Rural Collective Economic Organizations Law of the People’s Republic of China

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Chapter I — General Provisions

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Article 1 — This Law is enacted for the purposes of safeguarding the lawful rights and interests of rural collective economic organizations and their members, regulating the organization and operation of rural collective economic organizations, promoting the development and growth of the rural collective economy, consolidating and improving the basic rural operation system, and advancing comprehensive rural revitalization.

Article 2 — This Law applies to the organization and activities of rural collective economic organizations. For the purposes of this Law, a rural collective economic organization means a community-based economic organization formed on the basis of collectively-owned land and other assets under collective ownership by members of a village or villagers' group, which conducts business operations and management in accordance with the law. Rural collective economic organizations include village-level collective economic organizations, villagers' group-level collective economic organizations, and township-level collective economic organizations.

Article 3 — Rural collective economic organizations are special legal persons registered in accordance with the law. Rural collective economic organizations may engage in business activities such as the management of collectively-owned assets, development of collective resources, and provision of services to members in accordance with the law. Rural collective economic organizations shall adhere to the leadership of the Communist Party of China and uphold the principle of autonomy by collective economic organization members.

Article 4 — Rural collective economic organizations shall function under the leadership of village Party organizations. The discussion and decision on major matters of rural collective economic organizations shall be preceded by study and deliberation by village Party organizations in accordance with relevant regulations.

Article 5 — The competent department for agriculture and rural affairs under the State Council shall be responsible for providing guidance to rural collective economic organizations nationwide. The competent departments for agriculture and rural affairs of local people's governments at or above the county level shall be responsible for providing guidance to rural collective economic organizations within their respective administrative regions. The people's governments of townships, towns, and sub-districts shall be responsible for the specific guidance, service, and supervision of rural collective economic organizations within their respective jurisdictions.

Chapter II — Members

Article 6 — The members of a rural collective economic organization shall be those persons whose household registration is in or was in the village or villagers' group, who have formed a stable relationship of rights and obligations of land contracting with the rural collective economic organization, and who rely on the collectively-owned land and other assets of the rural collective economic organization as their basic means of livelihood. The method for confirming the membership of a rural collective economic organization shall be stipulated by the charter of the organization and approved by the members' assembly.

Article 7 — Members of a rural collective economic organization shall enjoy the following rights in accordance with the law: (1) the right to elect and be elected, and the right to vote, in accordance with the charter of the organization; (2) the right to contract collectively-owned land and to apply for the use of residential land in accordance with the law; (3) the right to participate in the distribution of collective proceeds; (4) the right to enjoy collective services and welfare benefits; (5) the right to oversee the operation and management of the collective economic organization and to make suggestions; and (6) other rights provided for by laws, administrative regulations, or the charter of the organization.

Article 8 — Members of a rural collective economic organization shall perform the following obligations: (1) abiding by laws, administrative regulations, and the charter of the organization; (2) implementing the decisions of the members' assembly and the members' representative assembly; (3) safeguarding the lawful

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rights and interests of the rural collective economic organization; (4) protecting collectively-owned assets; (5) paying reasonable fees in accordance with the provisions of the charter of the organization; and (6) other obligations provided for by laws, administrative regulations, or the charter of the organization.

Article 9 — The membership of a rural collective economic organization shall not be deprived without cause. Where a person ceases to be a member, he or she may retain the relevant rights and interests in accordance with the law to the extent that he or she has not withdrawn the same.

Chapter III — Organization and Registration

Article 10 — A rural collective economic organization shall have a charter. The charter shall include the name and domicile of the organization, its purpose, the scope of its assets, the method for confirming membership and the rights and obligations of members, the composition of its organizational structure and the method for electing and removing its members, the rules of procedure, the method for managing and distributing the proceeds from its assets, and other matters. The charter of a rural collective economic organization shall be subject to deliberation and approval by the members' assembly and shall be submitted to the people's government of the township, town, or sub-district for filing.

Article 11 — The registration of a rural collective economic organization shall be handled by the competent department for agriculture and rural affairs of the local people's government at the county level. A rural collective economic organization shall be established upon registration and shall obtain a registration certificate for the rural collective economic organization. The specific measures for the registration of rural collective economic organizations shall be formulated by the State Council.

Article 12 — The name of a rural collective economic organization shall include the words "collective economic organization" to indicate its legal person status. A rural collective economic organization may adopt articles of association and may establish seals, open bank accounts, and engage in business operations in its own name.

Article 13 — Where a rural collective economic organization is to be merged, divided, or dissolved, the matter shall be submitted to the members' assembly for deliberation and approval, and the procedures for the cancellation of registration shall be completed with the original registration authority. The assets of a rural collective economic organization shall not be divided among individuals; where the organization is dissolved, its assets shall be disposed of in accordance with the provisions of the law and the charter of the organization.

Chapter IV — Organizational Structure

Article 14 — The members' assembly is the highest authority of a rural collective economic organization. The members' assembly shall be composed of all members of the organization who have reached the age of 18 and have full capacity for civil conduct. The members' assembly shall exercise the following functions and powers: (1) deliberating and approving the charter; (2) electing and removing the members of the board of directors and the board of supervisors; (3) deliberating and approving the work reports of the board of directors and the board of supervisors; (4) deliberating and approving the annual financial budget and final accounts and the distribution plan for proceeds; (5) deciding on major matters such as the merger, division, and dissolution of the organization; and (6) other functions and powers provided for by laws, administrative regulations, or the charter.

Article 15 — Where a rural collective economic organization has a relatively large number of members, it may establish a members' representative assembly to exercise part of the functions and powers of the members' assembly in accordance with the charter. Members' representatives shall be democratically elected by the members. The number of members' representatives shall be not less than five percent of the total number of members, and shall in any case not be less than twenty.

Article 16 — The board of directors is the executive body of a rural collective economic organization and shall be responsible to the members' assembly. The board of directors shall consist of three to seven members. The board of directors shall exercise the following functions and powers: (1) convening the members' assembly and reporting on its work; (2) implementing the decisions of the members' assembly; (3) formulating the annual financial budget and final accounts and the distribution plan for proceeds; (4) managing collectively-owned assets; (5) proposing the merger, division, and dissolution of the organization; and (6) other functions and powers provided for by the charter.

Article 17 — The board of supervisors is the oversight body of a rural collective economic organization and shall consist of three to five members. Members of the board of directors and financial personnel shall not serve concurrently as members of the board of supervisors. The board of supervisors shall exercise the following functions and powers: (1) overseeing the implementation of the decisions of the members' assembly; (2) inspecting the financial affairs of the organization; (3) overseeing the performance of duties by members of the board of directors and senior management personnel; (4) proposing the convening of interim members' assemblies; and (5) other functions and powers provided for by the charter.

Chapter V — Asset Management and Distribution of Proceeds

Article 18 — Collectively-owned assets of a rural collective economic organization include: (1) collectively-owned land and other natural resources such as forests, mountains, grasslands, wastelands, and mudflats that are owned by the collective in accordance with the law; (2) buildings, production facilities, and water conservancy facilities owned by the collective; (3) funds, securities, and other financial assets owned by the collective; (4) intellectual property rights such as trademarks, patents, and copyrights owned by the collective; and (5) other assets owned by the collective in accordance with the law.

Article 19 — The collectively-owned assets of a rural collective economic organization shall not be encroached upon, misappropriated, intercepted, or privately divided by any organization or individual. No organization or individual may illegally merge, divide, or dissolve a rural collective economic organization, or illegally modify or revoke the charter of a rural collective economic organization.

Article 20 — A rural collective economic organization shall strengthen the management of collectively-owned assets, establish a clear asset ledger, improve the asset management system, and ensure the preservation and appreciation of collectively-owned assets. Collectively-owned assets of a rural collective economic organization shall be registered with the competent department for agriculture and rural affairs of the local people's government at the county level for filing.

Article 21 — The proceeds from the operations of a rural collective economic organization, after deducting reasonable costs, shall be distributed in accordance with the provisions of the law and the charter. The distribution plan for proceeds shall be deliberated and approved by the members' assembly and shall be made public.

Chapter VI — Support Measures

Article 22 — The State shall encourage and support the development and growth of rural collective economic organizations. People's governments at or above the county level shall incorporate support for the development of rural collective economic organizations into the corresponding plans for national economic and social development. The State shall guide financial institutions to increase credit support for rural collective economic organizations and shall encourage social capital to participate in the development projects of rural collective economic organizations.

Article 23 — Rural collective economic organizations shall enjoy preferential tax policies in accordance with the provisions of the State. The income derived by members of rural collective economic organizations from the distribution of collective proceeds shall be subject to tax administration in accordance with the provisions

of the State.

Article 24 — People's governments at or above the county level shall strengthen the training of the leaders and financial personnel of rural collective economic organizations to enhance the operational and management capacity of rural collective economic organizations.

Chapter VII — Supervision and Management

Article 25 — The competent department for agriculture and rural affairs shall, in accordance with the law, supervise and inspect the registration, operation, and management of rural collective economic organizations and provide guidance and services.

Article 26 — A rural collective economic organization shall implement a financial disclosure system and shall, on a regular basis, make public its financial receipts and expenditures, the management and use of collectively-owned assets, the distribution of proceeds, and other matters to its members, and shall accept the oversight of its members.

Article 27 — A rural collective economic organization shall prepare its annual financial report in accordance with regulations and submit it to the members' assembly for deliberation. A rural collective economic organization shall accept the audit and oversight conducted by the relevant authorities in accordance with the law.

Chapter VIII — Legal Liability

Article 28 — Where any organization or individual encroaches upon the collectively-owned assets of a rural collective economic organization, the competent department for agriculture and rural affairs of the local people's government at or above the county level shall order it to return the assets and may impose a fine; where a crime is constituted, criminal liability shall be pursued in accordance with the law.

Article 29 — Where a member of the board of directors, a member of the board of supervisors, or a manager of a rural collective economic organization, in violation of the provisions of this Law, encroaches upon, misappropriates, or privately divides collectively-owned assets, or harms the interests of the organization by taking advantage of his or her position, the competent department for agriculture and rural affairs shall order corrections and may impose a fine; where a crime is constituted, criminal liability shall be pursued in accordance with the law.

Article 30 — Where a rural collective economic organization fails to register, make public its financial affairs, prepare financial reports, or perform other obligations in accordance with the provisions of this Law, the competent department for agriculture and rural affairs shall order it to make corrections within a prescribed time limit; where the circumstances are serious, the directly responsible person in charge and other directly responsible persons may be subject to sanctions.

Chapter IX — Supplementary Provisions

Article 31 — The State Council may, in accordance with this Law, formulate administrative regulations on the management of rural collective economic organizations.

Article 32 — This Law shall enter into force as of May 1, 2025.

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