Measures for the Administration of the Registration of Property Rights of State-Owned Enterprise Assets of China (the PRC)

Dan Young Business Consultancy — www.danyoungcpa.com

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

Promulgated by Decree No. 192 of the State Council of the People's Republic of China on January 25, 1996.
Effective: January 25, 1996.

Article 1 — These Measures are formulated for the purpose of strengthening the administration of the registration of property rights of state-owned enterprise assets, improving the basic administrative system for state-owned assets, and preventing the loss of state-owned assets.

Article 2 — "Registration of property rights of state-owned enterprise assets" (hereinafter referred to as "property right registration") as used in these Measures means the act whereby the state-owned assets administration departments, on behalf of the government, register the property right status, including the assets, liabilities, and owners' equity, of various types of enterprises occupying state-owned assets, and confirm in accordance with the law the ownership relations of the property rights.

Article 3 — State-owned enterprises, wholly state-owned companies, units holding state-owned equity, and enterprises occupying state-owned assets in other forms (collectively referred to as "enterprises") shall handle property right registration in accordance with these Measures.

Article 4 — Where the ownership relations of an enterprise's property rights are unclear or a property right dispute has arisen, the enterprise may apply for a suspension of the property right registration.

The enterprise shall, within the approved period for the suspended property right registration, clarify the delimitation of the property rights, resolve the property right dispute, and handle the property right registration in a timely manner.

Article 5 — The state-owned assets administration departments of the people's governments at or above the county level shall handle property right registration in accordance with the ownership relations of the property rights.

The state-owned assets administration departments may, based on work needs, entrust the relevant government departments or institutions to handle property right registration in accordance with the ownership relations of the property rights.

Article 6 — Property right registration is divided into registration of occupied property rights, registration of changed property rights, and registration of cancelled property rights.

Article 7 — An enterprise shall, in accordance with these Measures, handle registration of occupied property rights with the state-owned assets administration department.

The main contents of the registration of occupied property rights are:

(1) the name and domicile of the investor, the amount of investment, and the legal representative;

(2) the name and domicile of the enterprise, and its legal representative;

(3) the assets, liabilities, and owners' equity of the enterprise;

(4) the paid-in capital and state-owned capital of the enterprise;

(5) the investment situation of the enterprise; and

Source: https://www.danyoungcpa.com/measures-for-the-administration-of-the-registration-of-property-rights-of-state-owned-enterprise-assets-of-china-1996/

(6) other matters specified by the state-owned assets administration department of the State Council.

The state-owned assets property right registration form issued by the state-owned assets administration department to the enterprise is the enterprise's credit certificate.

Article 8 — An enterprise shall, within 30 days from the date of the occurrence of any of the following changes, handle registration of changed property rights:

(1) a change in the enterprise's name, domicile, or legal representative;

(2) a change in the proportion of state-owned capital in the enterprise's paid-in capital;

(3) the division or merger of the enterprise, or a change in its form of operation; or

(4) other circumstances of change specified by the state-owned assets administration department of the State Council.

Article 9 — An enterprise shall, within 30 days from the date of the occurrence of any of the following circumstances, handle registration of cancelled property rights:

(1) the enterprise is dissolved, revoked in accordance with the law, or declared bankrupt in accordance with the law;

(2) the enterprise transfers all of its property rights or is transferred by reallocation; or

(3) other circumstances specified by the state-owned assets administration department of the State Council.

Article 10 — In handling property right registration, an enterprise shall fill in the state-owned assets property right registration form in accordance with the relevant provisions and submit the relevant documents, credentials, statements, and the like. Where the contents filled in or the documents, credentials, statements, and the like submitted do not conform to the relevant provisions, the state-owned assets administration department has the right to require the enterprise to make corrections.

Article 11 — An annual inspection system is implemented for property right registration.

An enterprise shall, within 90 days after the end of each year, handle the annual property right inspection registration and submit to the state-owned assets administration department its financial report and annual report on the operation of state-owned assets, reporting the following main contents:

(1) the actual contribution situation of the investor's funds;

(2) the structural changes of the enterprise's state-owned assets, including the enterprise's external investment situation;

(3) the increase, decrease, and changes of state-owned assets; and

(4) other matters specified by the state-owned assets administration department of the State Council.

Article 12 — The state-owned assets property right registration form shall be uniformly formulated by the state-owned assets administration department of the State Council.

No unit or individual may forge, alter, sell, or lend the state-owned assets property right registration form.

Where the state-owned assets property right registration form is lost or destroyed, the enterprise shall apply for a replacement in accordance with the relevant provisions.

Article 13 — The state-owned assets administration departments shall establish and improve the property right registration archives system, and regularly analyze and report the property right status of state-owned assets.

Article 14 — Where an enterprise violates these Measures and commits any of the following acts, the state-owned assets administration department shall order it to make corrections and circulate a notice of

Source: https://www.danyoungcpa.com/measures-for-the-administration-of-the-registration-of-property-rights-of-state-owned-enterprise-assets-of-china-1996/

criticism, may impose a fine of not more than RMB 100,000, and shall request the relevant government departments to impose disciplinary sanctions on the enterprise's leading personnel and directly responsible personnel in accordance with the relevant provisions:

(1) failing to handle property right registration within the prescribed time limit;

(2) concealing the true situation and failing to handle property right registration truthfully;

(3) failing to handle annual property right inspection registration in accordance with the relevant provisions; or

(4) forging, altering, selling, or lending the state-owned assets property right registration form.

Article 15 — Where a staff member of a state-owned assets administration department, in handling property right registration, neglects his or her duties, practices favoritism and engages in fraud, abuses his or her powers, or seeks personal gain, and the act constitutes a crime, criminal liability shall be pursued in accordance with the law; where the act does not constitute a crime, administrative sanctions shall be imposed in accordance with the law.

Article 16 — The measures for the administration of the registration of property rights of state-owned assets of military enterprises shall be formulated by the General Logistics Department of the People's Liberation Army of China in conjunction with the state-owned assets administration department of the State Council, by reference to these Measures.

Article 17 — These Measures shall come into force on the date of promulgation. The Trial Measures for the Administration of the Registration of State-Owned Assets Property Rights promulgated by the State Administration of State-Owned Assets, the Ministry of Finance, and the State Administration for Industry and Commerce on May 11, 1992 shall be repealed simultaneously.

Disclaimer: This translation is provided for reference and informational purposes only. In the event of any discrepancy, the official Chinese text issued by the State Council of the People's Republic of China shall prevail. This translation does not constitute legal advice.