

Representative Offices of Foreign Companies May not be Involved in For-profit Activities

Chinese version China's Legislative Affairs Office of the State Council recently modified the registration and administration rules governing the resident representative offices, and defined such representative offices as the non-profit offices that are not equipped with legal-person qualification and may not be engaged in for-profit activities.

The Legislative Affairs Office released on September 1 the Regulations on the Registration and Administration of Resident Representative Offices of Foreign Enterprises (Draft for Comment). According to the draft, if the international treaties and conventions that China has concluded or participated in stipulate that foreign enterprises may establish representative offices to involve in for-profit activities, such stipulations shall prevail. The public-input process is scheduled to conclude on September 25.

Also, the draft decides the annual reporting system for the said representative offices, requiring that such representative offices should submit their annual reports to the registration authorities between March 1 and June 30 each year. The representative offices may choose their resident locations and terms, and their chief representatives or representatives, with the written authorizations from the foreign enterprises, may conclude contracts on behalf of the foreign enterprises.

(Source: Legislative Affairs Office of the State Council)

Close