

## Regulations on the Administration of Entertainment Places

Order of the State Council

No. 458

The Regulations on the Administration of Entertainment Places, which were adopted at the 122nd executive meeting of the State Council on January 18, 2006, are hereby promulgated and shall come into force as of March 1, 2006.

Wen Jiabao, the Premier

January 29, 2006

Regulations on the Administration of Entertainment Places

### Chapter I General Provisions

Article 1 With a view to strengthening the administration of entertainment places and ensuring the healthy development of entertainment places, the present Regulations are formulated.

Article 2 The "entertainment place" as mentioned in the present Regulations refers to the singing, dancing and game places for profits, which are opened to the general public and for the self-entertainment of consumers.

Article 3 The competent departments of culture under the people's government at the county level or above shall be responsible for the supervision and administration on daily business operation of the entertainment places, and the public security organs at the county level or above shall be responsible for the supervision and administration on fire control and public security of the entertainment places.

Article 4 No state organ or any of its functionaries may operate entertainment places or participate in the business operation of entertainment places or do so in any disguised form. No relative, who has such relationship as husband and wife, lineal descent, collateral consanguinity within three generations or close affinity with the any functionary of the competent departments of culture or the public security organs, may operate entertainment places or participate in the business operation of the entertainment places or do so in any disguised form.

### Chapter II Establishment

Article 5 Anyone, who is subject to any of the following circumstances, shall not operate entertainment places or work in entertainment places:

- (1) having ever committed the crime of organizing, forcing, tempting, harboring or introducing prostitution, the crime of producing, selling or disseminating nasty materials, the crime of smuggling, selling, transporting and manufacturing drugs, the crime of rape, the

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crime of molesting or humiliating women by forces, the crime of gambling, the crime of money laundering, the crime of organizing, leading or actively participating in an underworld-style organization;

(2) having ever been deprived of political rights due to crimes;

(3) having been forced to give up drug habits because of sucking or injecting addictive drugs; or

(4) having ever been subjected to administrative detention due to prostitution or going whoring. Article 6 Foreign investors may establish Chinese-foreign equity or contractual joint entertainment places together with Chinese investors, other than solely foreign-funded entertainment places.

Article 7 No entertainment place may be established at any of the following places:

(1) residential buildings, museums, libraries or buildings verified to be cultural relic protection entities;

(2) surroundings of residential areas, schools, hospitals or governmental organs;

(3) stations, airports or other densely-populated places;

(4) places below the first underground floor of buildings; or

(5) areas adjacent to warehouses of dangerous chemicals.

The boundary noise of an entertainment place shall be up to the standards for environmental noises as provided for by the State.

Article 8 The area of usage of an entertainment place shall not be less than the minimum standard as provided for by the competent department of culture under the State Council. The establishment of a game entertainment place having electronic game machines shall meet the requirements on the total amount and overall arrangement as provided for by the competent department of culture under the State Council.

Article 9 To establish an entertainment place, an application shall be filed with the local competent department of culture under the people's government at the county level. To establish a Chinese-foreign equity or contractual joint entertainment place, an application shall be filed with the competent department of culture under the people's government of the province, autonomous region or municipality directly under the Central Government. To apply for establishing an entertainment place, a written declaration that its investors, legal representative or other principals to be appointed are not under any of the circumstances as prescribed in Article 5 of the present Regulations shall be submitted. And the applicant shall be responsible for the authenticity of the contents in the written declaration. The competent department of culture that has accepted the application shall verify the written declaration at the public security organ or other relevant departments, which shall be cooperative. If the written declaration is true upon verification, the competent department of culture shall conduct an on-the-spot inspection and make a decision according to Articles 7 and 8 of the present Regulations. For the approved entertainment place, the

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competent department of culture shall issue a license for entertainment business operation and verify the amount of consumers acceptable to the entertainment place according to the prescriptions as set down by the competent department of culture under the State Council; for the not approved entertainment place, it shall notify the applicant in written form and explain the reasons. Where there are provisions of laws or administrative regulations that require the formalities for examination and approval of fire control, hygiene or environmental protection, such provisions shall be complied with.

Article 10 The competent departments of culture shall hold hearings for the examination and approval of entertainment places. And the procedures for hearings shall accord with the Administrative License Law of the People's Republic of China.

Article 11 An applicant may go through the registration formalities at the administrative department for industry and commerce and obtain a business license, only after it has obtained a license for entertainment business operation and other approval documents on fire control, hygiene and environmental protection. The entertainment place shall report to the local public security organ at the county level for archiving purposes within 15 days after obtaining the business license.

Article 12 Where an entertainment place rebuilds or expands its business place or alters its business place, main facilities and equipment, investors or other matters as stated in the license for entertainment business operation, it shall apply to the original license-issuing organ for reissuing upon verification a license for entertainment business operation and put this on records at the public security organ. If the alteration registration is required, it shall go through the alteration registration at the administrative department for industry and commerce.

### Chapter III Business Operation

Article 13 The State promotes and develops the excellent national culture, and prohibits entertainment activities containing the following content at the entertainment places:

- (1) violating the fundamental principles specified in the Constitution;
- (2) disserving the unity, sovereignty and territorial integrity of the State;
- (3) disserving the security, honor or interests of the State;
- (4) instigating ethnic animosity or ethnic discrimination, damaging national sentiment or aggrieving ethnic customs and habits, or destroying ethnic solidarity;
- (5) violating religious policies of the State, or instigating heresy or superstition;
- (6) instigating the obscenity, gambling, violence or drug-related crimes, or abetting others to commit crimes;
- (7) in violation of social morality or excellent ethnic cultural heritage;
- (8) insulting or defaming others or infringing on the lawful rights and

interests of others; and

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- (9) any other content prohibited by laws or administrative regulations.

Article 14 No entertainment place or any of its staff members may conduct the following activities or provide conditions for the people who enter the entertainment place to conduct the following activities:

- (1) selling or providing drugs, or organizing, forcing, abetting, tempting, cheating or harboring others to suck or inject drugs;
- (2) organizing, forcing, tempting, harboring, or introducing others for prostitution or going whoring;
- (3) manufacturing, selling or disseminating obscene materials;
- (4) providing accompanies or doing so for profits;
- (5) gambling;
- (6) taking part in heresy or superstitious activities; or
- (7) other illegal activities or crimes.

No staff member of an entertainment place may suck or inject drugs, prostitute oneself or go whoring; no entertainment place or any of its staff members may provide conditions for people who enter the entertainment place to conduct the above-mentioned activities.

Article 15 The singing and dancing entertainment place shall install the monitoring equipments of closed circuit television at the entrances, exits and main passageways of its business places according to the prescriptions of the public security organ under the State Council, and shall ensure that the monitoring equipment of closed circuit television be normally operated and not be interrupted during the business hours. The singing and dancing entertainment place shall keep the video materials recorded down by the closed circuit television for 30 days for future reference, and shall not delete them or use them for any other purpose.

Article 16 The boxes and compartments of a singing and dancing entertainment place shall not be separated, and shall be installed with transparent doors and windows through which the whole indoor environment can be seen. The doors of boxes and compartments shall not be installed with inner-locks.

Article 17 The lightness inside a singing and dancing entertainment place during the business hours shall not be lower than the standard as provided for by the State.

Article 18 The audio-video products and electronic games used in an entertainment place shall be those published, manufactured or imported according to law. The songs played or video images shown at a singing and dancing entertainment place or the game programs installed in electronic game machines at a game entertainment place shall not contain the contents as prohibited by Article 13 of the present Regulations; and the song ordering system used in a singing and dancing entertainment place shall not be connected to any foreign song database.

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Article 19 The game entertainment place shall not install electronic game machine models, machine types, circuit boards or other game facilities or equipments that have gambling function, award the winner with cash or securities or repurchase awards.

Article 20 The legal representative or the main principal of an entertainment place shall be responsible for the fire control and other safety matters of the entertainment place. The entertainment place shall ensure that its buildings and facilities are in line with the safety standards and fire control technical criteria of the State, regularly check the situation of fire control equipments and timely maintain and upgrade them. The entertainment place shall formulate a scheme on safety work and an advance scheme on emergency evacuation.

Article 21 The entertainment place shall, during the business hours, keep its evacuation channels and safe exits free, and shall not block or lock them or setup barriers or other obstacles at evacuation channels or safe exits that will affect the evacuation. The entertainment place shall setup eye-catching direction marks at evacuation channels and safe exits, and shall not shelter or cover such direction marks.

Article 22 No one may illegally carry guns, ammunitions, controlled instruments, or explosive, combustible, poisonous or erosive dangerous articles or pathogens of infectious diseases into entertainment places. The discotheque shall install safety checking equipments and carry out safety inspection of the people who enter its business places.

Article 23 No singing and dancing entertainment place may receive minors. The electronic game machines in a game entertainment place shall not be provided to minors except on the statutory national holidays.

Article 24 No entertainment place may employ minors. If an entertainment place employs foreigners, it shall obtain the licenses for the employment of foreigners according to the relevant provisions of the State.

Article 25 The entertainment place shall sign the responsibility letters on civilized services with its staff members, and establish a roster of staff members, which shall record the true names of the staff members and photocopies of their identity cards, and licenses for the employment of foreigners. The entertainment place shall setup a log of business operation that indicates the duties, working hours and working places of its staff members, and shall not delete or alter the log of business operation and keep it for 60 days for future reference.

Article 26 The entertainment place shall conclude security service contracts with security service enterprises and hire professional security personnel, and shall not hire others to engage in the security-related work.

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Article 27 The staff members of an entertainment place shall, during the business hours, wear uniforms and job marks, and carry identity cards or licenses for the employment of foreigners with themselves. The staff members shall comply with occupational morality and sanitation criteria, be honest, faithful and polite, and shall not damage the personnel and property rights of consumers.

Article 28 No entertainment place may conduct business operation between 2-8 o'clock a.m. every day.

Article 29 The entertainment place shall clearly mark the prices of the entertainment items and services it provides, and show the price list to the customers; and the entertainment place shall not force or cheat customers to receive services or purchase commodities.

Article 30 The entertainment place shall, at the eye-catching sites of the halls, boxes and compartments of its business places, setup warning marks on prohibiting drugs, gambling, prostitution or going whoring as well as the marks on prohibiting or restricting minors from entering. Such marks shall indicate the tip-off phone numbers of the public security organ and of the competent department of culture.

Article 31 The entertainment place shall establish a patrolling system, and shall immediately report to the local public security organ and the competent department of culture under the people's government at the county level if it finds any illegal activity or crime therein.

#### Chapter IV Supervision and Administration

Article 32 When the functionaries of the competent departments of culture, the public security organs or other relevant departments are performing the duty of supervision and administration according to law, they have the right to enter the entertainment places, and the entertainment places shall offer their cooperation and shall not reject or obstruct such entrance.

When the functionaries of the competent departments of culture, the public security organs or other relevant departments are performing the duty of supervision and administration according to law and need to consult the video materials recorded down by closed circuit television, the roster of staff members or the log of business operation, etc., the entertainment place shall supply them in a timely manner.

Article 33 The competent departments of culture, the public security organs or other relevant departments shall record down the conditions on supervision and inspection and the handling results. The supervision and inspection notes shall be affixed with the names of the supervision and inspection personnel and put on records. And the general public shall be entitled to consult such supervision and inspection notes.

Article 34 The competent departments of culture, the public security organs or other relevant

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departments shall establish a warning and recording system of illegal activities of entertainment places, and timely announce the entertainment places as listed in the warning notes to the general public, so as to reinforce the supervision and inspection strength.

Article 35 The competent departments of culture, the public security organs or other relevant departments shall establish a mutual information reporting system so as to timely report the supervision and inspection conditions and the handling results.

Article 36 Where any entity or individual finds any activity in violation of the present Regulations undertaken at an entertainment place, he/she shall be entitled to tip it off to the competent departments of culture and the public security organs, etc. The competent departments of culture, the public security organs or other relevant departments shall, upon receipt of a tip-off, record it down and timely investigate and handle it; if it is outside the scope of their respective duties, they shall timely transfer the tip-off to the relevant competent department.

Article 37 When necessary, the competent departments of culture and the public security organs at the higher levels may investigate and handle the cases as investigated and handled by the competent departments of culture and the public security organs at the lower levels according to the present Regulations. The competent departments of culture and the public security organs at the lower levels may require transferring those significant and complicated cases they consider to the competent departments of culture and the public security organs at the higher levels for investigation and handling.

Article 38 In case the competent departments of culture, the public security organs, any other relevant department or any of their functionaries violates the present Regulations, any entity or individual may tip off the violation to the competent organs at the same or next higher level. And the organ that receives such tip-off shall timely investigate and handle the case.

Article 39 The trade association of entertainment places shall, according to the articles of association, formulate the self-discipline trade rules and strengthen the guidance and supervision on the business operation of its members.

## Chapter V Legal Liabilities

Article 40 Where the business operation undertaken by any entertainment place violates the present Regulations, it shall be banned by the administrative departments for industry and commerce and the competent departments of culture.

And the public security organs shall ban the illegal business operation undertaken by any entertainment place without permission it finds when investigating and handling cases related to public security or crimes.

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Article 41 Where any license for entertainment business operation obtained by fraud or any other unjustifiable means in violation of the present Regulations, it shall be revoked by the original license-issuing organ.

Article 42 Where any entertainment place carries out activities prohibited by Article 14 of the present Regulations, the public security organ at the county level shall confiscate its illegal proceeds and properties, and order it to suspend its business operation for rectification for 3 up to 6 months. If the circumstance is serious, the original license-issuing organ shall revoke its license for entertainment business operation and impose a fine of 10,000 Yuan up to 20,000 Yuan on the principal and other persons directly responsible.

Article 43 Where any entertainment place violates the present Regulations and is under any of the following circumstances, the public security organ at the county level shall order it to make corrections and give it a warning. If the circumstance is serious, the entertainment place shall be ordered to suspend its business operation for rectification for 1 up to 3 months:

- (1) The installation of illuminating equipment, boxes or compartments or the use of doors or windows is inconsistent with the present Regulations;
- (2) It does not install the monitoring equipment of closed circuit television according to the present Regulations or interrupts the use thereof;
- (3) It does not keep the video materials recorded down by the closed circuit television according to the present Regulations, or deletes or alters the video materials as recorded down;
- (4) It does not install the safety inspection equipment or carry out the safety inspection of the people who enter its business places according to the present Regulations; or
- (5) It does not employ security personnel according to the present Regulations.

Article 44 Where any entertainment place violates the present Regulations and is under any of the following circumstances, the public security organ at the county level shall confiscate its illegal proceeds and properties, and impose on it a fine of 3 up to 5 times of the illegal proceeds. If there is no illegal proceeds or the illegal proceeds is less than 10,000 Yuan, it shall be concurrently imposed on a fine of 20,000 Yuan up to 50,000 Yuan. If the circumstance is serious, the entertainment place shall be ordered to suspend its business operation for rectification for 1 up to 3 months:

- (1) installing electronic game machine models, machine types, circuit boards or other game facilities and equipment that have gambling function; or
- (2) awarding the winners with cash or securities or repurchasing awards.

Article 45 Where any entertainment place instigates or connives with its staff members to infringe on the personal rights of consumers, it shall assume the civil liability, and the public security organ at the county level shall order it to suspend its business operation for rectification for 1 up to 3 months. If the

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circumstance is serious, the original license-issuing organ shall revoke its license for entertainment business operation.

Article 46 Where an entertainment place fails to report it to the public security organ for archiving purpose according to the present Regulations after obtaining a business license, the public security organ at the county level shall order it to make correction and give it a warning.

Article 47 Where any entertainment place violates the present Regulations and is under any of the following circumstances, the competent department of culture at the county level shall confiscate its illegal proceeds and properties, and impose on it a fine of 1 up to 3 times of the illegal proceeds. If there is no illegal proceeds or the illegal proceeds is less than 10,000 Yuan, it shall be imposed on a fine of 10,000 Yuan up to 30,000 Yuan concurrently. If the circumstance is serious, the entertainment place shall be ordered to suspend its business operation for rectification for 1 up to 6 months:

- (1) The song ordering system used in a singing and dancing entertainment place is connected to any foreign song database;
- (2) The songs played or video images shown at a singing and dancing entertainment place or the game programs installed in electronic game machines of a game entertainment place contain the contents prohibited by Article 13 of the present Regulations;
- (3) The singing and dancing entertainment place receives minors;
- (4) The game entertainment place provides its electronic game machines to minors on the days other than the statutory national holidays; or
- (5) The consumers contained in an entertainment place exceed the prescribed amount.

Article 48 Where an entertainment place violates the present Regulations and is under any of the following circumstances, the competent department of culture of the people's government at the county level shall order it to make correction and give it a warning. If the circumstance is serious, the entertainment place shall be ordered to suspend its business operation for rectification for 1 up to 3 months:

- (1) It fails to apply to the original license-issuing organ for re-issuing upon verification a license for entertainment business operation according to the present Regulations when it alters the relevant matter;
- (2) It undertakes business operation within the time during which the business operation is prohibited by the present Regulations; or
- (3) Its staff members fail to wear uniforms or job marks during business hours.

Article 49 Where an entertainment place fails to work out a roster of its staff members or a log of business operation according to the present Regulations, or fails to tip off illegal activities or crimes it finds according to the present Regulations, the competent department of culture under the people's government at the county level and the public security organ at the county level shall, upon the strength of their authorities, order it to make correction and give it a warning. If the

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circumstance is serious, the entertainment place shall be ordered to suspend its business operation for rectification for 1 up to 3 months.

Article 50 Where an entertainment place fails to hang warning marks or the marks on prohibiting or restricting minors from entering according to the present Regulations, the competent department of culture under the people's government at the county level and the public security organ at the county level shall, upon the strength of its authorities, order it to make correction and give it a warning.

Article 51 Where an entertainment place employs minors, the administrative departments for labor and social security shall order it to make correction and impose on it a fine at the rate of 5,000 Yuan per month for each employed minor.

Article 52 Where the business operation of any entertainment place undertaken without permission are banned according to law, the investors or principals thereof shall not invest in entertainment places or act as the legal representative or principal of any entertainment place for life. Where any entertainment place violates the present Regulations and its license for entertainment business operation is revoked or cancelled, its legal representative or principal shall not act as the legal representative or principal of any other entertainment place for 5 years from the day when its license is revoked or cancelled. Where an entertainment place has been warned for 3 times during 2 years due to violation of the present Regulations, and is given an administrative sanction again due to the violation of the present Regulations, the competent department of culture under the people's government at the county level and the public security organ at the county level shall, upon the strength of their authorities, order it to suspend its business operation for rectification for 3 up to 6 months. Where it has been ordered to suspend its business operation for rectification for 2 times during 2 years, and is given an administrative sanction due to violation of the present Regulations again, the original license-issuing organ shall revoke its license for entertainment business operation.

Article 53 Where any entertainment place violates the laws or administrative regulations on the public security management or fire control management, the public security organ shall punish it according to. If a crime is constituted, it shall be subject to criminal liabilities. Where an entertainment place violates the laws or administrative regulations on hygiene, environmental protection, price or labor, the relevant department shall punish it according to law. If a crime is constituted, it shall be subject to criminal liabilities. Where there is any dispute between an entertainment place or its staff member and consumers, the dispute shall be solved according to the law on the protection of rights and interests of consumers. Where the personal or property damage is caused to the consumers, the entertainment place shall compensate the consumers.

Article 54 Where the license for entertainment business operation of an entertainment place is revoked or cancelled due to its violation of the present Regulations, it shall go through the

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alteration or cancellation registration at the administrative department for industry and commerce. If it fails to do so within the time limit, its business license shall be revoked.

Article 55 Where a state organ or any of its functionaries operates entertainment places, participates in the business operation of any entertainment place or does so in any disguised form, the principal and other persons directly responsible shall be given an administrative sanction of dismissal from their post or expulsion. Where any functionary of the competent department of culture or the public security organ clearly knows that any of his relatives operates an entertainment place or participates in the business operation of an entertainment place or does so in any disguised form, but does not stop him or does not try his best to stop him, he shall be given an administrative sanction. If the circumstance is serious, he shall be given an administrative sanction of dismissal from his post or expulsion.

Article 56 Where any functionary of the competent department of culture, the public security organ, the administrative department for industry and commerce or any other relevant department commits any of the following acts, the principal and other persons directly responsible shall be given administrative sanctions; and if a crime is constituted, they shall be subject to criminal liabilities:

- (1) issuing licenses, approval documents or business licenses to the entities that do not meet the statutory conditions for establishment;
- (2) failing to fulfill the duty of supervision and administration, or failing to ban the business operation of entertainment places, which are illegally carried out and which it/he finds, or failing to investigate or handle illegal activities it/he finds;
- (3) failing to investigate or handle illegal activities upon receipt of a tipoff or report thereon;
- (4) seeking for or accepting properties of any other, or seeking for other interests by making use of his rights and authorities;
- (5) taking part in or harboring illegal activities by making use of his rights and authorities, or sending inside messages to the relevant entities or individuals; or
- (6) any other act of misusing his rights and authorities, neglecting his duties or seeking for private interests or resorting to frauds.

## Chapter VI Supplementary Provisions

Article 57 The "staff members" as mentioned in the present Regulations refers to the managerial staff, service staff and security staff in an entertainment place as well as other persons who work for the entertainment place.

Article 58 The present Regulations shall come into force as of March 1, 2006. And the Regulation on the Administration of Entertainment Places as promulgated by the State Council on March 26, 1999 shall be simultaneously repealed.

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