

RULES

PART 1 - CHINESE LAWS AND REGULATIONS

PART 1.1 - PROVISIONAL REGULATIONS FOR THE ADMINISTRATION OF FOREIGN CHAMBERS OF COMMERCE IN CHINA¹

("FOREIGN CHAMBERS REGULATIONS")

Promulgated on 14 June 1989.

ARTICLE 1 [Purpose]²

The present Regulations are hereby formulated with the purpose of promoting international trade and economic and technological exchanges, strengthening the administration of foreign chambers of commerce in China and protecting their lawful rights and interests.

ARTICLE 2 [Definition]

A foreign chamber of commerce in China refers to an organization which is set up within the Chinese territory by foreign commercial establishments and persons residing in the Chinese territory, does not engage in any commercial activities and is not profit-making.

The activities of foreign chambers of commerce in China shall be aimed at promoting trade and economic and technological cooperation between their members and China and shall provide facilities to their members in respect of studying and discussing how to develop international trade and economic and technological cooperation.

ARTICLE 3 [Duties]

Foreign chambers of commerce in China must abide by the laws and regulations of the People's Republic of China and shall not harm the national security and social public interest of China.

ARTICLE 4 [Conditions]

The following prerequisites are required for setting up a foreign chamber of commerce in China:

(1) Possession of articles of association which reflect the common intentions of the chamber's members;

¹ The Chinese version prevails. See below, Part 1.2, 外国商会管理暂行规定.

² We added the subtitles between square brackets.

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- (2) Requested by a certain number of sponsoring members and executives;
- (3) Availability of an established office; and
- (4) Availability of lawful sources of funds.

ARTICLE 5 [Members]

Foreign chambers of commerce in China shall be set up according to country origin and may have both organization members and individual members.

Organization members refer to those which join the chamber in the name of commercial establishments. Commercial establishments refer to representative offices and branches of foreign companies, enterprises and other economic organizations lawfully established in the Chinese territory.

Individual members refer to those who are staff members of non-Chinese nationality working in commercial establishments and enterprises with foreign investment and join the chamber in their own name.

ARTICLE 6 [Name]

The name of a foreign chamber of commerce in China shall be preceded by the name of its own country plus the word "China".

ARTICLE 7 [Application]

For the setting up of a foreign chamber of commerce in China, a written application must be submitted through the China Chamber of International Commerce to the Ministry of Foreign Economic Relations and Trade (hereinafter referred as the Examination Authority) for examination.

The Examination Authority shall complete the examination within 60 days after receiving the written application and all the attached documents mentioned in Article 8, and issue an approval certificate if the prerequisites in Article 4 are met or reject the written application if the above-mentioned prerequisites are not met. The Examination Authority shall give explanations if the examination can not be completed within the above fixed time range under special circumstances.

ARTICLE 8 [Supporting Documentation]

The written application of a foreign chamber of commerce must be duly signed by the chief sponsor with the following documents attached to it:

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(1) Articles of association of the chamber in quintuplicate, in which the following contents shall be included:

((1)) Name and address of the chamber;

((2)) Organizational structure of the chamber;

((3)) Names and status of the Chairman, Vice Chairmen and Managing Director of the chamber;

((4)) Procedure for the admission of its members and the rights and obligations of its members;

((5)) Activities of the chamber; and

((6)) Financial position of the chamber.

(2) A list of the sponsoring members of the chamber in quintuplicate with the organization members and individual members listed separately. For the organization members, the names, addresses, business scopes and names of the executives shall be indicated. For the individual members, the names of the commercial establishments or enterprises with foreign investment to which the individual members belong, positions, personal resumes or brief accounts of their commercial activities in China shall be indicated.

(3) Names and resumes of the Chairman, Vice Chairmen and Managing Director of the chamber in quintuplicate.

ARTICLE 9 [Approval]

After the written application for the setting up of a foreign chamber of commerce in China has been examined and approved by the Examination Authority, the chief sponsor shall, in accordance with the stipulations of the present Regulations and other relevant laws and regulations, present the approval certificate to the Ministry of Civil Affairs of the People's Republic of China (hereinafter referred to as the Registration Authority) for registration. A foreign chamber of commerce in China is deemed to be in existence after it has been registered and a registration certificate has been issued.

ARTICLE 10 [Accounting]

A foreign chamber of commerce in China shall keep accounting books in its office. Its membership fees and other funds obtained in accordance with the stipulations of its articles of association shall be used to cover the various

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expenses specified in its articles of association and shall not, under any pretence, be used as payments to its members or remitted out of the Chinese territory.

ARTICLE 11 [Report]

Foreign chambers of commerce in China shall each submit in January of every year a report on its activities in the previous year to the Examination Authority and the Registration Authority through the China Chamber of International Commerce.

The China Chamber of International Commerce shall provide foreign chambers of commerce in China with consultancy services for their activities and contacts with relevant Chinese authorities.

ARTICLE 12 [Amendments]

When a foreign chamber of commerce in China needs to amend its articles of association or change its Chairman, Vice Chairmen, Managing Director or the address of its office, it must apply for examination and approval and register for the changes through the procedures laid down in Articles 7, 8 and 9.

ARTICLE 13 [Infringements]

Foreign chambers of commerce in China shall accept the supervision of relevant Chinese authorities.

Should a foreign chamber of commerce in China violate the present Regulations, the Registration Authority has the right to decide on punishments in the forms of fine, suspending its activities within a time limit, revoking its registration or ordering to ban it.

ARTICLE 14 [Dissolution]

When a foreign chamber of commerce in China is to dissolve, it must submit an application duly signed by its Chairman together with a certificate proving the completion of its liquidation to the Registration Authority for cancelling its registration and to the Examination Authority for the record.

Any foreign chamber of commerce in China must stop its activities as from the date when it returns its registration certificate to the Registration Authority.

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ARTICLE 15 [Entry Into Force]

The present Regulations shall come into effect as from July 1, 1989.

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