Interim Regulations Prohibiting Apportionment to Enterprises

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Chapter I — General Provisions

Article 1 — These Regulations are formulated for the purpose of prohibiting apportionment to enterprises and protecting the lawful rights and interests of enterprises.

Article 2 — For the purposes of these Regulations, “apportionment” means requiring an enterprise to provide financial, material or human resources in any manner beyond the provisions of laws and regulations.

Article 3 — No State organ, people’s organization, military unit, enterprise, public institution or other social organization (hereinafter collectively referred to as “units”) may impose apportionment upon enterprises.

Chapter II — Prohibition of Various Forms of Apportionment

Article 4 — None of the following fees may be collected from enterprises beyond the provisions of laws and regulations:

(1) school-enrollment fees for children of staff and workers set by local education departments or schools on their own;

(2) land-construction fees and land-reclamation fees;

(3) headcount fees for persons settling in cities;

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(4) gas development fees;

(5) centralized power-supply fees;

(6) road tolls;

(7) bridge tolls (except where funds were raised or loans were taken to build the bridge);

(8) drainage capacity-expansion fees;

(9) public-security administration fees under various names;

(10) sanitation fees under various names;

(11) greening fees;

(12) agricultural-support fees;

(13) conference fees under various names;

(14) fees under any other names.

Where supporting construction fees for urban development need to be collected for new construction projects in urban districts, the matter shall be handled in accordance with the provisions of the relevant laws and regulations.

Article 5 — With respect to items of fees whose collection is prescribed by laws or regulations, no unit may exceed the scope of collection, raise the collection standard, or alter the collection method.

Article 6 — Enterprises shall not be compelled to provide sponsorship, funding or donations of money or property.

Money voluntarily provided by an enterprise by way of sponsorship, funding or donation may be paid only from the enterprise's own funds and shall not be included in its costs.

Article 7 — Except as provided by laws or regulations, enterprises shall not be compelled to purchase negotiable securities or to raise funds in any other form.

Article 8 — Except for compulsory insurance items prescribed by laws or regulations, enterprises shall not be compelled to take out insurance.

Article 9 — Except as provided by laws or regulations, voluntary labor for public welfare shall not be converted into apportionment of money or property to enterprises.

Article 10 — No other form of apportionment may be imposed upon enterprises in violation of the provisions of these Regulations.

Article 11 — It is prohibited to retaliate against enterprises that resist apportionment.

No discriminatory treatment may be given, by taking advantage of authority or business convenience, to enterprises that resist apportionment.

Article 12 — Where, in the event of an emergency such as a natural disaster or an accident, a local people's government at any level makes a decision requiring enterprises to provide financial, material or human resources, this shall not be regarded as apportionment, but the matter shall be reported afterwards to the people's government at the next higher level for the record.

Chapter III — Rights and Responsibilities

Article 13 — Enterprises have the right to refuse apportionment imposed by any unit.

Where the nature of a fee-collection item is unclear to an enterprise, the enterprise shall report the matter to the finance department of the people's government at the next higher level than the collecting unit, and may

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make payment only after the item has been reviewed and found to conform to the provisions of laws and regulations.

Article 14 — The finance department shall, within 30 days after receiving a report filed by an enterprise under the second paragraph of Article 13, give a reply as to whether payment should be made. If no reply is given upon expiry of the period, it shall be deemed that payment is not approved.

Where an enterprise has an objection to the reply of the finance department, it may report the matter to the finance department at the next higher level.

Article 15 — Any unit or individual has the right to file a complaint with, report to, or expose before the auditing authorities or other relevant departments acts of apportionment.

Article 16 — With respect to complaints, reports and exposures received, and apportionment cases transferred by other departments under Article 17, the auditing authorities may conduct an investigation jointly with the relevant departments. The unit under investigation must truthfully provide information and shall not make difficulties or obstruct.

Article 17 — The planning, finance, pricing, taxation and banking departments and other departments shall strengthen supervision and inspection, and shall promptly stop acts of apportionment when discovered; where the act cannot be stopped, the case shall be transferred to the auditing authorities for filing and handling.

Chapter IV — Rewards and Penalties

Article 18 — Where an act is confirmed by the auditing authorities as apportionment, the auditing authorities shall notify the apportioning unit to cease the apportionment and to return the apportioned money or property within a prescribed time limit; where the money or property is not returned upon expiry of the time limit, the auditing authorities may give written notice to the bank where the apportioning unit has an account to deduct the amount from its relevant deposits.

Where the apportioned money or property no longer exists and cannot be recovered, the auditing authorities may notify the relevant department to withhold an amount equivalent to the value of the apportioned money or property, or adopt other economic compensation measures.

Article 19 — With respect to the person in charge of, and the persons directly responsible for, an apportioning unit, the supervisory authorities or the relevant competent department may give corresponding administrative sanctions according to the seriousness of the circumstances.

Article 20 — Where a person retaliates, in violation of these Regulations, against a unit or individual that has complained about, reported, exposed or resisted apportionment, he or she shall be given a heavier punishment; where the act constitutes a crime, criminal liability shall be pursued by the judicial authorities in accordance with law.

Article 21 — Where apportioned money or property is privately divided up, the supervisory authorities shall pursue the administrative liability of the person in charge of the unit; where the act constitutes a crime, criminal liability shall be pursued by the judicial authorities in accordance with law.

Article 22 — Persons who have rendered meritorious service in reporting, exposing or resisting apportionment may be commended by the auditing authorities.

Article 23 — Where recovered apportioned money or property was reported or complained about by the enterprise, it shall be returned to the enterprise; where it was not reported or complained about, it shall be turned over in full to the central finance.

Article 24 — Where an apportioning unit is dissatisfied with an economic penalty decision made by the auditing authorities, it may apply to the auditing authorities at the next higher level for review within 15 days

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from the date of receiving the decision. During the review period, execution of the original penalty decision shall not be affected.

Chapter V — Supplementary Provisions

Article 25 — For the purposes of these Regulations, “enterprise” means an enterprise registered in accordance with law with the administrative department for industry and commerce.

Article 26 — Apportionment to State organs, people’s organizations, military units, public institutions and other social organizations (including capital-construction units), as well as to individuals, shall be handled by reference to these Regulations.

Article 27 — These Regulations shall enter into force as of May 20, 1988.

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