

Measures for the Administration of Certification Training Institutions

Announcement of the General Administration of Quality Supervision, Inspection and Quarantine
No. 81

The Measures for the Administration of Certification Training Institutions, which were adopted upon deliberation at the executive meeting of the General Administration of Quality Supervision, Inspection and Quarantine on August 31, 2005, are hereby promulgated, and shall go into effect as of November 1, 2005.

Director General, Li Changjiang
September 29, 2005

Measures for the Administration of Certification Training Institutions

Chapter I General Provisions

Article 1 With a view to strengthening the supervision and administration of certification training institutions and regulating the certification training activities, the present Measures are formulated according to the Administrative License Law of the People's Republic of China, the Regulations of the People's Republic of China on Certification and Accreditation and the relevant provisions of the State Council.

Article 2 The term "certification training institutions" as mentioned in the present Measures refers to the organizations that provide training to those persons engaging in the certification review, verification, inspection or any other certification-related activity.

Article 3 The certification training conducted within the territory of the People's Republic of China shall be in line with the present Measures.

Article 4 The Certification and Accreditation Administration of the People's Republic of China (hereinafter referred to as the CNCA) is responsible for the uniform administration and supervision of certification training institutions and certification training activities.

The local departments of quality and technology supervision at all levels and the entry-exit inspection and quarantine authorities of all regions (hereinafter jointly referred to as the local certification supervisory and administrative department) shall, according to their respective functions and duties, conduct supervision over and inspection of certification training activities within their respective jurisdictions.

Article 5 The certification training institutions are encouraged by the State to obtain the accreditation from the accreditation institution as authorized by the CNCA ((hereinafter referred

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

to as the accreditation institution) so as to guarantee their sustained and stable capacity to provide certification training.

Chapter II Requirement for Establishment and Procedures for Approval

Article 6 The establishment of a certification training institution shall be subject to the approval of the CNCA. It may not carry out the certification training activity within the approved scope unless it is qualified as a legal-person.

Article 7 The applicant shall satisfy the following requirements when applying for the establishment of a certification training institution:

- (1) Having the fixed business place, necessary training and teaching facilities and working conditions;
- (2) Having the registered capital not less than RMB 200 thousand Yuan;
- (3) Having no less than 4 full-time teachers with the qualification of registered training teachers, and having no less than 2 full-time teachers for each course;
- (4) Having the document on quality management system as required for the relevant certification training institution;
- (5) The raining course on intellectual property being self-owned or authorized by any relevant organization; and
- (6) Other conditions as required.

As for the establishment of a foreign-invested certification training institution, besides the above-mentioned requirements, a foreign investor shall also have the professional certification training qualification or certification training authorization as prescribed by the laws of its home country or region, as well as the teaching staff suitable for authorized certification training.

Article 8 The examination and approval procedures for the establishment of a certification training institution are as follows:

- (1) An applicant applying for the establishment of a certification training institution (hereinafter referred to as the applicant) shall submit to the CNCA a written application and the relevant certification materials;
- (2) The CNCA shall conduct the preliminary examination of those application materials submitted by the applicant, and shall, within 5 days as of the date of receipt of the application materials, make a written decision as to whether or not to accept the application;
- (3) The CNCA shall examine and verify the material contents of application materials upon the acceptance of the application, and shall make a decision as to whether or not to grant approval within 20 days. In the case of approval, it shall issue to the applicant a Notice on Approval of the Establishment of Certification Training Institutions; in the case of disapproval, it shall notify the applicant of such result and give explanations; and
- (4) The applicant shall, upon the strength of the Notice on Approval of the Establishment of

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

Certification Training Institutions as issued by the CNCA, go through the relevant registration formalities according to law, and obtain a Letter on Approval of Certification Training Institutions on the basis of the registration formalities.

The CNCA shall make public the directory of those certification training institutions that are established according to law.

Article 9 The valid period of the Letter on Approval of the Establishment of Certification Training Institutions shall be four years.

If a certification training institution needs to extend the valid period of a Letter on Approval of the Establishment of Certification Training Institutions, it shall file an application with the CNCA within 90 days prior to the expiration of the valid period.

Article 10 A permanent representative office of an overseas certification training institution established within the territory of the People's Republic of China may not carry out the business contacts, market research, technical exchange or any other promotion activity unless it is put on record by the CNCA in the written form. It may not engage in the certification training business operation.

Article 11 A certification training institution shall be subject to the approval of the CNCA if it plans to undertake the relevant training courses subcontracted by an overseas certification training institution or organization.

Article 12 A certification institution, certification training institution or certification consulting institution may engage in the training of internal auditors within the approved scope, however, certification institution is not allowed to carry out the training of internal auditors for the client that has entrusted it for certification.

A training teacher of internal auditors shall have the qualification of senior auditors or senior consultants.

Chapter III Code of Conduct

Article 13 A certification training institution shall undertake the certification training according to the basic rules for certification training and the norms and rules for certification training courses as provided for by the CNCA.

Where no uniform norm or rule for certification training courses has been formulated for a new certification training field, a certification training institution may formulate by itself the corresponding norms and rules for certification training courses.

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

Article 14 A certification training institution shall make known such information as the basic requirements of certification training and the charging rate, and shall ensure the authenticity, accuracy and integrity of the information.

Article 15 A certification training institution shall complete such basic procedures as the course design, course management, trainee management, certificate management and appraisal of management as prescribed in the norms and rules for certification training courses as well as by the certification training institution, and ensure the integrity, truthfulness and effectiveness of certification training, and may not cut down or leave out any certification training procedure or content.

A certification training institution shall keep the complete records of the certification training process and keep them in archives.

Article 16 A certification training institution shall establish the system for training course management and the appraisal of training teachers compatible with the norms and rules for certification training courses, and may obtain the confirmation thereof from a certification institution where it is necessary.

Article 17 A certification training institution and its training teachers shall draw the conclusion of certification training in a timely manner and ensure the objectiveness and authenticity thereof.

If a trainee satisfies the relevant requirements, the certification training institution shall issue a quality certification training certificate to him in a timely manner; if he fails to satisfy the relevant requirements, the certification training institution shall notify him of the result and give an explanation.

Article 18 The conclusion of certification training shall be signed by the head or an authorized person of the certification training institution after the training teacher affixes his signature thereon.

The certification training institution and its certification training teachers shall be responsible for the conclusion of certification training.

Article 19 A certification training institution shall supervise and appraise the effectiveness of its certification training activities, and shall conduct the examination and management review of its internal quality system at least once in 12 months.

A certification training institution shall, prior to the end of January each year, submit a work report of the last year to the CNCA and the local certification supervisory and administrative department.

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

Article 20 Where a certification training institution is under any of the following circumstances, it shall, prior to the occurrence of change, report it to the CNCA and handle the relevant matters as to the change:

- (1) The business scope of certification training is changed;
- (2) Its legal representative or shareholders is changed;
- (3) The full-time teachers are changed; or
- (4) The name of the certification training institution is changed.

Chapter IV Supervision and Inspection

Article 21 The CNCA shall supervise and inspect the certification training institutions by means of examination of annual reports, on-the-spot supervision, random inspection of certification training activities and results, as well as peer-review and solicitation of opinions from trainees.

Article 22 An accreditation institution shall conduct accreditation supervision over those accredited certification training institutions.

Article 23 A local certification supervisory and administrative department shall, in compliance with the present Measures, supervise and inspect the certification training activities, and shall investigate and deal with the illegal acts.

Article 24 Any entity or individual has the right to report any illegal or irregular certification training act to the CNCA or the local certification supervisory and administrative department, which shall timely investigate and deal with the matter, and shall keep secret the informant.

Article 25 Under any of the following circumstances, the CNCA shall handle the relevant formalities for canceling the decision on approving the establishment of the certification training institution:

- (1) The valid period of the Letter on Approval of Certification Training Institutions has expired but has not been extended;
- (2) A certification training institution has been terminated according to law;
- (3) A certification training institution is no longer competent for certification training; or
- (4) Other circumstances as prescribed by laws or regulations under which the decision on approving the establishment of the certification training institution shall be cancelled.

Article 26 Under any of the following circumstances, the CNCA may revoke the approval decision granted to a certification training institution at the request of any interested party or according to its powers and functions:

- (1) Its functionary abuses his power or neglects his duty to make the approval decision;
- (2) The approval decision is made by exceeding the legitimate authority;

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

- (3) The approval decision is made by violating the statutory procedures;
- (4) The approval is granted to an applicant that is not qualified or does not satisfy the legal requirements; or
- (5) Other circumstances under which the approval decision may be revoked.

Chapter V Penalty Provisions

Article 27 Anyone who engages in certification training activities without permission shall be ordered to cease its certification training activities with a fine of 30,000 Yuan, and it shall be made known to the public.

Article 28 Anyone who illegally undertakes the relevant training courses subcontracted by an overseas certification training institution or organization shall be ordered to cease the subcontracting training business, and be imposed upon a fine of 20,000 Yuan; if the circumstances are serious, the CNCA shall order the violator to suspend business for rectification till its approval document is revoked, and shall make it known to the public.

Article 29 Where an applicant disguises the relevant conditions or provides false materials when applying for establishing a certification training institution, the CNCA shall refuse to accept or disapprove the application, and give the applicant a warning.

Article 30 Where a certification training institution obtains the approval document by frauds, bribes or other improper means, it shall be ordered to cease its certification training activities and be imposed a fine of 30,000 Yuan; and the CNCA shall revoke the approval document and make it known to the public.

Article 31 Where a certification training institution carries out the certification training activities beyond its business scope approved by the CNCA, it shall be ordered to make corrections and be imposed a fine of 30,000 Yuan; if the circumstances are serious, the CNCA shall order it to suspend business for rectification till its approval document is revoked, and make it known to the public.

Article 32 Where a certification training institution alters, leases or lends its approval certificate or illegally transfers its certification training business by subcontracting or commission-based enrollment, it shall be ordered to make corrections and be imposed a fine of 30,000 Yuan; if the circumstances are serious, the CNCA shall order it to suspend business for rectification till its approval document is revoked, and make it known to the public.

Article 33 Where a certification training institution carries out false or misleading propaganda in the public information, websites or advertisements, it shall be ordered to make corrections and be imposed a fine of 5,000 Yuan; if the circumstances are serious, the CNCA shall order it to suspend

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

business for rectification, and make it known to the public.

Article 34 Anyone who violates the provisions in Articles 13 through 20 of the present Measures shall be ordered to make corrections and be given a warning; if the circumstances are serious, the violator shall be imposed a fine of no less than 5,000 Yuan but no more than 20,000 Yuan.

Article 35 Where a certification training institution disguises the relevant information, provides false materials or refuses to provide authentic materials as to its actual activities in the supervision and inspection conducted by the CNCA or the local certification supervisory and administrative department, it shall be ordered to make corrections and be imposed a fine of no less than 10,000 Yuan but no more than 50,000 Yuan; if the circumstances are serious, the CNCA shall order it to suspend business for rectification, and make it known to the public.

Article 36 Where a permanent representative office of an overseas certification training institution established within the territory of the People's Republic of China has not been filed with the CNCA for the record or undertakes the certification training, it shall be ordered to make corrections and be imposed a fine of 20,000 Yuan, and it shall be made known to the public.

Article 37 Where a certification training institution employs any training teacher that has not been registered with or recognized by a certification institution, it shall be ordered to make corrections and be imposed a fine of 5,000 Yuan; if the circumstances are serious, the CNCA shall order it to suspend operations for rectification, and make it known to the public.

Article 38 Where a certification training institution continues to conduct the certification training activities during the period that the CNCA orders it to suspend operations for rectification, it shall be ordered to make corrections and be imposed a fine of 30,000 Yuan; if the circumstances are serious, the CNCA shall order it to suspend business for rectification, and make it known to the public.

Article 39 Anyone who buys and sells, forges or illegally uses the approval documents, certification training certificates or other certification training documents shall be ordered to make corrections and be imposed a fine of 30,000 Yuan.

Where a certification training institution commits any illegal act as prescribed in the preceding Paragraph, the CNCA shall order it to suspend business for rectification till its approval document is revoked, and make it known to the public.

Article 40 Any functionary of the CNCA or the local certification supervisory and administrative department who violates the provisions of Items 1 through 4 of Article 26 of the present Measures in the work relating to the examination and approval of certification training institutions shall be given an administration sanction by the competent department. If any crime is constituted, he shall

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

be investigated for criminal liabilities according to law.

Chapter VI Supplementary Provisions

Article 41 With regard to the establishment of certification training institutions or permanent representative offices in any other province, autonomous region or municipality directly under the Central Government of the People's Republic of China by the applicants from the Hong Kong or Macao or Taiwan, the examination and approval as well as other related matters shall be carried out in light of the present Measures.

Article 42 The charges for certification training shall be in conformity with the relevant provisions of the price laws and administrative regulations of the State.

Article 43 The power to interpret the present Measures shall reside in the General Administration of Quality Supervision, Inspection and Quarantine.

Article 44 The present Measures shall go into effect as of November 1, 2005.

Any provisions on examination and approval of certification training institutions or other relevant administrative provisions that is inconsistent with the present Measures shall cease to be implemented as of the day of implementation of the present Measures.

The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.