

**Detailed Rules of the Ministry of Foreign Trade and Economic Cooperation for the  
Implementation of the Examination-Approval and Administration of the Resident  
Representative offices of Foreign Enterprises in China**

(Promulgated on February 13, 1995)

Chapter 1 General Principles

Article 1 With a view to developing China's foreign trade, promoting international economic cooperation and fortifying the administration of the resident representative offices of foreign companies, enterprises and other economic entities in the People's Republic of China, the present Detailed Rules are formulated in accordance with the Interim Provisions Concerning the Administration of the Resident Representative Offices in China of Foreign Enterprises, which were promulgated by the State Council of the People's Republic of China on October 30, 1980.

Article 2 These Detailed Rules shall apply to the resident representative offices set up within the territory of the People's Republic of China by foreign traders, manufacturers, shipping agents, contractors, consultant companies, advertising agencies, investment companies, leasing companies and other economic entities (hereinafter called "foreign enterprises").

Article 3 A foreign enterprise which applies for the establishment of its resident representative office in the territory of the People's Republic of China shall, upon approval by the Ministry of Foreign Trade and Economic Cooperation or its authorized commissions for foreign trade and economic relations (hereinafter called the "examination-approval authorities") of the provinces, autonomous regions, municipalities directly under the Central Government and of cities with separate listing in the state plan, register with the State Administration for Industry and Commerce or its authorized administrations for industry and commerce (hereinafter called the "registration authorities") of the provinces, autonomous regions, municipalities directly under the Central Government and of the cities with separate listing in the state plan.

Article 4 The resident representative office of a foreign enterprise may, on its behalf and within its business scope, be engaged in such indirect business activities as business liaison, products recommendation, market research, technological exchange, etc. in the territory of the People's Republic of China.

Article 5 Without prior approval and registration, no foreign enterprise shall have its resident representative office or be engaged in any of the business activities set forth in these Rules in the territory of the People's Republic of China.

Article 6 The resident representative office and its staff members of a foreign enterprise shall abide by the laws and regulations of, and shall not injure the national security and social public interests of the People's Republic of China.

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Article 7 The business activities conducted by the resident representative office and its staff members of a foreign enterprise pursuant to these Rules shall be protected by law of the People's Republic of China.

Article 8 The essential conditions and requirements for a foreign enterprise to apply for the establishment of a resident representative office are as follows:

- (1) the enterprise must be legally registered in the country where it is located;
- (2) the enterprise must enjoy a good commercial reputation;
- (3) the enterprise must provide the authentic and reliable materials and documents required by these Rules; and
- (4) the enterprise must go through the registration and application procedures as provided for in these Rules.

## Chapter 2 Establishment, Extension, Alteration and Termination

Article 9 A foreign enterprise which applies for the establishment of a resident representative office in the territory of the People's Republic of China shall submit to the examination and approval authorities a written application. The examination and approval authorities shall, within thirty (30) working days, decide whether to approve or disapprove it, and inform the foreign enterprise in due course.

Article 10 A foreign enterprise which applies for the establishment of a resident representative office shall commission as its undertaking agency a company which is approved by the competent authorities of the People's Republic of China and enjoys the right of foreign trade operation, or a foreign economic relations and trade entity or a service unit for foreigners recognized by the examination and approval authorities to submit, on its behalf, to the examination and approval authorities all the documents and materials and go through the application and registration procedures.

Article 11 Applications for the establishment of resident representative offices undertaken by the companies, foreign economic relations and trade entities, services units for foreigners directly under the ministries and commissions of the State Council shall be submitted to the Ministry of Foreign Trade and Economic Cooperation for examination and approval; those undertaken by the companies, foreign economic relations and trade entities, service units for foreigners of the provinces, autonomous regions, municipalities directly under the Central Government and cities with separate listing in the state plan shall be submitted to the local commissions (offices) for foreign economic relations and trade at the same level for examination and approval.

Article 12 A foreign enterprise which applies for the establishment of a resident representative office shall submit to the examination and approval authorities the following documents:

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- (1) an application signed by chairman of the board of directors or general manager of the enterprise with the inclusion of: a brief introduction of the enterprise, purpose of such establishment, and the name, personnel accredited (chief representative and representatives), scope of business, residence period, office location, etc. of the resident representative office;
- (2) a certificate of legal operation (transcript) issued by the competent authority of the country where the enterprise is located;
- (3) a certificate of credit (original) issued by a bank which has business relations with the enterprise;
- (4) letters of authorization signed by the chairman of the board of directors or general manager of the enterprise for commissioning the chief representative and representative(s) of the resident representative office, and resumes of the chief representative and representatives and their identity cards (duplicate). If the chairman of the board of directors is appointed as the chief representative or representative, the letter of authorization shall be signed by no less than two members of the board of directors of the enterprise. In case there is no board of directors in the enterprise, relevant papers shall be signed by the executive director;
- (5) a completed Application Form for the Establishment of Resident Representative Office of Foreign Enterprises and a completed Application Form for the Staff Members of Resident Representative Offices of Foreign Enterprises; and
- (6) other application materials which the examination and approval authorities deem necessary.

Article 13 The resident representative office of a foreign enterprise shall be named in the form of Name of Origin Country + Name of Enterprise + Name of City + Representative Office.

Article 14 After the enterprise acquires the approval for establishment of a resident representative office, the chief representative of the office shall, within thirty days from the date of receipt of the approval, register with the registration authorities by producing the certificate of approval. In case of failure to go through the registration formalities within the time limit, the certificate of approval shall be invalid automatically and shall be revoked by the examination and approval authorities.

Article 15 The resident representative office of a foreign enterprise shall, within thirty days after it has acquired the approval of its application and conducted its registration, go through the formalities with the public security organs, tax authorities, customs administration and banking units by presenting the certificate of approval, registration certificate and certificate of representative.

Article 16 The maximum residence period of the resident representative office of a foreign enterprise by one approval shall be not longer than three years. The residence period shall begin on the day of the issuance of the certificate of approval. Where the foreign enterprise intends to extend the period, it shall, sixty days before the expiration of the period, submit an application to

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the examination and approval authorities through the original undertaking agency and go through formalities for the extension.

Article 17 The resident representative office of a foreign enterprise which applies for extension shall provide the examination and approval authorities with the following documents;

- (1) an application for extension signed by the chairman or general manager of the enterprise;
- (2) a business report of the resident representative office during the last residence period;
- (3) a certificate of credit (original) issued by a bank which has business relations with the enterprise;
- (4) a certificate of legal operation (transcript) issued by the competent authority of the country where the enterprise is located;
- (5) a duplicate certificate of approval and a certificate of registration of the resident representative office; and
- (6) an Application Form for Extension of Resident Representative Offices of Foreign Enterprises.

Article 18 The resident representative office of a foreign enterprise which had its application for extension approved and obtained a certificate of approval for extension issued by the examination and approval authorities shall, within thirty days after receipt of the approval and by presenting such certificate, go through the formalities with the registration authorities for extension and the formalities with the public security organs, tax authorities, customs administration, banking units, etc.

Article 19 Where a foreign enterprise requests for an alteration of its name, a replacement or an addition of the chief representative or representative (s), or an alteration of the business scope, residence period or office location of its resident representative office, it shall, through the original undertaking agency, provide the original examination and approval authorities with an application for alteration signed by the chairman or general manager of the enterprise together with materials relevant to such alterations, and shall fill in the Application Form for Alteration of Resident Representative Offices of Foreign Enterprises. Upon the approval, the resident representative office shall, within thirty days and by presenting the certificate of approval for alteration, go through the formalities with the registration authorities for alteration and the formalities with the public security organs, tax authorities, customs administration, banking units, etc.

Article 20 Where a foreign enterprise applies for a revocation of its resident representative office due to the expiration of the residence period or for a termination of the business operation before such expiration, an application for cancellation signed by the chairman of the board of directors or general manager of the enterprise shall, thirty days before the expiration, be submitted by the original undertaking agency to the original examination and approval authorities for record, and the formalities of cancellation pertaining to registration of industry and commerce, permanent

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residence and record at customs shall be gone through after the clear-ups of debts and taxes and other issues.

Article 21 The applications concerning the establishment, extension, alteration and revocation as well as the letters of authorization for the chief representative and representative (s) of the resident representative office of a foreign enterprise shall be written in the Chinese language; if done in other languages, a translation in the Chinese language shall be attached hereto. Should languages other than the Chinese language be used in other materials for application, a translation in the Chinese language shall be attached hereto.

Article 22 The examination and approval authorities shall be entitled to, when it deems necessary, require the foreign enterprise which applies for the establishment of a resident representative office to have all or part of the materials for application notarized by the notary organ of the country where the enterprise is located, and to have them certified by the Chinese embassy or consulate in the country where the enterprise is located.

### Chapter 3 Administration

Article 23 The Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China and its authorized commissions (offices) for foreign economic relations and trade of the provinces, autonomous regions, municipalities directly under the Central Government and cities with separate listing in the state plan shall, in accordance with the Interim Provisions Concerning the Administration of the Resident Representative Offices of Foreign Enterprises in China promulgated by the State Council of the People's Republic of China on October 30, 1980 and the present Rules as well as relevant laws and regulations and jointly with other departments concerned, conduct administration, supervision and inspection of (over) the business activities of the resident representative offices of foreign enterprises.

Article 24 Resident representative offices of foreign enterprises and their staff members shall comply with the laws and regulations of the People's Republic of China in respect of entry and exit, residence, industry and commerce, taxation, customs, foreign exchange control, employment of staff members, house-renting and other matters and be subject to the administration, supervision and inspection from the competent departments of the Chinese Government.

Article 25 Resident representative offices of foreign enterprises which import exhibits for display on their business premises shall submit to the original examination and approval authorities an application attached with a list of import exhibits, and, upon approval, report to the Customs of the cities where the offices are located for varied and quantitative verification by presenting the approval documents. The Customs shall, in accordance with the Measures of the Customs of the People's Republic of China on Control over Imports for Temporary Purpose and the Regulations of the Customs of the People's Republic of China on the Application for Guarantees for Import

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and Export Goods, give check and clearance of the exhibits after collecting guaranty money equivalent to the duties.

Exhibits in the guaranty period shall be subject to the Customs control, and shall not be sold, transferred or granted. The exhibits shall, within six months from the day on which they were imported, be re-exported; failure to do that within the period specified, they shall be dealt with in accordance with related provisions.

Article 26 A foreign enterprise shall be responsible legally for all the business activities conducted by its resident representative office within the territory of the People's Republic of China.

Article 27 The commissions (offices) for foreign economic relations and trade of the provinces, autonomous regions, municipalities directly under the Central Government and cities with separate listing in the state plan shall, in every January and July, present data concerning all the resident representative offices they approved in the year to the Ministry of Foreign Trade and Economic Cooperation for record.

Article 28 The Ministry of Foreign Trade and Economic Cooperation and its authorized commissions (offices) for foreign economic relations and trade of the provinces, autonomous regions, municipalities directly under the Central Government and cities with separate listing in the state plan shall, depending on the seriousness of the case, impose such sanctions as disciplinary warning, suspension of business upon instruction and revocation of the approval on the resident representative offices of foreign enterprises which violate laws and regulations of the People's Republic of China and the present Rules.

#### Chapter 4 Qualifications for Chief Representative and Representative(s)

Article 29 The chief representative and representative (s) of the resident offices of foreign enterprises shall meet one of the following qualifications:

- (1) a foreign citizen with a legitimate passport (excluding foreign students studying in China);
- (2) a Chinese citizen who has the right of permanent residence in a foreign country;
- (3) compatriots from Hong Kong, Macao or Taiwan with valid credentials; or
- (4) where a Chinese citizen (excluding Chinese citizens mentioned in Item 2 of this Article) is employed as the chief representative or representative of its resident representative office, a foreign enterprise shall entrust a local service unit for foreigners or other entity designated by the Government of the People's Republic of China to process the application and report in accordance with relevant laws and regulations of the People's Republic of China.

#### Chapter 5 Supplementary Provisions

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Article 30 The present Rules shall apply, mutatis mutandis, to foreign enterprises which apply for the commission of their permanent representatives in China.

Article 31 Affairs not covered in these Rules shall be dealt with in accordance with related laws and regulations of the People's Republic of China.

Article 32 The present Rules shall apply, mutatis mutandis, to enterprises in Hong Kong, Macao and Taiwan which apply for the establishment of their resident representative offices in the mainland areas of China.

Article 33 The authorities of interpretation of the present Rules resides in the Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China.

Article 34 The present Rules shall enter into force as of the date of their promulgation, and the provisions pertaining to Issues for the Examination and Approval of Resident Representative Offices of Foreign Enterprises and of Enterprises in Hong Kong and Macao (No. 272 by Wai Jing Mao Guan) shall be abrogated on the same day.

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