

Administrative Measures on the Establishment of Partnership Enterprises in China by Foreign Enterprises or Individuals

Promulgation Authorities: State Council

Promulgation Date: 2009.11.25

Effective Date: 2010.03.01

Document Number: Order No. 567 of the State Council of the People's Republic of China

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25 November 2009

The Administrative Measures on the Establishment of Partnership Enterprises in China by Foreign Enterprises or Individuals, which were adopted at the 77th executive meeting of the State Council on 19 August 2009, are hereby promulgated and shall come into force on 1 March 2010.

Article 1 In order to standardise the establishment of partnership enterprises in China by foreign enterprises or individuals, enable foreign enterprises or individuals to invest in China by establishing partnership enterprises, and promote economic cooperation and technical exchange, these Measures are hereby promulgated in accordance with the Partnership Enterprise Law of the People's Republic of China (hereinafter referred to as the Partnership Enterprise Law).

Article 2 The term "establishment of partnership enterprises in China by foreign enterprises or individuals" as used in these Measures shall refer to the establishment of partnership enterprises in China by two or more foreign enterprises or individuals and to the establishment of partnership enterprises in China by foreign enterprises or individuals jointly with domestic individuals, legal persons, and other organisations.

Article 3 Foreign enterprises or individuals shall, when establishing partnership enterprises in China, abide by the provisions of the Partnership Enterprise Law and other relevant laws, administrative rules and regulations, and shall comply with industrial policies on foreign investment.

The lawful rights and interests of foreign enterprises and individuals shall be protected by law when they establish partnership enterprises in China.

The state shall encourage foreign enterprises or individuals with advanced technology and management expertise to establish partnership enterprises in China and promote the development of a modern service industry and other industries.

Article 4 The currencies used for investments made by foreign enterprises or individuals shall be convertible foreign currencies or lawfully obtained Renminbi.

Article 5 Foreign enterprises or individuals shall, when establishing partnership enterprises in China, apply for registration of establishment with the local administrative department for industry and commerce authorised by the administrative department for industry and commerce under the State Council (hereinafter referred to as the enterprise registration authorities) through the delegate jointly appointed by or the agent jointly entrusted by all the partners.

To apply for registration of establishment, the documents prescribed in the Administrative Measures of the People's Republic of China on the Registration of Partnership Enterprises and a statement of conformity with industrial policies on foreign investments shall be filed with the enterprise registration authorities.

Where an enterprise registration authority grants registration, it shall inform the administrative department of commerce at the same level of the registration details.

Article 6 Where there is a change in any of the registration items for partnership enterprises established in China by foreign enterprises or individuals (hereinafter referred to as foreign-invested partnership enterprises), such enterprise shall apply to register the change with the enterprise registration authorities.

Article 7 Where a foreign-invested partnership enterprise is dissolved, it shall be liquidated in accordance with the relevant provisions of the Partnership Enterprise Law. The liquidator shall, within 15 days of the end of the liquidation, cancel its registration with the enterprise registration authority.

Article 8 Where all the foreign partners of a foreign-invested partnership enterprise withdraw from the enterprise and such enterprise continues to exist, it shall apply to register the change with the enterprise registration authority.

Article 9 Where a foreign-invested partnership enterprise changes or cancels its registration, the enterprise registration authority shall inform the administrative department of commerce at the same level of the relevant details of the registration of change or cancellation.

Article 10 In respect of registration administrative matters, in the absence of applicable provisions herein, such matters shall be handled in accordance with the Administrative Measures of the People's Republic of China on the Registration of Partnership Enterprises and other relevant regulations of the state.

Article 11 In respect of such matters as finance and accounting, taxation, foreign exchange and customs, and the entry and exit of personnel involved in partnership enterprises established in China by foreign enterprises or individuals, such matters shall be handled in accordance with relevant laws and administrative regulations and the relevant provisions of the state.

Article 12 Where a foreign enterprise or individual joins a partnership enterprise established in China by Chinese natural persons, legal persons or other organizations, the partnership enterprise shall, in compliance with the relevant provisions hereof, apply to register the change with the enterprise registration authorities.

Article 13 Where a partnership enterprise established in China by foreign enterprises or individuals is involved in an investment project which is subject to government approval, it shall go through the approval formalities for such investment project in accordance with the relevant provisions of the state.

Article 14 Where the state provides otherwise for partnership enterprises established in China by foreign enterprises or individuals and which are mainly engaged in investment activities, such provisions shall apply.

Article 15 The establishment of partnership enterprises by enterprises or individuals from the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan region shall be implemented by reference to the provisions of these Measures.

Article 16 These Measures shall come into force on 1 March 2010.

Non for distribution