

Rural Collective Economic Organizations Law of the PRC

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Chapter I — General Provisions

Article 1 — This Law is enacted in accordance with the Constitution for the purposes of safeguarding the lawful rights and interests of rural collective economic organizations and their members, regulating rural collective economic organizations and their operation and management, promoting the high-quality development of the new-type rural collective economy, consolidating and improving the basic rural management system and the basic socialist economic system, advancing comprehensive rural revitalization,

accelerating the building of China into an agricultural powerhouse, and promoting common prosperity.

Article 2 — For the purposes of this Law, "rural collective economic organizations" means regional economic organizations that are based on collective land ownership, exercise ownership on behalf of their members collectively in accordance with law, and implement the two-tier management system that combines unified and separate management on the basis of household contract management, including township-level, village-level and group-level rural collective economic organizations.

Article 3 — Rural collective economic organizations are important subjects in developing and strengthening the new-type rural collective economy, consolidating socialist public ownership, and promoting common prosperity; an important force in improving the rural governance system and achieving good rural governance; and an important safeguard for enhancing the cohesion of the rural primary-level organizations of the Communist Party of China and consolidating the Party's governance foundation in rural areas.

Article 4 — Rural collective economic organizations shall adhere to the following principles:

- (1) upholding the leadership of the Communist Party of China, and performing their duties in accordance with law under the leadership of township and town party committees, sub-district party working committees, and village party organizations;
- (2) upholding socialist collective ownership and safeguarding the lawful rights and interests of the collective and its members;
- (3) upholding democratic management, with members of rural collective economic organizations enjoying rights and performing obligations equally in accordance with laws, regulations and the charters of rural collective economic organizations;
- (4) upholding the system of distribution according to work as the mainstay with multiple modes of distribution coexisting, and promoting common prosperity in rural areas.

Article 5 — Rural collective economic organizations shall exercise ownership on behalf of their members collectively in accordance with law and perform the following functions:

- (1) contracting out rural land;
- (2) handling matters concerning applications for and use of rural homesteads;
- (3) rationally developing, utilizing and protecting cultivated land, forest land, grassland and other land resources, and exercising supervision over them;
- (4) using collectively-owned commercial construction land or transferring it for use by units or individuals through transfer, lease or other means;
- (5) organizing the operation and management of collective property;
- (6) deciding on changes in the ownership of enterprises funded by the collective;
- (7) distributing and using collective income;
- (8) distributing and using land compensation fees and the like arising from the expropriation or requisition of collective land;
- (9) providing technical, information and other services for members' production and operation;
- (10) supporting and cooperating with villagers' committees in carrying out villagers' self-governance under the leadership of village party organizations;
- (11) supporting other rural economic organizations and social organizations in playing their roles in accordance with law;

(12) other functions prescribed by laws, regulations and the charters of rural collective economic organizations.

Article 6 — Rural collective economic organizations shall register in accordance with this Law, obtain special legal-person status, and engage in civil activities commensurate with the performance of their functions in accordance with law.

Rural collective economic organizations are not subject to the provisions of the relevant bankruptcy laws.

Rural collective economic organizations may, in accordance with law, fund the establishment of, or participate in the establishment of, companies, specialized farmer cooperatives and other market entities, and shall bear liability for the debts of the market entities they establish or participate in establishing to the extent of their capital contributions.

Article 7 — In conducting management, operation and service activities, rural collective economic organizations shall abide by laws and regulations, observe social morality and business ethics, act with honesty and good faith, and undertake social responsibility.

Article 8 — The state protects the lawful rights and interests of rural collective economic organizations and their members, and no organization or individual may infringe upon them.

The property collectively owned by the members of rural collective economic organizations is protected by law, and no organization or individual may misappropriate, embezzle, withhold, forcibly seize, privately divide or damage it.

Women enjoy rights equal to those of men, and the rights and interests of women in rural collective economic organizations shall not be infringed upon on the grounds that a woman is unmarried, married, divorced, widowed, or has no male member in the household.

Article 9 — The state promotes the development of rural collective economic organizations and strengthens the new-type rural collective economy through fiscal, taxation, financial, land, talent, industrial policy and other support measures.

The state encourages and supports government organs, enterprises, public institutions, social organizations and other organizations and individuals in providing assistance and services to rural collective economic organizations.

Organizations and individuals that have made outstanding contributions to the development of the cause of rural collective economic organizations shall be commended and rewarded in accordance with state regulations.

Article 10 — The agriculture and rural affairs department under the State Council shall be responsible for guiding the construction and development of rural collective economic organizations nationwide. Other relevant departments under the State Council shall be responsible for relevant work within the scope of their respective duties.

The agriculture and rural affairs departments of local people's governments at or above the county level shall be responsible for the registration management and supervision and guidance of operation of rural collective economic organizations within their respective administrative areas, and for the supervision and guidance of the management of collective property such as contracted land and homesteads and of the transfer of property rights. Other relevant departments of local people's governments at or above the county level shall be responsible for relevant work within the scope of their respective duties.

Township people's governments and sub-district offices shall be responsible for the supervision and management of rural collective economic organizations within their respective administrative areas.

The agriculture and rural affairs departments of people's governments at or above the county level shall, in conjunction with the relevant departments, strengthen comprehensive coordination of work concerning rural collective economic organizations and guide, coordinate, support and promote their construction and development.

Local people's governments at all levels and the agriculture and rural affairs departments of people's governments at or above the county level shall take measures to establish and improve the service system for the supervision and management of collective property, strengthen the building of grassroots teams, and staff personnel commensurate with the work of supervising and managing collective property.

Chapter II — Members

Article 11 — Residents whose household registration is or has been with a rural collective economic organization, who have formed a stable relationship of rights and obligations with the rural collective economic organization, and who rely on the land and other property collectively owned by the members of the rural collective economic organization as their basic living security, are members of the rural collective economic organization.

Article 12 — Rural collective economic organizations shall confirm their members through the members' assembly in accordance with the provisions of the preceding article.

Persons added as a result of births to members shall be confirmed by the rural collective economic organization as its members. Persons added as a result of a member's marriage or adoption, or as a result of policy-based migration, shall generally be confirmed by the rural collective economic organization as its members.

The confirmation of members of a rural collective economic organization shall not contravene this Law or other laws and regulations.

Rural collective economic organizations shall prepare or update their member registers. Member registers shall be filed with township people's governments, sub-district offices and the agriculture and rural affairs departments of people's governments at the county level.

The people's congresses and their standing committees of provinces, autonomous regions and municipalities directly under the Central Government may, in accordance with this Law and in light of the actual circumstances of their respective administrative areas, formulate specific provisions on the confirmation of members of rural collective economic organizations.

Article 13 — Members of rural collective economic organizations enjoy the following rights:

- (1) to elect and be elected as member representatives, members of the board of directors, members of the board of supervisors or supervisors in accordance with laws, regulations and the charter of the rural collective economic organization;
- (2) to attend members' assemblies and members' representative assemblies in accordance with laws, regulations and the charter of the rural collective economic organization, and to participate in voting on major matters and important affairs of the rural collective economic organization;
- (3) to inspect and copy the financial accounting reports, meeting minutes and other materials of the rural collective economic organization and to learn about relevant matters;
- (4) to supervise the production, operation and management activities of the rural collective economic organization and the distribution and use of collective income, and to put forward opinions and suggestions;
- (5) to contract rural land contracted out by the rural collective economic organization in accordance with law;
- (6) to apply for the right to use a homestead in accordance with law;

- (7) to participate in the distribution of collective income;
- (8) to participate in the distribution of land compensation fees and the like when collective land is expropriated or requisitioned;
- (9) to enjoy the services and benefits provided by the rural collective economic organization;
- (10) other rights prescribed by laws, regulations and the charter of the rural collective economic organization.

Article 14 — Members of rural collective economic organizations shall perform the following obligations:

- (1) to abide by laws, regulations and the charter of the rural collective economic organization;
- (2) to implement decisions made by the rural collective economic organization in accordance with laws, regulations and the charter of the rural collective economic organization;
- (3) to safeguard the lawful rights and interests of the rural collective economic organization;
- (4) to rationally utilize and protect collective land and other resources;
- (5) to participate in and support the production, operation and management activities and public welfare activities of the rural collective economic organization;
- (6) other obligations prescribed by laws, regulations and the charter of the rural collective economic organization.

Article 15 — A person who is not a member of a rural collective economic organization but has worked there for a long time and made contributions to the collective may, upon the consent of three-fourths or more of all members of the members' assembly, enjoy the rights provided in items (7), (9) and (10) of Article 13 of this Law.

Article 16 — A member of a rural collective economic organization may voluntarily withdraw from the rural collective economic organization upon submitting a written application and obtaining the consent of the rural collective economic organization.

A member who voluntarily withdraws from a rural collective economic organization may, through consultation with the rural collective economic organization, obtain appropriate compensation or retain the property rights and interests already enjoyed for a certain period, but shall not demand division of the collective property.

Article 17 — Membership in a rural collective economic organization is lost under any of the following circumstances:

- (1) death;
- (2) loss of nationality of the People's Republic of China;
- (3) having acquired membership in another rural collective economic organization;
- (4) having become a civil servant, except civil servants under the appointment system;
- (5) other circumstances prescribed by laws, regulations and the charter of the rural collective economic organization.

Where membership is lost due to the circumstances in items (3) or (4) of the preceding paragraph, the relevant rights and interests already enjoyed may, in accordance with laws, regulations, relevant state regulations and the charter of the rural collective economic organization, and through consultation with the rural collective economic organization, be retained for a certain period.

Article 18 — Members of rural collective economic organizations shall not lose their membership by reason of attending school, military service, working away from home, doing business, divorce, widowhood, or serving a sentence.

Where a member of a rural collective economic organization marries and has not acquired membership in another rural collective economic organization, the original rural collective economic organization shall not cancel his or her membership.

Chapter III — Organization Registration

Article 19 — A rural collective economic organization shall satisfy the following conditions:

- (1) having members that conform to this Law;
- (2) having collective property that conforms to this Law;
- (3) having a charter that conforms to this Law;
- (4) having a name and domicile that conform to this Law;
- (5) having an organizational structure that conforms to this Law.

Villages meeting the conditions in the preceding paragraph shall generally establish rural collective economic organizations; villagers' groups may establish rural collective economic organizations according to circumstances; and townships may establish rural collective economic organizations where genuinely necessary.

The establishment of a rural collective economic organization shall not alter the ownership of collective land.

Article 20 — The charter of a rural collective economic organization shall specify the following matters:

- (1) the name, legal representative, domicile and scope of property of the rural collective economic organization;
- (2) the rules and procedures for confirming members of the rural collective economic organization;
- (3) the bodies of the rural collective economic organization;
- (4) the operation and financial management of collective property;
- (5) the quantification and distribution of the income rights over collective commercial property;
- (6) the change and deregistration of the rural collective economic organization;
- (7) other matters that need to be specified.

The charter of a rural collective economic organization shall be filed with the township people's government, the sub-district office and the agriculture and rural affairs department of the people's government at the county level.

The agriculture and rural affairs department under the State Council shall formulate model charters for rural collective economic organizations in accordance with this Law and other relevant laws and regulations.

Article 21 — The name of a rural collective economic organization shall clearly indicate the words "collective economic organization" and the name of the county, city not divided into districts, municipal district, township, ethnic township, town, village or group where it is located.

A rural collective economic organization shall have its domicile at the place where its principal office is located.

Article 22 — After the members' assembly of a rural collective economic organization adopts its charter, confirms its members, and elects its board of directors and board of supervisors or supervisors, it shall promptly apply for registration with the agriculture and rural affairs department of the local people's government at or above the county level and obtain a registration certificate.

The measures for the registration of rural collective economic organizations shall be formulated by the agriculture and rural affairs department under the State Council.

Article 23 — Where rural collective economic organizations merge, balance sheets and property inventories shall be prepared on the basis of asset verification and assessment.

Where rural collective economic organizations merge, each shall adopt a decision through its members' assembly, which shall, upon review by the township people's government or sub-district office, be submitted to the local people's government at or above the county level for approval.

A rural collective economic organization shall notify its creditors within ten days of obtaining approval for the merger, and creditors may require the rural collective economic organization to repay its debts or provide corresponding security.

The claims and debts of the merging parties shall be assumed by the merged rural collective economic organization.

Article 24 — Where a rural collective economic organization is divided, property shall be distributed and claims and debts shall be decomposed on the basis of asset verification and assessment.

The division of a rural collective economic organization shall be decided through its members' assembly, which shall, upon review by the township people's government or sub-district office, be submitted to the local people's government at or above the county level for approval.

A rural collective economic organization shall notify its creditors within ten days of obtaining approval for the division.

The claims and debts of a rural collective economic organization prior to its division shall be enjoyed jointly and assumed jointly by the rural collective economic organizations resulting from the division, except where a written agreement on debt repayment has been reached with the creditor or debtor at the time of division, in which case such agreement shall prevail.

Article 25 — Where a rural collective economic organization merges, divides, or changes its registered items, it shall undergo change registration.

Where a rural collective economic organization needs to be dissolved due to merger, division or other reasons, it shall be terminated after deregistration in accordance with law.

Chapter IV — Organizational Structure

Article 26 — The members' assembly of a rural collective economic organization consists of all members with full capacity for civil conduct, and is the organ of authority of the rural collective economic organization. It exercises the following functions and powers in accordance with law:

- (1) formulating and amending the charter of the rural collective economic organization;
- (2) formulating and amending the internal management rules of the rural collective economic organization;
- (3) confirming members of the rural collective economic organization;
- (4) electing and removing members of the board of directors, members of the board of supervisors or supervisors of the rural collective economic organization;
- (5) deliberating on work reports of the board of directors, board of supervisors or supervisors of the rural collective economic organization;
- (6) deciding on the remuneration of members of the board of directors, members of the board of supervisors or supervisors, and the appointment, dismissal and remuneration of principal managerial personnel;

- (7) approving the collective economic development plan, business operation plan, annual financial budget and final accounts, and income distribution plan of the rural collective economic organization;
- (8) making decisions on matters such as rural land contracting, homestead use, and the plan for quantifying the shares of income rights over collectively-owned commercial property;
- (9) making decisions on matters such as the use, transfer and lease of collective commercial construction land;
- (10) deciding on the measures for the distribution and use of land compensation fees and the like;
- (11) deciding on major matters such as investment;
- (12) deciding on major matters such as the merger and division of the rural collective economic organization;
- (13) other functions and powers prescribed by laws, regulations and the charter of the rural collective economic organization.

Important matters that need to be deliberated and decided by the members' assembly shall first be studied and discussed by the township or town party committee, the sub-district party working committee or the village party organization.

Article 27 — When convening a members' assembly, a rural collective economic organization shall notify all members of the time and place of the meeting and the matters for deliberation ten days before the meeting. The meeting shall be attended by two-thirds or more of the members with full capacity for civil conduct. Members who are unable to attend the meeting in person may attend online through instant messaging tools, or authorize in writing other family members in the same household with full capacity for civil conduct to attend on their behalf.

The members' assembly shall be convened at least once a year, shall be convened by the board of directors, and shall be presided over by the chairperson, the deputy chairperson or a member designated by the chairperson.

The members' assembly adopts a one-member-one-vote method of voting. Decisions of the members' assembly shall be adopted with the consent of two-thirds or more of all members of the members' assembly; where this Law, other laws or regulations, or the charter of the rural collective economic organization provides for stricter requirements, such provisions shall prevail.

Article 28 — A rural collective economic organization with a large number of members may establish a members' representative assembly in accordance with its charter.

Where a members' representative assembly is established, generally one representative shall be elected for every five to fifteen households; the number of representatives shall exceed twenty, and there shall be an appropriate number of women representatives.

The term of office of members' representatives is five years, and they may serve consecutive terms.

The members' representative assembly exercises part of the functions and powers of the members' assembly specified in paragraph 1 of Article 26 of this Law in accordance with the charter of the rural collective economic organization, except the functions and powers specified in items (1), (3), (8), (10) and (12).

The members' representative assembly adopts a one-person-one-vote method of voting. Decisions of the members' representative assembly shall be adopted with the consent of two-thirds or more of all member representatives.

Article 29 — A rural collective economic organization shall have a board of directors, generally consisting of an odd number of three to seven members. The board of directors shall have one chairperson and may have

a deputy chairperson. The procedures for selecting the chairperson, deputy chairperson and directors shall be prescribed by the charter of the rural collective economic organization. Close relatives shall be subject to recusal among members of the board of directors. The term of office of members of the board of directors is five years, and they may serve consecutive terms.

The chairperson is the legal representative of the rural collective economic organization.

The township or town party committee, sub-district party working committee or village party organization may nominate and recommend candidates for members of the board of directors of the rural collective economic organization, and persons in charge of party organizations may serve as chairpersons of the board of directors of the rural collective economic organization through statutory procedures.

Article 30 — The board of directors is responsible to the members' assembly and members' representative assembly and exercises the following functions and powers:

- (1) convening and presiding over the members' assembly and members' representative assembly and reporting its work to them;
- (2) implementing decisions of the members' assembly and members' representative assembly;
- (3) drafting amendments to the charter of the rural collective economic organization;
- (4) drafting the collective economic development plan, business operation plan, internal management rules and the like;
- (5) drafting plans for rural land contracting, homestead use, quantification of shares of income rights over collectively-owned commercial property, and the use, transfer or lease of collective commercial construction land;
- (6) drafting investment plans;
- (7) drafting the annual financial budget and final accounts, income distribution plan and the like;
- (8) making proposals on the appointment and dismissal of principal managerial personnel and the determination of their remuneration;
- (9) managing collective property and finances and safeguarding the safety of collective property in accordance with laws, regulations and the charter of the rural collective economic organization;
- (10) signing contracts for contracting, leasing, shareholding and the like on behalf of the rural collective economic organization, and supervising and urging contractors, lessees, investees and the like to perform contracts;
- (11) accepting and handling relevant inquiries and suggestions and making replies;
- (12) other functions and powers prescribed by the charter of the rural collective economic organization.

Article 31 — Meetings of the board of directors shall be attended by two-thirds or more of the members of the board of directors.

The board of directors adopts a one-person-one-vote method of voting. Decisions of the board of directors shall be adopted with the consent of a majority of all directors.

The rules of procedure and voting procedures of the board of directors shall be specifically prescribed by the charter of the rural collective economic organization.

Article 32 — A rural collective economic organization shall have a board of supervisors; where the number of members is small, it may have one or two supervisors. The board of supervisors or supervisors exercise internal supervisory functions and powers, such as supervising the implementation by the board of directors of decisions of the members' assembly and members' representative assembly, supervising and inspecting

the operation and management of collective property, and reviewing and supervising the financial status of the rural collective economic organization. Where necessary, the board of supervisors or supervisors may organize internal audits of the finances of the rural collective economic organization, and the audit results shall be reported to the members' assembly and members' representative assembly.

The procedures for selecting the board of supervisors or supervisors, their specific functions and powers, rules of procedure and voting procedures shall be prescribed by the charter of the rural collective economic organization.

Article 33 — When meetings are held by the members' assembly, members' representative assembly, board of directors, board of supervisors or supervisors of a rural collective economic organization, meeting minutes shall be prepared and kept in accordance with regulations.

Article 34 — Members of the board of directors, members of the board of supervisors or supervisors of a rural collective economic organization and members of the village party organization leadership team and villagers' committee may hold concurrent positions as appropriate.

Members of the board of directors, financial personnel and accounting personnel of a rural collective economic organization and their close relatives shall not serve as members of the board of supervisors or supervisors.

Article 35 — Members of the board of directors, members of the board of supervisors or supervisors of a rural collective economic organization shall abide by laws, regulations and the charter of the rural collective economic organization, perform the duties of honesty, good faith, diligence and prudence, manage collective property for the benefit of the rural collective economic organization and its members, and handle the affairs of the rural collective economic organization.

Members of the board of directors, members of the board of supervisors or supervisors, and principal managerial personnel of a rural collective economic organization shall not engage in the following conduct:

- (1) misappropriating, embezzling, withholding, forcibly seizing, privately dividing or damaging collective property;
- (2) borrowing money from the rural collective economic organization directly or indirectly;
- (3) using collective property to provide security for their own or others' debts;
- (4) borrowing debts for local governments in violation of laws, regulations or relevant state regulations;
- (5) carrying out illegal financial activities such as illegal fundraising in the name of the rural collective economic organization;
- (6) converting collective property into shares, transferring it or leasing it at a low price;
- (7) joining a partnership enterprise as a general partner with collective property;
- (8) accepting and keeping for themselves commissions from transactions between others and the rural collective economic organization;
- (9) disclosing the trade secrets of the rural collective economic organization;
- (10) other conduct that harms the lawful rights and interests of the rural collective economic organization.

Chapter V — Property Management, Operation and Income Distribution

Article 36 — Collective property mainly includes:

- (1) collectively-owned land and forests, mountains, grasslands, wasteland and tidal flats;
- (2) collectively-owned buildings, production facilities and farmland water conservancy facilities;

- (3) collectively-owned facilities for education, science and technology, culture, health, sports and transportation, and rural residential environment infrastructure;
- (4) collectively-owned funds;
- (5) enterprises funded by the collective and the equity and other investment rights held by the collective in other economic organizations;
- (6) collectively-owned intangible assets;
- (7) collectively-owned property formed from state support, social donations, and tax and fee reductions or exemptions;
- (8) other collectively-owned property.

Collective property is owned collectively by the members of the rural collective economic organization in accordance with law, and the rural collective economic organization exercises ownership on behalf of its members collectively in accordance with law. It shall not be divided among individual members.

Article 37 — Cultivated land, forest land, grassland and other land used for agriculture that is collectively owned or state-owned but used by farmers collectively in accordance with law shall be contracted and operated in accordance with the laws on rural land contracting.

Homesteads and other construction land that are collectively owned shall be acquired, used and managed in accordance with laws, administrative regulations and relevant state regulations.

Collectively-owned buildings, production facilities and farmland water conservancy facilities shall be used and managed by the rural collective economic organization in accordance with relevant state regulations and its charter.

Collectively-owned facilities for education, science and technology, culture, health, sports and transportation, and rural residential environment infrastructure shall be used and managed in accordance with laws, regulations, relevant state regulations and the charter of the rural collective economic organization.

Article 38 — With respect to rural land other than the cultivated land, forest land and grassland subject to household contracting in accordance with law, the rural collective economic organization may organize direct operation or carry out contract operation in accordance with law, and may also operate it by means such as leasing or contributing the land management right as equity in accordance with law.

Article 39 — With respect to collective commercial construction land that conforms to state regulations, the rural collective economic organization shall give priority to using it for guaranteeing the development of rural industries and rural construction, and may also transfer it for compensated use by units or individuals through transfer, lease or other means in accordance with law.

Article 40 — A rural collective economic organization may quantify the income rights over collectively-owned commercial property to its members in the form of shares, as the basic basis for their participation in the distribution of collective income.

Collectively-owned commercial property includes the usufructuary rights over property that may be listed and transferred in accordance with law as specified in item (1) of paragraph 1 of Article 36 of this Law, and the property specified in items (2) and (4) through (7).

The agriculture and rural affairs department under the State Council may formulate specific measures for quantifying the income rights over collective commercial property in accordance with this Law.

Article 41 — A rural collective economic organization may explore diverse channels to develop the new-type rural collective economy through resource contracting, property leasing, intermediary services, equity participation with commercial property and other means.

Article 42 — A rural collective economic organization shall, in accordance with its charter, set aside public accumulation funds and public welfare funds from its current-year income for making up losses and expanding production and operation, and the remaining distributable income shall be distributed according to the shares of income rights over collectively-owned commercial property quantified to its members.

Article 43 — A rural collective economic organization shall strengthen collective property management and establish systems for the inventory, custody, use, disposal and disclosure of collective property, so as to promote the preservation and appreciation of collective property.

Provinces, autonomous regions and municipalities directly under the Central Government may, in light of actual circumstances, formulate specific measures for the management of rural collective property in their respective administrative areas, so as to institutionalize, standardize and digitalize collective property management.

Article 44 — Rural collective economic organizations shall carry out financial management and accounting in accordance with the financial accounting system for rural collective economic organizations formulated by the relevant departments under the State Council.

A rural collective economic organization shall, based on the needs of its accounting business, establish an accounting body, or assign accounting personnel and designate a person in charge of accounting, and may also entrust bookkeeping to an agency in accordance with regulations.

Collectively-owned funds shall not be deposited into accounts opened in the name of individuals.

Article 45 — A rural collective economic organization shall regularly disclose its financial situation to its members. The use and management of collective property and major matters involving the interests of the rural collective economic organization and its members shall be disclosed in a timely manner. The board of directors of the rural collective economic organization shall ensure the authenticity of the disclosed matters.

Article 46 — A rural collective economic organization shall prepare an annual business report, annual financial accounting report and income distribution plan, and make them available for inspection by its members ten days before the convening of the members' assembly and members' representative assembly.

Article 47 — Rural collective economic organizations shall accept audit supervision in accordance with law.

The agriculture and rural affairs departments of local people's governments at or above the county level, township people's governments and sub-district offices shall conduct regular audits and special audits of rural collective economic organizations as appropriate. The audit measures shall be formulated by the agriculture and rural affairs department under the State Council.

Audit organs shall, in accordance with law, conduct audit supervision over the authenticity, legality and efficiency of the acceptance and use of fiscal funds by rural collective economic organizations.

Article 48 — Rural collective economic organizations shall consciously accept supervision by the relevant organs and organizations over the use and management of collective property.

Chapter VI — Support Measures

Article 49 — People's governments at or above the county level shall rationally arrange funds to support rural collective economic organizations in developing the new-type rural collective economy and serving collective members.

With respect to agricultural development and rural construction projects supported by fiscal funds at all levels, suitable projects shall, in accordance with law, be given priority to qualified rural collective economic organizations. The state shall give priority assistance to rural collective economic organizations in underdeveloped areas, old revolutionary base areas, ethnic minority areas and border areas.

The relevant departments of people's governments at or above the county level shall, in accordance with law, strengthen supervision over the use of fiscal subsidy funds.

Article 50 — Rural collective economic organizations shall perform their tax obligations in accordance with law and enjoy tax preferences in accordance with law.

Rural collective economic organizations that carry out production, operation and management activities, or that handle changes in land and housing ownership for the reform of the rural collective property rights system, shall enjoy tax preferences in accordance with state regulations.

Article 51 — Expenditures of rural collective economic organizations for collective public welfare and comprehensive services and for guaranteeing the operation of village-level organizations and village affairs shall be included in corresponding costs in accordance with state regulations.

Article 52 — The state encourages policy-based financial institutions to, based on their functions and positioning, provide multi-channel financial support in various forms within their business scope for rural collective economic organizations to develop the new-type rural collective economy.

The state encourages commercial financial institutions to provide diversified financial services to rural collective economic organizations and their members, give priority support to qualified rural collective economic development projects, and support rural collective economic organizations in carrying out equity pledge loans over collective commercial property; encourages financing guarantee institutions to provide financing guarantee services to rural collective economic organizations; and encourages insurance institutions to provide insurance services to rural collective economic organizations.

Article 53 — When preparing village plans, township people's governments shall rationally arrange various types of construction land for the development of the collective economy according to actual needs.

The income from trading land quotas formed by newly-added cultivated land through land consolidation shall safeguard the lawful rights and interests of rural collective economic organizations and relevant right holders.

Article 54 — County-level people's governments, township people's governments and sub-district offices shall strengthen the building of the operation and management teams of rural collective economic organizations, formulate talent training plans for rural collective economic organizations, improve incentive mechanisms, and support and guide various types of talent to serve the development of the new-type rural collective economy.

Article 55 — People's governments at all levels shall provide support for the construction and development of rural collective economic organizations in terms of water, electricity and gas supply, network, transportation and other public facilities and rural residential environment infrastructure.

Chapter VII — Dispute Resolution and Legal Liability

Article 56 — Where there is any objection to the confirmation of membership in a rural collective economic organization, or where a dispute arises over internal management, operation, income distribution or the like of a rural collective economic organization, the parties may request the township people's government, sub-district office or the agriculture and rural affairs department of the people's government at the county level to resolve the dispute through mediation; where the parties are unwilling to mediate or mediation fails, they may apply to a rural land contract arbitration body for arbitration, or directly bring a lawsuit in a people's court.

Where the lawful rights and interests of women are infringed upon during the confirmation of membership in a rural collective economic organization, causing damage to the public interest, the procuratorial organ may issue a procuratorial recommendation or institute public interest litigation in accordance with law.

Article 57 — Where a decision made by the members' assembly, members' representative assembly, board of directors or the person in charge of a rural collective economic organization infringes upon the lawful rights and interests of its members, the aggrieved members may request a people's court to revoke the decision. However, civil legal relations formed between the rural collective economic organization and bona fide counterparties in accordance with such a decision shall not be affected.

Where an aggrieved member fails to exercise the right of revocation within one year from the date of knowing or the date he or she ought to have known of the cause for revocation, or within five years from the date the decision was made, the right of revocation shall be extinguished.

Article 58 — Where members of the board of directors, members of the board of supervisors or supervisors, or principal managerial personnel of a rural collective economic organization engage in the conduct specified in paragraph 2 of Article 35 of this Law, the township people's government, sub-district office or the agriculture and rural affairs department of the people's government at the county level shall order them to make corrections within a prescribed time limit; where the circumstances are serious, they shall be given sanctions or administrative penalties in accordance with law; where losses are caused to collective property, they shall bear liability for compensation in accordance with law; and where a crime is constituted, criminal liability shall be pursued in accordance with law.

Where the personnel specified in the preceding paragraph provide security for their own or others' debts with collective property in violation of this Law, such security shall be void.

Article 59 — With respect to acts that infringe upon the lawful rights and interests of a rural collective economic organization, the rural collective economic organization may bring a lawsuit in a people's court in accordance with law.

Article 60 — Where members of the board of directors, members of the board of supervisors or supervisors, or principal managerial personnel of a rural collective economic organization violate laws, regulations or the charter of the rural collective economic organization in the performance of their duties and cause losses to the rural collective economic organization, they shall bear liability for compensation in accordance with law.

Where the personnel specified in the preceding paragraph engage in the conduct specified in the preceding paragraph, the board of directors, board of supervisors or supervisors of the rural collective economic organization shall bring a lawsuit in a people's court; where a lawsuit is not brought in a timely manner, ten or more members of the rural collective economic organization with full capacity for civil conduct may request in writing the board of supervisors or supervisors to bring a lawsuit in a people's court.

Where the board of supervisors or supervisors refuse to bring a lawsuit after receiving the written request, or fail to bring a lawsuit within fifteen days from the date of receiving the request, the members who made the written request as specified in the preceding paragraph may, for the benefit of the rural collective economic organization, bring a lawsuit in their own names in a people's court.

Article 61 — Where the charter of a rural collective economic organization or a decision made by its members' assembly or members' representative assembly violates this Law or other laws and regulations, the township people's government, sub-district office or the agriculture and rural affairs department of the people's government at the county level shall order correction within a prescribed time limit.

Article 62 — Where local people's governments and their relevant departments illegally interfere with the operation, management and property management activities of rural collective economic organizations, or fail to perform their corresponding supervision duties in accordance with law, the people's government at a higher level shall order correction within a prescribed time limit; where the circumstances are serious, the legal liability of the relevant responsible personnel shall be pursued in accordance with law.

Article 63 — Where a rural collective economic organization refuses to accept an administrative act of an administrative organ, it may apply for administrative reconsideration or bring an administrative lawsuit in

accordance with law.

Chapter VIII — Supplementary Provisions

Article 64 — Where no rural collective economic organization has been established, villagers' committees and villagers' groups may perform the functions of the rural collective economic organization on its behalf in accordance with law.

Where villagers' committees or villagers' groups perform the functions of a rural collective economic organization on its behalf in accordance with law, the relevant provisions of this Law shall apply *mutatis mutandis* to matters concerning collective property and members' rights and interests discussed and decided upon.

Article 65 — Rural collective economic organizations that have been registered in accordance with state regulations before the implementation of this Law, and their names, shall remain valid during the validity period of their legal-person registration certificates after the implementation of this Law.

Article 66 — Members already confirmed during the reform of the rural collective property rights system conducted by rural collective economic organizations before the implementation of this Law need not be re-confirmed after the implementation of this Law.

Article 67 — This Law shall come into force on May 1, 2025.

Disclaimer: This is an unofficial English translation of the Rural Collective Economic Organizations Law of the People's Republic of China, prepared for general information and reference only. It is not an official translation and has no legal effect. In the event of any discrepancy, the original Chinese text shall prevail. For legal advice or matters requiring official interpretation, please consult a qualified professional.