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**Regulations on the Registration and Administration of
Representative Offices of Foreign Enterprises (in China)**

-Effective as of March 1, 2011.

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Regulations on the Registration and Administration of Representative Offices of Foreign Enterprises (in China)

These Regulations on the Registration and Administration of Representative Offices of Foreign Enterprises, adopted at the 132nd executive meeting of the State Council on November 10, 2010, are hereby promulgated and will be effective as of March 1, 2011.

Wen Jiabao, Premier
November 19, 2010

Chapter One General Provisions

Article 1 These Regulations are formulated in order to regulate the establishment and business activities of representative offices of foreign enterprises.

Article 2 For the purpose of these Regulations, a representative office of a foreign enterprise (hereinafter referred to as "Representative Office(s)") shall mean an office established in China by a foreign enterprise pursuant to these Regulations to engage in not-for-profit activities in relation to the business of such foreign enterprise. A representative office does not have status of legal person.

Article 3 Representative offices shall comply with the laws of the PRC and shall not jeopardize the national security or public interests of the PRC.

Article 4 The establishment, change and termination in respect of Representative Offices shall be registered pursuant to these Regulations.

A foreign enterprise that applies for the registration of a Representative Office shall be liable for the authenticity of the application documents and materials.

Article 5 The State Administration for Industry and Commerce and its authorized local administrations of industry and commerce shall be the competent authorities for the registration and administration of Representative Offices (hereinafter referred to as the "Registration Authority").

The Registration Authority shall establish an information sharing mechanism whereby information concerning Representative Offices is shared between the Registration Authority and other relevant departments.

Article 6 Representative offices shall submit their annual reports to the Registration Authority during the period between March 1 and June 30 of each year. Such annual reports shall contain the information on the lawful existence of the concerned foreign enterprises, the business activities of Representative Offices and their revenues and expenditures as audited by accounting firms.

Article 7 Representative Offices shall, according to law, set up accounting books that truthfully state the information on fund appropriation by foreign enterprises and the revenue and expenditure of Representative Offices and that shall be placed on the premises of the Representative Offices.

No Representative Office may use any account owned by any other enterprise, organization or individual.

Article 8 The chief representative, representative(s) and staff of a representative office appointed by the interested foreign enterprise shall comply with the laws and regulations governing cross-border, residence, employment, taxation and foreign exchange as well as other related provisions. In the event of any breach of such provisions, relevant departments shall impose sanctions pursuant to relevant provisions of laws and regulations.

Chapter Two Registered Particulars

Article 9 The registered particulars of a Representative Office shall include the name of the Representative Office, the name of its chief representative, scope of business, office address, term of operation, and name and address of the foreign enterprise.

Article 10 The name of a representative office shall be composed of the following elements in order: nationality of the foreign enterprise, name of the foreign enterprise in Chinese, name of the city in which the Representative Office is located and the words "Representative Office", and shall not include any contents or words that:

- (i) jeopardize China's national security or public interests;
- (ii) reflect the name of any international organization; or
- (iii) are prohibited by any laws, regulations or State Council rules.

A Representative Office shall engage in business activities in the name registered with the Registration Authority.

Article 11 The foreign enterprise shall appoint a chief representative. The chief representative may execute the application documents for the registration of the Representative Office on behalf of the foreign enterprise to the extent authorized by the foreign enterprise in writing.

The foreign enterprise may appoint 1 to 3 representatives according to its business needs.

Article 12 Any person in one of the following events may not act as chief representative or representative:

(i) Any person who has been subject to criminal penalty for endangering the national security or public interests of the PRC;

(ii) The chief representative or representative of any Representative Office whose registration of establishment has been cancelled, whose registration certificate has been revoked or that has been ordered to close down by the competent departments according to law for having engaged in any illegal activities detrimental to the national

security or social public interests of the PRC, to the extent that less than five years have lapsed since the date of cancellation, revocation or the issuance of the order to close down; or

(iii) any other events as specified by the State Administration for Industry and Commerce.

Article 13 No Representative Office may engage in any for-profit activity.

If any international treaty or agreement China has concluded or acceded to provides otherwise, such treaty or agreement shall govern, except for any provisions to which China has announced its reservations.

Article 14 Representative Offices may engage in the following activities in connection with the businesses of the foreign enterprises:

(i) market research, exhibition and promotion in relation to the products or services of the foreign enterprises; and

(ii) liaison activities in relation to the product sales, service provision, domestic purchase and domestic investment by the foreign enterprises.

If laws, regulations or the State Council provide that any Representative Office may engage in the activities set forth in the preceding paragraph only upon approval, such approval shall be obtained.

Article 15 The office address of any Representative Office shall be determined at the discretion of the foreign enterprise.

According to the needs for national security and social public interests, the relevant departments may require the Representative Office to adjustment the office address and promptly notify the Registration Authority.

Article 16 The term of operation of Representative Offices may not exceed the period of existence of the relevant foreign enterprises.

Article 17 The Registration Authority shall record the registered particulars of any Representative Office in a registration book so that the public may consult and reproduce the same.

Article 18 Representative Offices shall put the Registration Certificate for Representative Offices of Foreign Enterprises (hereinafter "Registration Certificate") issued by the Registration Authority in a prominent position on the premises of the Representative Offices.

Article 19 No organization or individual is allowed to forge, amend, lend, borrow or transfer the Certificate or the Certificate of Chief Representative or Certificate of Representative (hereinafter referred to as the Representative Certificate). No unit or individual may forge, alter, lease, lend, or transfer Registration Certificates or the Certificate for chief representatives and representatives (hereinafter "Representative Certificate").

If any Registration Certificate or Representative Certificate is lost or destroyed, the Representative Office shall declare the same invalid on designated media and apply for replacement.

If the Registration Authority decides to approve the change of registration, registration cancellation, revocation of registration changes, and revocation of the Registration Certificate, the original Registration Certificate of the Representative Office and the Representative Certificate of the original chief representative and representatives shall automatically expire.

Article 20 Foreign enterprises shall make announcement of the establishment of and changes to Representative Offices to the public on the media specified by the Registration Authority.

If any Representative Office is cancelled, or the Registration Certificate is cancelled or the Registration Certificate is revoked according to law, the Registration Authority shall make a public announcement of the same.

Article 21 In investigating any acts of Representative Offices suspected of violating these Regulations, the Registration Authority may lawfully exercise the following powers:

- (i) Investigate and solicit information from relevant units or individuals;
- (ii) Consult, reproduce, seal up or seize any contracts, bills, account books and other materials relating to the illegal acts;
- (iii) Seal up or seize the tools, equipment, raw materials, products (goods) and other property exclusively used for illegal activities; and
- (iv) Inquire about the accounts of the Representative Offices engaged in illegal activities and any accounting vouchers, account books, statements, etc. in relation to deposit.

Chapter Three Registration of Representative office

Article 22 An application shall be filed with the Registration Authority for the establishment of Representative Offices.

Article 23 In applying for the establishment of Representative Offices, a foreign enterprise shall submit the following documents and materials to the Registration Authority,

- (i) Application for the Registration of the Establishment of Representative Office;
(二) 外国企业住所证明和存续 2 年以上的合法营业证明;
- (ii) Address Proof of the domicile of the foreign enterprise and legitimate business certificates for more than 2 years' existence;
- (iii) Articles of association or constitutional agreements of the foreign enterprise;
- (iv) Letters of appointment of its chief representative and representative(s) issued by the foreign enterprise;
- (v) Identity certificates and resumes of the chief representative and representative(s);
- (vi) Financial Creditworthiness Certificate issued by financial institutions that have business connections with the foreign enterprise; and
- (vii) Certificate for the lawful use of the premises of the Representative Office.

If laws, regulations or State Council rules provide that approval is required for the establishment of Representative Offices, the relevant foreign enterprises shall, within 90 days from the date of approval, file an application for establishment registration with the Registration Authority and submit relevant approval documents.

If any international treaty or agreement China has concluded or acceded to provides that Representative Offices that engage in for-profit activities may be established, relevant documents shall also be submitted pursuant to laws, regulations or State Council rules.

Article 24 The Registration Authority shall decide on whether to approve the registration within 15 days from the acceptance of the application, but may seek views of relevant departments as needed prior to making the decision. If it decides to approve the registration, it shall issue Registration Certificate and Representative Certificate to the applicant within 5 days from the date the decision is made. If it decides not to approve the registration, it shall issue a Registration Refusal Notification to the applicant within 5 days from the date the decision is made and shall state the reason for not approving the registration.

The date of the issuance of the Registration Certificate shall be the date of the establishment of the Representative Office.

Article 25 The Representative Office, the chief representative and representatives shall apply for carrying out formalities for residence, employment, tax, foreign exchange registration and so forth by the Registration Certificate and Representative Certificate.

Chapter Four Registration of Changes

Article 26 In the event of any changes to any registration items of the Representative Office, the foreign enterprise shall file an application for registration of changes with the Registration Authority.

Article 27 If any registration items are to be changed, an application for registration of changes shall be filed within 60 days from the date of changes to the registration items.

If the changes to registration items shall be approved before such changes are registered pursuant to laws, regulations or State Council rules, an application for registration of changes within 30 days from the date of approval.

Article 28 If the Representative Office continues to engage in business activities after the expiry of the term of operation, the relevant foreign enterprise shall apply for registration of changes with the Registration Authority within 60 days prior to the expiry of the term of operation.

Article 29 In applying for registration of changes to the Representative Office, an Application for Registration of Changes to Representative Offices and relevant documents required by the State Administration for Industry and Commerce shall be submitted.

If changes to any registration items are required to be approved before registration pursuant to laws, regulations or State Council rules, relevant approval documents shall also be submitted.

Article 30 The Registration Authority shall decide on whether to approve the registration of changes within 10 days from the date of acceptance of the application. If it decides to approve the registration of changes, it shall renew the Registration Certificate and Representative Certificate within 5 days from the date of decision. If it decides not to approve the registration of changes, it shall issue Change Registration Refusal Notification to the application within 5 days from the date of decision and state the reasons for not approving the change registration.

Article 31 In the event of any changes to the authorized representative, corporate responsibility form, capital (asset), the foreign enterprise shall file the same with the Registration Authority for record within 60 days from the date of changes to the forgoing items.

Chapter Five Cancellation of the Rep. office

Article 32 In any of the following events, the relevant foreign enterprise shall file an application for cancellation of registration with the Registration Authority within 60 days from the occurrence of any of the following events:

- (i) The foreign enterprise cancels the Representative Office;
- (ii) The Representative Office ceases to engage in business activities at the expiry of the term of operation;
- (iii) The foreign enterprise terminates; or
- (iv) The approval documents for the Representative Office are revoked or it is ordered to close down.

Article 33 In applying for the registration of the cancellation of the Representative Office, the relevant foreign enterprise shall submit the following documents to the Registration Authority:

- (i) Application Form for the Registration of the Cancellation of the Representative Office;
- (ii) Certificate for the Cancellation of Tax Registration for the Representative Office;
- (iii) Certificate issued by the Customs and foreign exchange departments evidencing that relevant issues have been cleared or the Representative Office has not carried out relevant formalities; and
- (iv) Other documents required by the State Administration for Industry and Commerce to be submitted.

If laws, regulations or State Council rules provide that the termination of Representative Offices shall be subject to approval, relevant approval documents shall be submitted.

Article 34 The Registration Authority shall decide on whether to approve the registration of cancellation within 10 days after the date of acceptance of the application. If it decides to approve the cancellation, it shall issue a

Cancellation Approval Notification within 5 days after the date of decision, and withdraw the Registration Certificate and Representative Certificate. If it decides not to approve the registration of cancellation, it shall issue a Cancellation Registration Refusal Notification within 5 days from the date of decision and state the reason for not approving the cancellation registration.

Chapter Six Legal Liability

Article 35 If anyone arbitrarily establishes a Representative Office or engages in business activities of a Representative without carrying out the formalities for registration, the Registration Authority shall order the same to stop such activities and impose a fine of more than RMB 50,000 but less than RMB 200,000.

If any Representative Office engages in for-profit activities in violation of these Regulations, the Registration Authority shall order it to make correction, confiscate its illegal proceeds and the property exclusively used to conduct for-profit activities such as tools, equipment, raw materials, products (commodities) and so forth, or impose a fine of more than RMB 50,000 but less than RMB 500,000. If the circumstances are serious, its Registration Certificate shall be revoked.

Article 36 If the registration or filing of any Representative Office has been effected through submitting false materials or taking other fraudulent means to conceal the true situation, the Registration Authority shall order the Representative Office to make correction, impose a fine of more than RMB 20,000 but less than RMB 200,000 on such Representative Office, and impose a fine of more than RMB 1,000 but less than RMB 10,000 on the directly responsible person in charge and other directly responsible personnel. If the circumstances are serious, the Registration Authority shall cancel its registration or revoke its Registration Certificate, and withdraw the Representatives Certificate for cancellation.

If any Representative conceals the facts or practices fraud in submitting the annual reports, the Registration Authority shall order it to make rectification, impose a fine of more than RMB 20,000 but less than RMB 200,000. If the circumstances are serious, the Registration Certificate shall be revoked.

If any Representative Office forges, alters, leases, lends or transfers its Registration Certificate or Representatives Certificate, the Registration Authority shall impose a fine of more than RMB 10,000 but less than RMB 100,000 on the Representative Office, and impose a fine of more than RMB 1,000 but less than RMB 10,000 on the directly responsible person in charge and other directly responsible persons. If the circumstances are serious, its Registration Certificate shall be revoked and the Representatives Certificate shall be handed over for cancellation.

Article 37 If any Representative Office engages in activities other than the business activities in violation of Article 14 of these Regulations, the Registration Authority shall order it to make rectification within a time limit. If it fails to make rectification within the specified period, it shall be imposed a fine of more than RMB 10,000 but less than RMB 100,000. If the circumstances are serious, its Registration Certificate shall be revoked.

Article 38 In any of the following events, the Registration Authority shall order rectification to be made within a specified period, and impose a fine of more than RMB 10,000 but less than RMB 30,000. If the rectification fails to be made within the specified period, the Registration Certificate shall be revoked:

;

- (1) The Representative Office fails to submit the annual report pursuant to these Regulations;
- (2) The Representative Office fails to engage in business activities in the name registered with the Registration Authority;
- (3) The Representative Office fails to adjust the premises as required by relevant departments of the PRC government;
- (4) The Representative Office fails to announce its establishment or changes pursuant to these Regulations; or
- (5) The Representative Office fails to carry out formalities for registration of changes, deregistration or filing pursuant to these Regulations.

Article 39 If any Representative Office engages in any activities seriously violating laws that endanger the national security or social public interests of the PRC, the Registration Office shall revoke its Registration Certificate.

If the Registration of its Establishment is cancelled or its Registration Certificate is revoked due to any violation of these Regulations by the Representative Office, or it is ordered to close down by relevant departments of the PRC government according to law, the foreign enterprise that has established such Representative Office may not establish any Representative Office within the territory of the PRC within 5 years from the date of cancellation, revocation or the date it is ordered to close down.

Article 40 If any Registration Authority and its personnel abuse their power, commit dereliction of duty or practice favoritism, fail to process the registration formalities or investigate and penalize illegal acts pursuant to these Regulations, or support, harbor, connive violations, they shall be punished according to law.

Article 41 If any violation of these Regulations constitutes a violation of the provisions of public security administration, a penalty shall be imposed pursuant to the Administration of Public Security and Penalties. If such violation constitutes a crime, criminal liability shall be pursued in accordance with the law.

CHAPTER SEVEN SUPPLEMENTARY PROVISIONS

Article 42 The term "Foreign Enterprise" as mentioned herein shall mean a for-profit organization that has been established outside the PRC under foreign laws.

Article 43 The Representative Office registration fees shall be charged pursuant to relevant provisions of the public finance department of the State Council or the department in charge of pricing at a rate specified by the department of the State Council in charge of pricing or the public finance department.

Article 44 The registration and administration of any Representative Office established by any enterprise based in Hong Kong SAR, Macao SAR and Taiwan in the PRC shall be governed by these Regulations *mutatis mutandis*.

Article 45 These Regulations shall be effective as of March 1, 2011. The Measures for the Registration and Administration of Permanent Representative Offices of Foreign Enterprises approved by the State Council on March 5, 1983 and issued by the State Administration for Industry and Commerce on March 15, 1983 shall be repealed simultaneously.