NGOs IN THE GMS

Involvement Related to Poverty Alleviation and Watershed Management

Yunnan, China

By

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1 INTRODUCTION

The NGO situation in Yunnan, China, has not been studied separately and the contents of this country report is based on information from a few NGOs and RETA 5771 team-members only.

2. GENERAL

The participation of non-governmental organisations in development activities is a new phenomenon in China and the concept is not clearly understood by the Government or the people. Time is needed before NGOs are fully recognised and accepted. However, in general the Chinese government is in favour of NGOs and encourages people to establish NGOs. The first local NGOs appeared in 1995. Till then all organisations were government organisations.

A small number of international NGOs have established themselves in Yunnan and more are on their way. They work mainly with issues concerning social and natural resources management. A newsletter about development in China and mostly focused on the activities of NGOs is produced by Chinabrief, which also arranges regular NGO co-ordination meetings. These meetings started two years ago.

3. LEGAL FRAMEWORK

There is no legislation for international NGOs. Save the Children Foundation was the first INGO to register formally outside of Beijing and a procedure was more or less invented for that occasion. This means registering as a Foreign Enterprise through the Chamber of Industry and Commerce. The legal framework is highly restrictive. New rules for international NGOs are being prepared and there is a fear they may well mean tighter control than exists in the current legal vacuum.

The Government in Yunnan encourages the international NGOs to work through a Memorandum of Understanding (MOU) with a quango set up by the Department of Foreign Trade and Economic Co-operation (DOFTEC), which is known as YINGOS (Yunnan International NGO Society). SCF has such an MOU and considers it quite useful in providing an official status for their national staff.

At this stage the local NGOs in China can be divided into two groups consisting of (i) various associations, and (ii) foundations. Their activities are regulated through Peoples Republic of China State Council Order no. 250 published in September 1998, and concerning regulations for registration and management of social organisations.

4. INTERNATIONAL NGOs

Considering the very short time NGOs have been operating in Yunnan and their unclear legal position the working climate is considered difficult with many obstacles. Among the bigger international development NGOs there are e.g. Save the Children UK, Medecins Sans frontiers – Holland, Oxfam Hong Kong, Yunnan – Australia Red Cross HIV/AIDS Prevention Youth Peer Education, and World Vision.

Main partner organisations are usually provincial level government bureaux with whom they have a MOU on a particular project.

For instance, Save the Children UK is working with Education (HIV in Middle Schools, Minority Basic Education), Civil Affairs (disability, street children and foster care), the Public Security Bureau (CRC and HIV training, prevention of child trafficking), Yunnan University (research on street children), Institute of Sociology (Cross border vulnerable children research) Centre two years ago, through a grant from DFID doing part of a regional study to look at vulnerable children and cross border issues. This year the Thai/Myanmar border and the China/Myanmar border. Next year probably China/Lao will be studied. SCF also works in Xishuangbanna, which from RETA 5771 point of view is of interest. They used to work with the local Drug rehabilitation Centre there and they have supported the setting up of Southwest China’s first Women & Children's Legal, Health and Psychological Counselling
Chinabrief is producing a highly respected publication about development in China and mostly focused on the activities of NGOs. They also act as the informal secretariat of a Yunnan Development Forum, which originally was a monthly get together of INGOS working in the province but which now also includes people on bilateral programmes and Chinese proto-NGOs in order to create a better forum for exchange of views.

5. LOCAL ORGANISATIONS

Established as associations or foundations are a large number of organisations dealing with research and dissemination of information. Local development NGOs are, however, still trying to find their place among the civil societies. As the concept of NGOs, and especially the non-profit aspect, is not clearly understood, the people are reluctant to support the NGOs.

Government supports most of the associations; e.g. the Association of Birds, the Association of Environmental Science and the Association of old People. The foundations usually get their funding from membership fees or money from various individuals. The Yunnan Man and Nature Foundation, which is one of the few organisations registered as a local NGO is funded mainly be money earned by one of the founding member’s activities with a TV-Station. The NGO is carrying out activities related to awareness raising on environmental conservation.

According to the government policy a province can have only one NGO for each type of activity. This implies that there can be only one NGO involved in e.g. environmental protection. In China there are to-day 5-6 environmental NGOs.

Establishing an NGO is complicated and also involves a registration fee and an activity fee. As the financial situation of the NGOs is poor they have difficulties in raising funds for these fees.

6. CONCLUSIONS

The number of international NGOs is still low in Yunnan, but more are emerging and in discussions with NGOs active outside China there was a clear interest to start activities in Yunnan. Although the Government officially recognises NGOs and their role as partners in the development process the few local organisations, of which only some are NGOs in strict meaning, are still trying to define their roles and are looking for support and understanding of their approaches from the Yunnan community.

The legal framework for the international NGOs is unclear, although legislation is under way and feared to be restrictive.

It is recommended that the project carries out policy discussions with regard to development context with the established NGO community in Yunnan and to the extent possible is using these contacts to reach the vulnerable populations in the selected watershed areas. These dialogues should continue during the project cycle and could e.g. develop into a regular monitoring of the project.

An assessment of the capacity of the local organisations should be included in the second planning phase of the project. The possibility to involve them and the formal structure of the local government in the RETA 5771 should be part of the dialogue with Government, thus strengthening the unclear position of the local organisations.

Due to the small number of international NGOs in the region and their heavy workload, the possibilities to involve them in RETA 5771 may not be easy, but when similar approaches are foreseen a co-operation may benefit both parties. The mechanism for co-operation should be studied in the second phase of RETA 5771.

REFERENCES

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Information provided by Chinabrief

ANNEX II:
REGULATIONS FOR REGISTRATION AND
MANAGEMENT OF SOCIAL ORGANISATIONS

Peoples Republic of China State Council Order No. 250

Published by the State Council at the 8th ordinary session on 25/3/98, to take effect from that date.

No. 1: General Principles

Article 1 These regulations are issued in order to guarantee citizens' freedom of association, to protect society's legal rights and interests, to promote the registration and management of social organisations, and promote socialist material and spiritual civilisation.

Article 2 In these regulations 'social organisation' means voluntary groups formed by Chinese citizens in order to realise a shared objective, according to their rules and to develop non profit making activities.

All groups other than state organs may join social organisations as institutional members.

Article 3 To become established, social organisations must be approved by the authorised department (zhuguan danwei) and follow the registration procedure set out in these regulations.

Social organisations must have the status of a legal entity (faren tiaojian).

These regulations do not apply to the following organisations:

1) Peoples organisations which participate in the Chinese Peoples Political Consultative Conference.

2) Organs under the administration of the authorised State Council departments

3) State organs and groups, enterprises and institutional units (shiye danwei), and their internal bodies or groups.

Article 4 Social organisations must observe the constitution, state laws, regulations and state policy; must not oppose the basic principles of the constitution, harm the unity, security or ethnic harmony of the state, or interests of the state and society, or the lawful interests of other organisations or citizens, or offend social
Social organisations may not undertake profit seeking activities.

Article 5 The state will protect social organisations and their activities conducted in accordance with the law, regulations and rules; other organisations or persons must not unlawfully interfere with them.

Article 6 The Ministry of Civil Affairs and local Civil Affairs departments at county level and above are the basic peoples government agencies for registration and management of social organisations. (Below, these are referred to as ‘registration and management agencies’ (dengji guanli jiguan). State Council relevant departments and local government relevant departments at county level and above, or organs empowered by the State Council or local government at county level and above, serve as the relevant leading units of social organisations in related trade, scientific or other professional areas (These are below referred to as 'professional leading units' [yewu zhuguan danwei]).

Laws, administrative laws and regulations regarding the supervision and management of social organisations, will take effect in conjunction with other laws, administrative laws and regulations.

No. 2: Administration

Article 7 National level social organisations must register with and be managed by State Council registration and management agencies; local social organisations must register with and be managed by the local People's Government registration and management agencies; inter-area social organisations must register with and be managed by common higher level peoples registration and management agencies.

Article 8 If the registration and management agency and the professional leading unit are not in the same place as a social organisation, then supervision and management can be deputed to local registration and management agencies and professional leading units.

No. 3: Registration

Article 9 Candidate social organisations must be investigated (shencha) and approved by a professional leading unit, and applying persons (faqi ren) must make preliminary application to the registration and management agency.

Article 10 To establish a social organisation the following conditions must be satisfied:

1. An organisation must have more than 50 individual members or more than 30 institutional members or, if it has both individual and institutional members, a total of at least fifty.

2. It must have a standard name, and organisational capacity.

3. It must have a fixed location.

4. It must have staff with qualifications appropriate to the professional activities of the organisation.

5. It must have lawful assets and a source of funds. National level organisations must have a minimum of 100,000 yuan to cover their activities; local social organisations and inter-area social organisations must have a minimum of 30,000 yuan.

6. It must be legally liable in its own right.

A social organisation's name must comply with the law and statutory regulations and must not offend public morality. A social organisation's name must reflect its activities, character and area of operations. Where national organisations use 'Chinese', 'All-China' etc, in their titles, they must be approved in accordance with the relevant state regulations.
Local social organisations cannot use 'National', 'Chinese', 'All China' etc in their names.

Article 11 Persons applying to set up social organisations must supply the registration and management agency with the following documents:

1. Preliminary application.
2. A document of approval from the professional leading unit.
3. A record of assets and proof of right of use of premises.
4. Verification of identity and basic situation of intended people in charge and persons applying.
5. A draft of the constitution.

Article 12 Within 60 days of receiving the documents stipulated in Article 11 of these regulations, the registration and management agency must decide whether or not to approve the registration of an organisation, and in the case of refusal must explain the reason to the persons making the application.

Article 13 The registration and management agency will not approve the registration preparation in any of the following cases:

1. If it can be shown that the objectives and area of work of a social organisation applying for the first stage of registration do not comply with Article 4 of these regulations.
2. If in the same administrative area there is already a social organisation active in the same (xiang tong) or similar (xiang si) area of work, there is no need for a new organisation to be established.
3. If the persons applying or the intended persons in charge have ever received criminal sanction of being deprived of their political rights, or do not possess complete civil liability (bu juyou wanquan minshi xingwei nengli).
4. If deception is employed in the preliminary application.
5. Other cases prohibited by law or administrative rules and regulations.

Article 14 Within six months of the date of approval of the preliminary application by the registration and management agency, the social organisation must hold a general meeting of members, or a general meeting of members' representatives to pass a charter, establish an executive body, appoint office holders (fuze ren) and a legal representative (fading daibiao ren), and apply for final registration to the registration and management agency. During this preparation period the organisation must not undertake any activities other than preparing for registration.

A social organisation's legal representative must not at the same time act as legal representative person for another social organisation.

Article 15 A social organisation's charter must include the following items:

1. Name and address
2. Objectives, professional area and the geographical area of activity
3. Membership qualifications, rights and duties
4. Democratic organisation and management structure and procedure for establishing an executive body
5. Qualifications of and procedure for appointing and replacing office holders
6. Principles of management and use of funds
7. Procedure for amending the charter
8. Procedure in the event of ceasing operations and management of remaining funds

9. Other business to be regulated by the charter

Article 16 Within thirty days of receiving an application and relevant documents from a social organisation, the registration and management agency must complete its process of investigation. Registration will be approved and a 'social organisation legal entity registration certificate' (shehui tuanti faren dengji zhengshu) issued if there are no grounds for exclusion as covered by Article 13 of these regulations, if the preliminary process has been properly completed, and if the charter complies with requirements.

Registration certificates must include the following items:

1. Name
2. Address
3. Objectives, professional area and geographical area of activity
4. Legal representative
5. Operational budget (huodong zijing)
6. Name of the professional leading unit (yewu zhuguan danwei)

If registration is not approved the persons applying must be informed of the decision.

Article 17 From the date of approval of the establishment of a social organisation it will be legally recognised as a legal entity (faren zige), and within sixty days of establishment a social organisation must open a file (bei an) with the registration and management agency. Within thirty days of receiving the materials for the file, the registration and management agency must issue a 'social organisation legal entity registration certificate'.

The information to be held on file must include the items covered in Article 16 of these regulations, and also the documents of approval in accordance with the law issued by the professional leading unit.

Article 18 The social organisation, as named in the 'social organisation legal entity registration certificate', may apply for an official seal and open a bank account. The social organisation must submit details of the design of the official seal and the bank account numbers for inclusion in the file held by the registration and management agency.

Article 19 If, after establishment, a social organisation wishes to set up a branch or subsidiary (fenzhi jigou), or representative agency (daibiao jigou), this must be investigated and approved by the professional leading unit; for purposes of registration, the registration and management agency must be supplied with files including the branch or agency name, its area of work, address of premises, and particulars of intended main officers.

Branches and representative agencies of social organisations belong to social organisations and may not be legal entities (faren zige) in their own right; they must comply with the rules regarding objectives, area of work, and geographical area as set out in the charter of the social organisation; and implement activities and develop the membership in accordance with the authorised mandate of the social organisation. Social organisation branches must not establish their own branches.

Social organisations must not establish regional branches.

No 4: Modification or Cancellation of Registration

Article 20 If registration particulars or those held on file need to be changed, within thirty days of investigation and approval by the professional leading unit, the social organisation must apply to the registration and management agency for modification of the registration or files. (Hereafter these two kinds of modification are jointly referred to as 'modification of registration'.)
If a social organisation wishes to amend its charter, within thirty days of investigation and approval by the professional leading unit, it must report the changes for approval by the registration and management agency.

Article 21 If any of the following circumstances apply to a social organisation, after investigation and agreement by the professional leading unit, the social organisation must apply to the registration and management agency for cancellation of registration or closing of its file. (Hereafter these two kinds of cancellation are referred to as 'cancellation of registration').

1. The objective of the social organisation has been achieved.
2. Closure of the organisation on its own initiative.
3. Separation of an organisation into discrete groups, or combination with other organisations.
4. Other reasons for closure.

Article 22 Before a social organisation cancels registration it must, under the guidance of the professional leading unit and other relevant units, establish a receiver group (qingsuan zuzhi) to complete winding up (qingsuan) operations. In the winding up period, the social organisation may not implement any activities other than winding up.

Article 23 Within fifteen days of completion of the winding up process, the social organisation must undertake cancellation of registration with the registration and management agency. In undertaking cancellation of registration, the organisation must submit an application for cancellation of registration signed by the legal representative person, together with investigation files and winding up report by the professional leading unit.

If the registration and management agency approves the cancellation of registration it will issue a confirmation of cancellation and withdraw the social organisation's registration certificate, official seal and accounts.

Article 24 If a social organisation wishes to close a branch or representative agency, the professional leading unit will undertake investigation, approval and subsequent cancellation of registration.

When a social organisation cancels its registration, its branches and representative agencies are simultaneously cancelled.

Article 25 After cancellation of registration of a social organisation, its remaining capital will be dealt with in accordance with relevant national regulations.

Article 26 Establishment, cancellation of registration, or changes in the name, address or legal representative of a social organisation must be publicised (gonggao) by the registration and management agency.

No. 5: Supervision and Management

Article 27 The registration and management agency will have the following responsibilities for supervision and management:

1. It is responsible for the registration and record keeping (bei an) with respect to establishment, modification and closure of social organisations.
2. It is responsible for conducting an annual review (jiancha) on the social organisation.
3. It is responsible for supervision and review in cases where social organisations fail to comply (weifan) with these regulations, and for applying disciplinary sanctions (xingzheng chufa) to organisations which fail to comply with these regulations.

Article 28 The professional leading unit will have the following responsibilities for supervision and management:

1. It is responsible for investigating (shencha) the social organisation's preliminary application, establishment, modification or cancellation of registration.
2. It is responsible for supervising and guiding the social organisation in observance of the constitution, laws, statutory regulations, national policy, and in developing activities in accordance with their charter.

3. It is responsible for conducting a preliminary stage of the annual review.

4. It is responsible for helping the registration and management agency and other relevant departments to investigate and deal with illegal activities of social organisations.

5. It is responsible with other relevant departments for guiding the process of winding up social organisations (qingsuan shiyi).

Professional leading units may not levy a fee from the social organisations for performing the above services.

Article 29 A social organisation's capital resources must be lawfully obtained; no institution or individual may seize, secretly divide or divert the social organisation's capital.

A social organisation's resources, and income lawfully obtained from activities carried out in accordance with its charter and in accordance with relevant regulations, must be used for the area of work as defined by the organisation's charter and must not be distributed to the membership.

Contributions or donations to social organisations must be used in compliance with the principles and areas of work laid down in the organisation's charter, and in compliance with purposes, methods and timescale as agreed with donors. Social organisations must report to their professional leading unit on the receipt and use of contributions and donations, and must use appropriate means of publicising relevant information to society at large.

Salaries, insurance and social welfare benefits for full time staff of social organisations must comply with relevant regulations for institutional units (shiye danwei).

Article 30 Social organisations must comply with the national financial management system and regulations, and accept the supervision of the Ministry of Finance; if an organisation's capital resources also derive from national subsidies or public contributions and donations it must also accept the supervision of the National Audit Office.

Before changing office holders or legal representatives the registration and management agency and professional leading unit must carry out a financial audit of the organisation.

Article 31 Social organisations must submit to their professional leading unit an annual work report for the preceding year by March 31; after preliminary investigation and approval by the professional leading unit, the report must be submitted, by May 31, to the registration and management agency, which will then carry out an annual review. The work report should include the following contents: the organisation's situation in respect of complying with laws, regulations and national policy; its situation in respect of these regulations' registration requirements; activities carried out in accordance with its charter; any changes in membership, administration; financial situation.

The registration and management agency should simplify the contents of the annual review for social organisations which have, in accordance with Article 17 of these regulations, been issued with a 'social organisation legal entity registration certificate'.

No. 6: Sanctions

Article 32 if a social organisation engages in deception (longxu zuojia) while applying for registration, or if within one year of receiving the 'social organisation legal entity registration certificate' it does not engage in any activities, then the registration and management agency must cancel the registration.

Article 33 In any of the following cases, the registration and management agency will issue social organisations with a formal warning and instruction to rectify their conduct; it may also stipulate a time frame within which further activities must cease; and may order a change in executives with immediate management responsibilities (zhijie fuze de zhuguan ren); in serious cases, registration will be cancelled; if the activities are criminal, criminal sanctions will be applied in accordance with the law.
1. Where the 'social organisation legal entity registration certificate' is obliterated, hired out or lent, or the social organisation's official seal is hired out or lent.

2. Where an organisation's activities go beyond the principles and area of work as defined in the charter.

3. Where supervision and reviews in accordance with the regulations are refused or not accepted.

4. Where modifications of registration are not carried out in accordance with the regulations.

5. Where branches or representative agencies are established without approval, or where poor management of branches or representative agencies has serious results.

6. Where organisations engage in profit seeking activities.

7. Where a social organisation's capital, public contributions or donations are seized, secretly divided or diverted.

8. Where relevant national regulations are contravened in the charging of fees, collection or receipt of financial resources, donations or contributions.

Illegal profits and other illegally obtained goods, gained through activities covered in the above regulations, will be confiscated; a fine may also be imposed equivalent to between one and three times the value of illegally gained profits or between three and five times the value of illegally obtained goods.

Article 34 If a social organisation's activities oppose other laws or regulations, it will be dealt with by the appropriate national agencies; if the relevant national agencies consider the social organisation should be closed down, the registration and management agency will cancel the registration.

Article 35 If a social organisation engages in preliminary activities without approval, or if it carries out activities in the name of a social organisation without being registered, or if a social organisation whose registration has been cancelled continues to carry out activities in the name of the social organisation, then the registration and management agency will close the organisation down and confiscate its illegal assets; in criminal (fanzui) cases, criminal penalties will be applied in accordance with the law; in non criminal (shang bu goucheng fanzui)cases, a public security sanction (zhi an guanli chufa) may be imposed in accordance with the law.

Article 36 If a social organisation is instructed to cease its activities within a specified time, the registration and management agency will freeze the 'social organisation legal entity registration certificate', official seal and financial records.

If the registration of a social organisation is cancelled, the registration and management agency will confiscate its 'social organisation legal entity registration certificate' and official seal.

Article 37 If the staff of the registration and management agency or the professional leading unit abuse their powers, fail to act impartially and commit irregularities, or neglect their duty, in criminal cases criminal penalties will be applied in accordance with the law, in non-criminal cases disciplinary sanctions (xingzheng chufen) will be imposed in accordance with the law.

No. 7 Supplementary

Article 38 The design of the 'social organisation legal entity registration certificate' is decided by the State Council Ministry of Civil Affairs.

No charge may be levied for conducting the annual review.

Article 39 Social organisations already established before the issuing of these regulations, must apply for registration in accordance with the provisions of these regulations, within one year of these regulations taking effect.

Article 40 These regulations take effect from the date of publication. At the same time, the State Council's 'Regulations on Registration and Management of Social Organisations' published on October 25, 1989 no longer have effect.