the State Council for examination and approval. The judicial administration department of the State Council shall, within six months of receiving the application, make a decision on approval or disapproval. Where approval is granted, an approval certificate shall be issued; where approval is not granted, the reasons shall be stated in writing.

Article 8 — A representative office shall handle the registration formalities with the administrative department for industry and commerce of the province, autonomous region, or municipality directly under the Central Government where it is to be located on the basis of the approval certificate, and shall obtain a registration certificate and a business license for resident representative offices of foreign enterprises. A representative office shall also register with the public security organ, the tax authority, the customs office, and the department in charge of foreign exchange control in accordance with the relevant provisions of China.

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Article 9 — A representative office may have one chief representative and the number of representatives shall be determined as needed. Each foreign law firm may establish only one representative office within Chinese territory. A foreign law firm that has already established a representative office in China shall not establish another representative office in China.

Chapter III — Business Scope and Professional Activities

Article 10 — A representative office and its representatives may engage in the following legal service activities within Chinese territory: (1) providing clients with advice on the law of the country where the foreign law firm's lawyers are permitted to practice, and on international conventions and international practices; (2) handling, upon authorization by clients or Chinese law firms, legal affairs of the country where the foreign law firm's lawyers are permitted to practice; (3) entrusting Chinese law firms to handle Chinese legal affairs on behalf of foreign clients; (4) entering into contracts with Chinese law firms to maintain long-term cooperative relationships for the entrustment of legal affairs; (5) providing information on the impact of the Chinese legal environment.

Article 11 — A representative office and its representatives engaging in legal service activities within Chinese territory shall not: (1) practice Chinese law; (2) issue opinions or comments on the application of Chinese law or on matters involving Chinese law; (3) represent clients in litigation or arbitration proceedings conducted in China; (4) engage in activities that are reserved exclusively for Chinese lawyers and Chinese law firms.

Article 12 — A representative office shall not employ Chinese practicing lawyers; auxiliary staff employed by a representative office shall not provide legal services to clients. A representative office and its representatives shall not engage in profit-making activities other than the provision of legal services as prescribed by these Regulations, or engage in other activities inconsistent with the legal profession.

Article 13 — Where a representative office and its representatives need to retain Chinese lawyers from Chinese law firms to handle Chinese legal affairs on behalf of their clients, the entrustment shall be handled in accordance with the relevant provisions of China on lawyers' administration.

Article 14 — During the course of practicing law, a representative office and its representatives shall not commit the following acts: (1) illegally retaining or providing legal services; (2) knowing that the client's entrustment is illegal or fraudulent, or involves concealment of important facts, yet still accepting the entrustment or representing the client; (3) disclosing state secrets, commercial secrets of clients, or personal privacy of clients.

Chapter IV — Administration and Supervision

Article 15 — A representative office shall, before January 31 of each year, submit to the judicial administration department of the province, autonomous region, or municipality directly under the Central Government where it is located an annual inspection report on its practice of law during the previous year, together with an annual registration document certified by the bar association or lawyers' organization of the home country, and a tax return certified by the Chinese tax authority for the representative office. The judicial administration departments of provinces, autonomous regions, and municipalities directly under the Central Government shall submit the annual inspection reports and examination opinions to the judicial administration department of the State Council for the record.

Article 16 — Where a representative office changes its name, reduces its business scope, changes its chief representative or representatives, or changes its business address, it shall handle the registration of change with the original approving and registering authorities in accordance with the law. Where a representative office is to be closed down or dissolved, it shall make a public announcement, settle its outstanding tax obligations, and handle the formalities for de-registration in accordance with the law.

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Article 17 — The judicial administration departments of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall supervise and inspect the practice of law by representative offices and their representatives within their respective administrative areas, and shall handle or transfer illegal acts for handling in accordance with the law.

Article 18 — Lawyers associations shall, in accordance with the law, protect the lawful rights and interests of representative offices and their representatives and regulate their practice of law.

Chapter V — Legal Liability

Article 19 — Where a representative office or its representative violates the provisions of Articles 11 or 12 of these Regulations by engaging in activities beyond the prescribed business scope, the judicial administration department of the people's government of the province, autonomous region, or municipality directly under the Central Government shall order it to cease the illegal practice within a time limit and confiscate the illegal gains; it shall also impose a fine of not less than RMB 50,000 yuan and not more than RMB 200,000 yuan on the representative office, and a fine of not less than RMB 20,000 yuan and not more than RMB 100,000 yuan on the representative with the circumstances the most serious. Where the circumstances are serious, the judicial administration department of the State Council shall revoke the practice approval of the representative office, or revoke the practice approval of the representative.

Article 20 — Where a representative office commits any of the following acts, the judicial administration department of the people's government of the province, autonomous region, or municipality directly under the Central Government shall impose a fine of not less than RMB 20,000 yuan and not more than RMB 100,000 yuan on the representative office, and a warning and a fine of not less than RMB 10,000 yuan and not more than RMB 50,000 yuan on the chief representative and other directly responsible representatives; where the circumstances are serious, the judicial administration department of the State Council shall revoke the practice approval of the representative office: (1) employing Chinese practicing lawyers, or employing auxiliary staff who provide legal services to clients; (2) engaging in activities involving legal services by charging fees without authorization; (3) failing to submit the annual inspection report as required, or refusing to accept supervision and inspection by the judicial administration department.

Article 21 — Where a representative office or its representative violates these Regulations by committing other illegal acts, the relevant authorities shall investigate and handle the matter in accordance with the relevant laws, administrative regulations, and rules.

Chapter VI — Supplementary Provisions

Article 22 — The provisions of these Regulations shall apply to the establishment of representative offices in the mainland of China by law firms from the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the Taiwan region, subject to adjustment where special provisions otherwise apply.

Article 23 — The forms of cooperation between foreign law firms and Chinese law firms, including the dispatching of lawyers to each other's offices, joint operations, and partnership operations, shall be separately prescribed by the State Council.

Article 24 — The judicial administration department of the State Council shall be responsible for the interpretation of these Regulations.

Article 25 — These Regulations shall come into effect on January 1, 2002.

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