

Law of the People's Republic of China on Administration of Foreign NGOs' Activities within China

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Chapter 1. General Provisions

Article 1. This Law is formulated to regulate and guide all activities carried out by Foreign NGOs within China, to protect their legal rights and interests and to promote exchanges and cooperation.

Article 2. This Law is applicable to the Foreign NGOs carrying out activities within China.

The term "Foreign NGO" herein refers to non-profit, non-government social organizations that have been legally established outside China, such as foundations, social organizations, and think tanks, etc.

Article 3. Foreign NGOs may carry out activities that will benefit the development of public welfare in such fields as economy, education, science and technology, culture, health, sports, environmental protection and in such aspects as poverty alleviating and disaster relief in accordance with this Law.

Article 4. Foreign NGOs that conduct activities within China in a lawful manner shall be protected by law.

Article 5. Foreign NGOs that conduct activities within China shall comply with the law of China; shall not threaten China's national unity and safety and the unity of all ethnic groups of China; shall not jeopardize China's national interests, societal public interests or the legitimate rights and interests of the citizens, legal persons and other organizations.

Foreign NGOs shall not engage in or provide financial support to for-profit activities or political activities within China. They are also forbidden to illegally conduct or sponsor religious activities.

Article 6. The Ministry of Public Security and its branches at the provincial level are in charge of the registration and administration of Foreign NGOs' activities in China.

The relevant departments and units under the State Council as well as the relevant departments and units under the people's governments at the provincial level are the corresponding Supervisory Authority of Foreign NGOs' activities in China.

Article 7. The public security departments and relevant departments of local people's governments at the county level or above shall, within the scope of their authority and responsibility and in accordance with law, be responsible for the supervision and management of and provide services to Foreign NGOs conducting activities within China.

The state shall establish a coordination mechanism of supervision and management of Foreign NGOs to study, coordinate and resolve significant problems arising from the supervision and management of, and the provision of services to, Foreign NGOs' activities within China.

Article 8. The state shall commend those Foreign NGOs that have made outstanding contributions to the development of public welfare in China.

Chapter 2. Registration and Filing

Article 9. Foreign NGOs conducting activities within China shall establish and register a representative office in accordance with law. Those Foreign NGOs that have not yet registered a representative office but need to conduct temporary activities within China shall be subject to record-filing in accordance with law.

A Foreign NGO that has not established and registered a representative office or has not completed the record-filing for conducting temporary activities is not permitted to directly or indirectly conduct activities within China, and shall not directly or indirectly entrust and sponsor any unit or individual within China to conduct activities within China.

Article 10. A Foreign NGO that has satisfied the below requirements may apply to register for the establishment of its representative office(s) in China according to needs of its scope of business, the territory of activities and the activities to be conducted:

- (1) The NGO was lawfully established outside of China;
- (2) The NGO is capable to independently assume civil liability;
- (3) The NGO's objective and business scope stipulated in its articles of association are beneficial to the development of the public welfare;
- (4) The NGO has been in existence for a continuous period of at least two years outside China and has conducted substantial activities during such time; and
- (5) Other conditions as provided by laws and administrative regulations.

Article 11. A Foreign NGO that applies for establishing and registering a representative office shall secure the consent from the Supervisory Authority.

The list of the Supervisory Authorities will be issued jointly by Ministry of Public Security and its branches at the provincial level in conjunction with the relevant authorities.

Article 12. A Foreign NGO shall apply to register its representative office with the Registration and Administration Authority within thirty (30) days from the date of approval from the Supervisory Authority. To apply for establishing and registering a representative office, a Foreign NGO shall submit the following documents and materials to the Registration and Administration Authority:

- (1) An application form;
- (2) Documentation and other materials certifying that the Foreign NGO has satisfied the conditions set out in Article 10 herein;
- (3) Identification certificate, resume and evidence of no criminal record of the chief representative of the representative office to be established;
- (4) Documentation that specifies the domicile of the proposed representative office;
- (5) Proof of the funding sources;
- (6) Approval certificate from the Supervisory Authority;
- (7) Other documentation and materials required by law and administrative regulations.

During the review of an application from a Foreign NGO to establish a representative office in China, the Registration and Administration Authority may organize the experts to conduct an evaluation if deemed necessary.

The Registration and Administration Authority shall issue its decision on whether or not to approve the registration application within sixty (60) days upon acceptance of the application.

Article 13. For the representative office of a Foreign NGO whose registration has been approved, the Registration and Administration Authority shall issue a certificate of registration and make a public announcement accordingly. Registration information must include:

- (1) Name;
- (2) Domicile;
- (3) Business scope;
- (4) Territory of activities;
- (5) Chief representative; and
- (6) Supervisory Authority.

The representative office of a Foreign NGO shall, upon receiving the registration certificate, go through tax registration, engrave its official seal and open its bank account with a bank in China, and shall file a copy of its tax registration certificate, sample of its official seal and its bank account information with the Registration and Administration Authority for record.

Article 14. In case the representative office of a Foreign NGO needs to change the registration information, it shall, within thirty (30) days after receiving the approval from the Supervisory Authority, apply to the Registration and Administration Authority for change of registration.

Article 15. The Registration and Administration Authority shall deregister the representative office of a Foreign NGO and announce such deregistration to the public if:

- (1) The Foreign NGO closes its representative office in China;
- (2) The Foreign NGO is terminated;
- (3) The registration certificate of the Foreign NGO's representative office is cancelled or its registration certificate is revoked in accordance with law; or
- (4) It is terminated due to other reasons.

After a Foreign NGO's representative office has been deregistered, the Foreign NGO shall properly handle the winding-up process of such representative office. A Foreign NGO's representative office has no legal person status and, thus, the relevant legal liabilities, if any, shall be borne by the Foreign NGO.

Article 16. A Foreign NGO that has not established a representative office but intends to conduct temporary activities in China shall cooperate with the government agencies, people's organizations, public institutions or social organizations (hereinafter referred to as the "Chinese Cooperative Body").

Article 17. In order for a Foreign NGO to carry out temporary activities, its Chinese Cooperative Body shall go through the approval formalities according to the regulations of the state and shall file for record with the Registration and Administration Authority in its domicile fifteen (15) days prior to the commencement of the temporary activities. The following documents and materials are required to be submitted for the record filing:

- (1) Documents and materials evidencing the legal establishment of the Foreign NGO;
- (2) The written agreement between the Foreign NGO and its Chinese Cooperative Body;
- (3) Relevant materials for the name, purpose, territory, and term etc. of the temporary activity;
- (4) Materials relating to the activity funds and evidencing the funding sources, as well as the bank account information of the Chinese Cooperative Body;
- (5) Approval documentation obtained by the Chinese Cooperative Body; and
- (6) Other documentation and materials required by law and administrative regulations.

Where temporary activities are required to be conducted under such emergent circumstances as disaster relief and rescue, etc., the time for record filing shall not be subject to the requirement under the preceding paragraph.

The term of a temporary activity shall not exceed one (1) year. Where such term needs to be extended, a new record filing shall be submitted.

Where the Registration and Administration Authority deems that the temporary activity filed for record does not comply with the provisions in Article 5 herein, it shall notify the Chinese Cooperative Body in a timely manner and order it to stop such activity.

Chapter 3. Regulation of Activities

Article 18. The representative office of a Foreign NGO shall carry out activities under its registered name, within the business scope and the territory of activities that have been registered.

A Foreign NGO shall not establish branch offices in China, unless otherwise provided for by the State Council.

Article 19. The representative office of a Foreign NGO shall, by December 31 of each year, submit its activity plan for the next year specifying the project implementation, fund use and other information to the Supervisory Authority for approval, and, within ten (10) days upon receipt of such approval, submit the same to the Registration and Administration Authority for record filing. Where the activity plan needs to be adjusted under special circumstances, a record filing must be promptly made to the Registration and Administration Authority.

Article 20. A Foreign NGO carrying out activities in China shall not impose on its Chinese Cooperative Body or beneficiaries additional conditions that violate Chinese laws and regulations.

Article 21. The Funds that may be used by a Foreign NGO for its activities in China include:

- (1) Funds from legitimate overseas sources;
- (2) Interest on bank deposits accrued in China;
- (3) Other funds legally acquired within China.

A Foreign NGO shall not obtain or use funds other than those specified in the preceding paragraph for activities in China.

A Foreign NGO and its representative office(s) in China shall not conduct fundraising activities in China.

Article 22. A Foreign NGO with its representative office established in China shall use the representative office's bank account that has been filed for record with the Registration and Administration Authority to manage the funds used inside China.

A Foreign NGO that carries out temporary activities in China shall use its Chinese Cooperative Body's bank account to manage the funds used in China. Such funds shall be subject to separate bookkeeping, and be earmarked for dedicated purposes.

Other than through the bank accounts prescribed in the preceding two paragraphs, Foreign NGOs, the Chinese Cooperative Bodies and individuals shall not collect or pay funds for carrying out the activities inside China in any other form.

Article 23. A Foreign NGO shall use funds according to the registered business scope and territory of activities of its representative office or as described in the agreement with its Chinese Cooperative Body.

Article 24. The representative office of a Foreign NGO shall adopt China's unified accounting system and engage accountants that are legally certified to practice in China to conduct accounting according to law. The financial reports shall be audited by an accounting firm located within China.

Article 25. A Foreign NGO carrying out activities in China shall make foreign exchange receipts and payments in accordance with China's existing provisions relating to foreign exchange administration.

Article 26. The representative office of a Foreign NGO shall go through tax registrations, tax return filing, and payment of taxes, etc. according to law.

Article 27. To recruit staff in China, the representative office of a Foreign NGO shall abide by the laws and administrative regulations and shall submit the information of its employees to the Supervisory Authority and the Registration and Administration Authority for record filing.

Article 28. The representative office of a Foreign NGO and a Foreign NGO conducting temporary activities shall not recruit members within China, unless otherwise provided for by the State Council.

Article 29. The representative office of a Foreign NGO shall have a chief representative and, according to operational needs, have one to three representatives.

A person shall not serve as the chief representative or representative if:

- (1) he/she has no or limited capacity for civil conduct;
- (2) he/she has a criminal record;
- (3) he/she once served as the chief representative or representative of the representative office of a Foreign NGO that has been deregistered or revoked of registration certificate, and less than five (5) years have elapsed since such deregistration or revocation; or
- (4) there are other circumstances prescribed by laws or administrative regulations.

Article 30. A Foreign NGO conducting temporary activities shall carry out such activities under the name that has been filed for record.

The Foreign NGO and its Chinese Cooperative Body shall, within thirty (30) days upon concluding the temporary activities submit a written report specifying the information on the activities, use of funds and other information to the Registration and Administration Authority.

Article 31. The representative office of a Foreign NGO shall submit its annual work report for the preceding year to its Supervisory Authority by January 31 of each year. After receiving comments and feedback from the Supervisory Authority, such report shall be submitted to the Registration and Administration Authority by March 31 for annual inspection.

The annual work report shall include the audited financial report, descriptions of the activities and information on the changes to staff or organizational structure, etc.

The representative office of a Foreign NGO shall disclose its annual work report to the public via the unified website designated by the Registration and Administration Authority.

Article 32. Any unit or individual in China shall not be entrusted by, accept financial support from, or directly or indirectly represent a Foreign NGO that has not registered its representative office or conducts temporary activities without proper record filing to carry out activities in China.

Chapter 4. Facilitation Measures

Article 33. The state provides safeguard and support to the Foreign NGOs to carry out activities in China in accordance with law. Relevant departments of the people's government at all levels shall provide facilitation and services necessary for the Foreign NGOs to carry out lawful activities in China.

Article 34. The Ministry of Public Security and its branches at the provincial level shall, in conjunction with the relevant authorities, formulate the catalogue of areas and projects for

Foreign NGOs' activities and publicize the Supervisory Authority directory, to provide guidance to the Foreign NGOs in carrying out their activities.

Article 35. Relevant departments of people's government at the county level or above shall provide policy consultancy and activity guidance services to Foreign NGOs in accordance with law.

The Registration and Administration Authority shall, through the unified website, publicize the process for Foreign NGOs to apply for establishment of representative office(s) or to file for record for temporary activities for the Foreign NGOs' reference.

Article 36. Representative offices of Foreign NGOs shall be entitled to tax benefits and other favorable policies in accordance with law.

Article 37. No fee shall be charged for the annual inspection of the representative offices of Foreign NGOs.

Article 38. A foreigner serving as chief representative or a representative of the representative office of a Foreign NGO may go through employment and other work-related formalities pursuant to law by presenting the representative office's registration certificate, documents proving the representative's capacity and other relevant materials.

Chapter 5. Supervision and Management

Article 39. Foreign NGOs conducting activities in China shall accept the supervision and administration of public security organs, relevant departments and the Supervisory Authority.

Article 40. The Supervisory Authority shall bear the responsibilities to (i) provide advice and comments on the Foreign NGOs' representative office(s) establishment, change of registration items and annual work report, (ii) direct and oversee the Foreign NGOs and their representative offices to carry out activities in accordance with law, and (iii) assist the public security organs and other departments in investigating and punishing the illegalities committed by Foreign NGOs and their representative offices.

Article 41. Public security organs shall be responsible for the registration and annual inspection of representative offices of Foreign NGOs for the record filing of temporary activities of Foreign NGOs, and for the investigation and punishment of the illegal activities of Foreign NGOs and their representative offices.

The public security organs shall perform their duties of supervision and management and may take the following measures in case of discovery of acts violating this Law:

- (1) Interview the chief representative and other persons in charge of the representative office of a Foreign NGO;
- (2) Enter into the premises and activity venues of a Foreign NGO in China to carry out on-site inspections;
- (3) Query the units and individuals relating to the incident under investigation, and require them to provide explanations for the incident under investigation;
- (4) Inspect and duplicate documents and materials related to the incident under investigation, and seal up the documents and materials that might be removed, destroyed, hidden or falsified;
- (5) Seal up or seize the venues, equipment, or properties related to the suspected illegal activities.

Article 42. Public security organs may check the bank accounts of units or individuals related to an incident under investigation, and the relevant financial institutions and financial supervision and management departments shall render cooperation in this regard. If approved by the person-in-charge from a public security organ of the people's government at the district-level city or above, an application can be submitted to the court to freeze funds in the bank accounts relating to the suspected illegal activities. Funds in the bank accounts suspected of criminal activities can also be frozen according to the *Criminal Procedure Law of the People's Republic of China*.

Article 43. National security departments, diplomatic and foreign affairs departments, fiscal departments, financial supervision and administration departments, the customs, tax authorities, departments in charge of foreign experts as well as other relevant departments shall, according to law and their respective duties and responsibilities, conduct supervision and administration of Foreign NGOs and their representative offices.

Article 44. The anti-money laundering departments under the State Council shall conduct supervision and administration of the opening and use of bank accounts by representative offices of Foreign NGOs, their Chinese Cooperative Bodies, as well as the entities and individuals in China that receive funds from Foreign NGOs, so as to monitor their compliance with laws and regulations relating to the anti-money laundering and counter-terrorism financing.

Chapter 6: Legal Liability

Article 45. Where the representative office of a Foreign NGO, a Foreign NGO carrying out temporary activities or its Chinese Cooperative Body falls under any of the following circumstances, the perpetrator shall be given a warning or be ordered to stop activities within the prescribed time period by the public security organ of the relevant people's government at the district-level city or above, and have its illegal assets and illegal gains confiscated; and, under grave circumstances, the relevant Registration and Administration Authority shall revoke the registration certificate of the representative office of a Foreign NGO or ban temporary activities of a Foreign NGO:

- (1) Fails to make registration for changes or record filing for relevant matters as required;
- (2) Fails to carry out activities in accordance with the registered or filed names, business scope or territory of activities;
- (3) Engages in or provides financial support to for-profit activities, conducts fundraising or recruits members in violation of the law;
- (4) Receives or uses funds in violation of the law, or fails to open or use bank accounts or conduct accounting in violation of law;
- (5) Fails to submit its annual activity plan, submit or disclose its annual work report as required; or
- (6) Refuses to accept or fails to accept inspections as required.

If the representative office of a Foreign NGO, a Foreign NGO conducting temporary activities or its Chinese Cooperative Body provides falsified materials or uses other illegal methods to obtain registration certificate for the representative office or to make record filing for temporary activities, or falsifies, alters, purchases and sells, leases, or lends its registration certificate or stamps, it shall be imposed punishment according to the preceding paragraph.

Article 46. If any of the following situations occurs, the public security organ of the relevant people's government at the district-level city or above shall ban the perpetrator concerned or order it to stop the illegal activities; confiscate the illegal properties and gains; give warning to individual(s) directly in charge, and in serious cases, impose detention up to ten (10) days:

- (1) The perpetrator carries out activities in the name of the representative office of a Foreign NGO or of a Foreign NGO without registration or record filing;
- (2) The perpetrator carries out activities in the name of the representative office of a Foreign NGO after its registration has been canceled, registration certificate has been revoked, or it has been deregistered;
- (3) The perpetrator continues to carry out activities in China after expiration of the temporary activity period or the temporary activity has been banned; or
- (4) A Foreign NGO that fails to register its representative office or files the temporary activities for record, entrusts or sponsors entities or individuals in China to carry out activities in China.

If an entity or individual in China cooperates with a Foreign NGO, accepts its entrustment or sponsorship, directly or indirectly represents it to conduct activities, or collects or makes payments on behalf of the Foreign NGO despite clearly knowing that such Foreign NGO has not registered a representative office or filed its temporary activities for record, such entity or individual shall be punished in accordance with the preceding paragraph.

Article 47. If a Foreign NGO or and a representative office of a Foreign NGO conducts any of the following, its registration certificate shall be revoked or its temporary activities shall be banned by the Registration and Administration Authority; where the relevant violation does not constitute a criminal offense, the public security organs of the people's government at the district-level city or above may impose detention for up to fifteen (15) days upon the person-in-charge:

- (1) Incites resistance against the enforcement of state laws and regulations;
- (2) Illegally obtains state secrets;
- (3) Spreads rumors or slanders, or publishes and disseminates other harmful information that endangers state security or undermines national interests;
- (4) Carries out or sponsors political activities, or illegally engages in or provides financial support to religious activities; or
- (5) Conducts other activities that are detrimental to state security, national interests or societal public interests.

If a Foreign NGO or the representative office of a Foreign NGO commits the offenses such as engaging in separatism, sabotaging state unity, subverting state power, it shall be punished by the Registration and Administration Authority in accordance with the preceding paragraph and the person-in-charge shall be prosecuted for criminal liabilities.

Article 48. A Foreign NGO and the representative office of a Foreign NGO whose registration has been cancelled or revoked, or whose temporary activities have been banned due to violation of the provisions hereof, shall not apply to set up representative office(s) or carry out temporary activities in China within five (5) years from the date of the cancellation, revocation or banning.

A Foreign NGO that carries out activities without going through registration of a representative office or filing its temporary activities for record shall not set up its representative offices or carry out temporary activities in China within five (5) years after its activities are banned.

If a Foreign NGO falls in any one of the circumstance stipulated in Article 47 herein, the Ministry of Public Security may blacklist it and prohibit it them from establishing representative offices or carrying out temporary activities in China.

Article 49. Where the representative office of a Foreign NGO has been ordered to stop its activities within a specified period of time, its registration certificate, official stamps and financial vouchers shall be sealed up by the Registration and Administration Authority. Further, if such representative office has its registration certificate cancelled or revoked, its registration certificate and official stamps shall be taken back and announced invalid by the Registration and Administration Authority.

Article 50. For foreigners violating the provisions hereof, the relevant authorities may order their departure within a specified period of time, have them repatriated or deported.

Article 51. Where the public security organs, relevant departments and Supervisory Authority and their staff, during the administration of Foreign NGOs, fail to perform their duties or abuse their power, neglect their duty, or practice favoritism for personal gains, they shall be pursued for legal liabilities in accordance with law.

Article 52. Where violations of this Law constitute acts in violation of public security administration, the public security administration penalties shall be imposed by the public security organs in accordance with law; where such violations constitute criminal offenses, the criminal liabilities shall be pursued in accordance with law.

Chapter 7. Supplementary Provisions

Article 53. The exchange and cooperation between foreign schools, hospitals, natural science and engineering technology research institutions or academic organizations and the domestic schools, hospitals, natural science and engineering technology research institutions or academic organizations shall follow and comply with the relevant regulations and rules of the state.

If the foreign schools, hospitals, institutions or organizations referred to in the preceding paragraph violate the provisions of Article 5 herein when they conduct their activities in China, they shall be subject to legal liabilities in accordance with law.

Article 54. This Law shall become effective from January 1, 2017.