

Regulations of the People's Republic of China on Chinese-Foreign Cooperation in Running Schools

(Adopted at the 68th Executive Meeting of the State Council on February 19, 2003, promulgated by Decree No. 372 of the State Council of the People's Republic of China on March 1, 2003, and effective as of September 1, 2003)

Chapter I General Provisions

Article 1 These Regulations are formulated in accordance with the Education Law of the People's Republic of China, the Vocational Education Law of the People's Republic of China and the Law of the People's Republic of China on Promotion of Privately-Run Schools for the purposes of standardizing Chinese-foreign cooperation in running schools, strengthening international exchange and cooperation in the field of education and promoting the development of the educational cause.

Article 2 These Regulations apply to the activities of the cooperation between foreign educational institutions and Chinese educational institutions (hereinafter referred to as Chinese and foreign cooperators in running schools) in establishing educational institutions (hereinafter referred to as Chinese-foreign cooperatively-run schools) within the territory of China to provide education service mainly to Chinese citizens.

Article 3 Chinese-foreign cooperation in running schools is an undertaking beneficial to public interests and forms a component of China's educational cause.

For Chinese-foreign cooperation in running schools, the State adopts the policies of opening wider to the outside world, standardization of running schools, exercising administration according to law and promoting its development.

The State encourages Chinese-foreign cooperation in running schools to which high-quality foreign educational resources are introduced.

The State encourages Chinese-foreign cooperation in running schools in the field of higher education and vocational education, and encourages Chinese institutions of higher learning to cooperate with renowned foreign institutions of higher learning in running schools.

Article 4 The legal rights and interests of Chinese and foreign cooperators in running schools and of Chinese-foreign cooperatively-run schools shall be protected by the laws of China.

Chinese-foreign cooperatively-run schools shall enjoy preferential policies made by the State and enjoy autonomy when conducting educational activities in accordance with law.

Article 5 Chinese-foreign cooperation in running schools shall abide by the laws of China, implement China's educational policies, comply with Chinese public ethics and shall not jeopardize China's sovereignty, security and public interests.

Chinese-foreign cooperation in running schools shall meet the needs of the development of China's educational cause, ensure teaching quality and make efforts to train all kinds of talents for China's socialist construction.

Article 6 Chinese and foreign cooperators in running schools may cooperate to establish educational institutions of various types at various levels. However, they shall not establish institutions offering compulsory education service or special education services such as military, police and political education services.

Article 7 No foreign religious organization, religious institution, religious college and university or religious worker may engage in cooperative activities of running schools within the territory of China.

Chinese-foreign cooperatively-run schools shall not offer religious education, nor conduct religious activities.

Article 8 The education administrative department of the State Council shall be responsible for overall planning, comprehensive coordination and macro control for all Chinese-foreign cooperative activities in running schools nationwide. The education administrative department, the labour administrative department and other relevant administrative departments of the State Council shall be responsible for the work in relation to Chinese-foreign cooperation in running schools in accordance with their functions and duties as defined by the State Council.

The education administrative departments of the people's governments of the provinces, autonomous regions and municipalities directly under the Central Government shall be responsible for overall planning, comprehensive coordination and macro control for all Chinese-foreign cooperative activities in running schools within their respective administrative regions. The education administrative departments, the labour administrative departments and other relevant administrative departments of the people's governments of the provinces, autonomous regions and municipalities directly under the Central Government shall be responsible for the work in relation to Chinese-foreign cooperation in running schools within their respective administrative regions in accordance with their functions and duties.

Chapter II Establishment

Article 9 An educational institution which applies for establishing a Chinese-foreign cooperatively-run school shall have the legal person status.

Article 10 A Chinese or foreign cooperator in running a school may contribute with funds, in kind or in forms of land-use right, intellectual property rights or other assets

to establish the school.

Contribution of intellectual property rights by a Chinese or foreign cooperator in running a school shall not exceed one-third of its total contribution. However, for a foreign educational institution that comes to China for cooperation in running a school at the invitation of the education administrative department or the labour administrative department of the State Council or at the invitation of the people's government of a province, an autonomous region or a municipality directly under the Central Government, its contribution in the form of intellectual property rights may exceed one-third of its total contribution.

Article 11 A Chinese-foreign cooperatively-run school shall meet the basic requirements prescribed by the Education Law of the People's Republic of China, the Vocational Education Law of the People's Republic of China, the Higher Education Law of the People's Republic of China and other laws and administrative regulations, and shall have the legal person status. However, a Chinese-foreign cooperatively-run school established to offer higher education service through the cooperation between a foreign educational institution and a Chinese institution of higher learning which offers education for academic qualifications may have no legal person status. The establishment of a Chinese-foreign cooperatively-run school shall follow the standards for the establishment of State-run educational institutions of the same type and at the same level.

Article 12 An application for establishing a Chinese-foreign cooperatively-run school offering higher education for academic qualifications at or above the regular university education shall be subject to examination and approval of the education administrative department of the State Council; an application for establishing a Chinese-foreign cooperatively-run school offering specialized higher education or higher education for non-academic qualifications shall be subject to examination and

approval of the people's government of the province, autonomous region or municipality directly under the Central Government where the proposed school is to be located.

An application for establishing a Chinese-foreign cooperatively-run school offering secondary education for academic qualifications, programs of tutoring self-taught students for examinations, programs offering supplementary teaching of school courses and pre-school education shall be subject to examination and approval of the education administrative department of the people's government of the province, autonomous region or municipality directly under the Central Government where the proposed school is to be located.

An application for establishing a Chinese-foreign cooperatively-run school offering vocational technical training shall be subject to examination and approval of the labour administrative department of the people's government of the province, autonomous region or municipality directly under the Central Government where the proposed school is to be located.

Article 13 The establishment of a Chinese-foreign cooperatively-run school shall include two steps of preparation for establishment and formal establishment. However, the applicant may file an application directly for formal establishment if it fulfills the conditions for offering education and meets the standards for establishment.

Article 14 An applicant who applies for preparation for establishment of a Chinese-foreign cooperatively-run school shall submit the following documents:

(1) a project report which shall mainly contain the names of the Chinese and foreign cooperators in running the school, the name of the proposed cooperatively-run school, educational targets, size of the school, level and form of education to be offered, conditions for offering education, system of internal

management, sources of funding and capital management and use, etc.;

(2) a cooperative agreement which shall contain the duration of cooperation and ways of dispute settlement, etc.;

(3) valid documents verifying sources of assets and amount of capital, with clear statement of ownership;

(4) a donation agreement for any assets provided as a donation to the proposed school, which carries the name of the donor, value of donation, purpose of use and management methods, and the relevant valid verifying documents; and

(5) a certificate verifying that not less than 15 percent of initial funds provided by the Chinese and foreign cooperators is already invested.

Article 15 In the case of an application for preparation for establishment of a Chinese-foreign cooperatively-run school, the examination and approval authorities shall decide whether to grant the approval or not within 45 days from the date of receiving the application. If the application is approved, a letter of approval for preparation for establishment shall be issued; if the application is not approved, reasons shall be provided in writing.

Article 16 An applicant whose application for preparation for establishment of a Chinese-foreign cooperatively-run school is approved shall file an application for formal establishment within three years from the date of approval; if it is more than three years, the Chinese and foreign cooperators in running the school shall file an application anew.

During the period of preparation for establishment, no students shall be enrolled.

Article 17 An applicant who has completed its preparation for establishment and applies for formal establishment shall submit the following documents:

(1) an application for formal establishment;

- (2) the letter of approval for preparation for establishment;
- (3) a report on the progress of preparation for establishment;
- (4) the articles of association for the Chinese-foreign cooperatively-run school, and a list of members on its first board of trustees or board of directors, or of its first joint managerial committee;
- (5) valid documents verifying assets of the Chinese-foreign cooperatively-run school; and
- (6) documents verifying the qualifications of the president or principal administrator, the teachers and financial staff.

An applicant who directly applies for formal establishment of a Chinese-foreign cooperatively-run school shall submit all documents listed under subparagraphs (1), (4), (5) and (6) of the preceding paragraph and subparagraphs (2), (3) and (4) of Article 14.

Article 18 In the case of an application for formal establishment of a Chinese-foreign cooperatively-run school offering education for non-academic qualifications, the examination and approval authorities shall decide whether to grant the approval or not within three months from the date of receiving the application; in the case of an application for formal establishment of a Chinese-foreign cooperatively-run school offering education for academic qualifications, the examination and approval authorities shall decide whether to grant the approval or not within six months from the date of receiving the application. If the application is approved, a permit for Chinese-foreign cooperation in running the school printed in a standard format and numbered in a unified way shall be granted; if the application is not approved, reasons shall be provided in writing.

The format of the permit for Chinese-foreign cooperation in running a school shall be determined by the education administrative department of the State Council and the printing be arranged separately by the education administrative department

and the labour administrative department of the State Council in accordance with their respective functions and duties; the permit for Chinese-foreign cooperation in running a school shall be numbered in a unified way by the education administrative department of the State Council and the specific measures shall be formulated by the education administrative department jointly with the labour administrative department of the State Council.

Article 19 In the case of an application for formal establishment of a Chinese-foreign cooperatively-run school offering education for academic qualifications, the examination and approval authorities, upon receiving such an application, shall organize an expert committee to make an evaluation, and the expert committee shall give its opinions.

Article 20 A Chinese-foreign cooperatively-run school which has obtained the permit for Chinese-foreign cooperation in running the school shall register in accordance with the relevant laws and administrative regulations, and the registering authorities shall process the registration timely in accordance with the relevant provisions.

Chapter III Organization and Administration

Article 21 A Chinese-foreign cooperatively-run school with the legal person status shall set up a board of trustees or a board of directors, and a Chinese-foreign cooperatively-run school without the legal person status shall set up a joint managerial committee. Chinese members on the board of trustees, the board of directors or of the joint managerial committee shall not be less than half of the total number.

The board of trustees, the board of directors or the joint managerial committee shall be composed of at least five members with one of them serving as the

chairperson and one of them serving as the vice-chairperson respectively. If either of the Chinese and foreign cooperators in running the school assumes the chairpersonship, the other shall assume the vice-chairpersonship.

The legal representative of a Chinese-foreign cooperatively-run school with the legal person status shall be appointed through consultation between the Chinese and foreign cooperators in running the school from the chairperson of the board of trustees, or the chairperson of the board of directors, or the president of the cooperatively-run school.

Article 22 The board of trustees, the board of directors or the joint managerial committee of a Chinese-foreign cooperatively-run school shall be composed of the representatives from both the Chinese and foreign cooperators in running the school, the president or principal administrator of the school, the representatives of the school's teaching and administrative staff, etc., and one-third of the members shall have at least five years of work experience in the field of education and teaching.

The list of members on the board of trustees, the board of directors or of the joint managerial committee of a Chinese-foreign cooperatively-run school shall be submitted to the examination and approval authorities for the record.

Article 23 The board of trustees, the board of directors or the joint managerial committee of a Chinese-foreign cooperatively-run school shall exercise the following powers:

- (1) electing or by-electing the members on the board of trustees, the board of directors or of the joint managerial committee;
- (2) appointing or dismissing the president or the principal administrator;
- (3) modifying the articles of association and formulating school rules and bylaw;
- (4) formulating development plans and approving annual work plans;
- (5) raising operational funds, examining and approving the budget and the final

accounts;

(6) determining the staff arrangement and quotas and the wage scales;

(7) making decisions on the division, merger or termination of the Chinese-foreign cooperatively-run school; and

(8) exercising other powers specified by the articles of association.

Article 24 The board of trustees, the board of directors or the joint managerial committee of a Chinese-foreign cooperatively-run school shall meet at least once a year. Interim meetings of the board of trustees, the board of directors or the joint managerial committee may be convened upon proposal made by at least one-third of its members.

The board of trustees, the board of directors or the joint managerial committee of a Chinese-foreign cooperatively-run school shall adopt its decision upon agreement by at least two-thirds of its members when it discusses the following major issues:

(1) appointing or dismissing the president or the principal administrator;

(2) modifying the articles of association;

(3) formulating the development plan;

(4) making decisions on the division, merger or termination of the Chinese-foreign cooperatively-run school; and

(5) other major issues specified by the articles of association.

Article 25 The president or the principal administrator of a Chinese-foreign cooperatively-run school shall be a person with the nationality of the People's Republic of China, domicile in the territory of China, love the motherland, possess moral integrity, and have work experience in the field of education and teaching as well as compatible professional expertise.

The president or the principal administrator appointed by a Chinese-foreign

cooperatively-run school shall be subject to approval of the examination and approval authorities.

Article 26 The president or the principal administrator of a Chinese-foreign cooperatively-run school shall exercise the following powers:

- (1) executing the decisions of the board of trustees, the board of directors or the joint managerial committee;
- (2) implementing the development plan and drafting annual work plans, financial budget, rules and bylaw;
- (3) employing and dismissing the staff and executing rewards and punishments;
- (4) organizing teaching and scientific research activities and ensuring teaching quality;
- (5) taking charge of daily administrative work; and
- (6) exercising other powers specified by the articles of association.

Article 27 A Chinese-foreign cooperatively-run school shall administer its teachers and students in accordance with law.

Foreign teachers and administrators employed by a Chinese-foreign cooperatively-run school shall possess a bachelor's degree or above and related occupational certificates, and have at least two years of work experience in the field of education and teaching.

The foreign cooperator shall send a certain number of teachers from its own educational institution to teach in the Chinese-foreign cooperatively-run school.

Article 28 A Chinese-foreign cooperatively-run school shall safeguard the lawful rights and interests of its teachers and students in accordance with law, guarantee the payment and welfare benefits of the teaching and administrative staff and pay social insurance premiums for the teaching and administrative staff.

The teaching and administrative staff of a Chinese-foreign cooperatively-run school shall establish their trade union and other organizations in accordance with law, and participate in the democratic governance of the Chinese-foreign cooperatively-run school through the staff congress or other means.

Article 29 Foreign employees of a Chinese-foreign cooperatively-run school shall abide by the relevant provisions on employment of foreigners in China.

Chapter IV Education and Teaching

Article 30 A Chinese-foreign cooperatively-run school shall offer courses on the constitution, laws, ethics of citizens and basic facts about China, etc. in accordance with the requirements by China for educational institutions of the same type at the same level.

The State encourages Chinese-foreign cooperatively-run schools to introduce internationally advanced courses and teaching materials that are urgently needed in China.

A Chinese-foreign cooperatively-run school shall report the courses that it offers and the teaching materials that it has introduced in to the examination and approval authorities for the record.

Article 31 A Chinese-foreign cooperatively-run school may, if necessary, use foreign languages in teaching, but shall use the standard Chinese language and standard Chinese characters as the basic teaching language.

Article 32 The enrollment by Chinese-foreign cooperatively-run schools offering higher education for academic qualifications shall be incorporated into the national enrollment plan for institutions of higher learning. The enrollment by Chinese-foreign

cooperatively-run schools offering other education for academic qualifications shall be conducted in accordance with the provisions of the education administrative departments of the people's governments of the provinces, autonomous regions or municipalities directly under the Central Government.

The enrollment of overseas students by Chinese-foreign cooperatively-run schools shall be conducted in accordance with the relevant provisions of the State.

Article 33 The enrollment brochures and advertisements of Chinese-foreign cooperatively-run schools shall be submitted to the examination and approval authorities for the record.

A Chinese-foreign cooperatively-run school shall publicize regularly relevant information on the type and level of its education, its specialties and courses and its enrollment plan, etc.

Article 34 Chinese-foreign cooperatively-run schools offering education for academic qualifications shall grant academic qualifications certificates or other education certificates in accordance with the relevant provisions of the State; those that offer education for non-academic qualifications shall grant training certificates or course completion certificates in accordance with the relevant provisions of the State. Students who receive vocational skill training may be granted relevant national vocational qualifications certificates in accordance with the relevant provisions of the State if they pass the evaluation by a vocational skill evaluation organ authorized by the government.

Chinese-foreign cooperatively-run schools offering higher education for academic qualifications may grant relevant Chinese certificates of academic degrees in accordance with the relevant provisions of the State.

Certificates of academic qualifications or certificates of academic degrees of a foreign educational institution granted by a Chinese-foreign cooperatively-run school

shall be identical with the certificates of academic qualifications or certificates of academic degrees issued by the foreign educational institution in its own country and shall be recognized by that country.

The recognition of certificates of academic qualifications or certificates of academic degrees of a foreign educational institution granted by Chinese-foreign cooperatively-run schools shall be governed by the international treaties concluded or acceded to by the People's Republic of China or the relevant provisions of the State.

Article 35 The education administrative department of the State Council or the education administrative departments, the labour administrative departments and other related administrative departments of the people's governments of the provinces, autonomous regions or municipalities directly under the Central Government shall strengthen their routine supervision over Chinese-foreign cooperatively-run schools, organize or authorize intermediary organizations to evaluate the management and educational quality of the Chinese-foreign cooperatively-run schools and publicize the evaluation results.

Chapter V Assets and Financial Matters

Article 36 Chinese-foreign cooperatively-run schools shall establish and improve their financial and accounting systems as well as their assets management system in accordance with law, and shall keep books of accounts pursuant to the relevant provisions of the State.

Article 37 During the period of their existence, Chinese-foreign cooperatively-run schools shall enjoy the property of legal persons on all their assets in accordance with law, and no other organizations or individuals may encroach on such assets.

Article 38 The items and standards of charges by Chinese-foreign cooperatively-run schools shall be determined and publicized in accordance with the relevant provisions of the State on price fixing by the government; no additional items or increase in charges shall be allowed without approval.

Chinese-foreign cooperatively-run schools shall use Renminbi instead of any foreign currencies in calculating and collecting tuition and other fees.

Article 39 All fees collected by Chinese-foreign cooperatively-run schools shall be mainly used for educational and teaching activities and for improving the conditions of school operation.

Article 40 Chinese-foreign cooperatively-run schools shall abide by the provisions of the State on foreign exchange control in conducting their activities of the receipt and payment of foreign exchange and opening and using foreign exchange accounts.

Article 41 Chinese-foreign cooperatively-run schools, at the end of each fiscal year, shall prepare financial and accounting reports, commission public auditing institutions to conduct auditing work in accordance with law, publicize the audit findings, and file such information with the examination and approval authorities for the record.

Chapter VI Alteration and Termination

Article 42 Division or merger of a Chinese-foreign cooperatively-run school shall be reported to the examination and approval authorities for approval, after the liquidation, by the board of trustees, the board of directors or the joint managerial committee.

In the case of an application for division or merger of a Chinese-foreign cooperatively-run school offering education for non-academic qualifications, the examination and approval authorities shall reply in writing within three months from

the date of receiving the application; in the case of an application for division or merger of a Chinese-foreign cooperatively-run school offering education for academic qualifications, the examination and approval authorities shall reply in writing within six months from the date of receiving the application.

Article 43 Alteration of cooperators in running a Chinese-foreign cooperatively-run school shall be proposed by the cooperators, and after liquidation, with the consent of the board of trustees, the board of directors or the joint managerial committee, shall be reported to the examination and approval authorities for approval, and the relevant alteration formalities shall be undertaken.

Any alteration in the domicile, legal representative or the president or the principal administrator of a Chinese-foreign cooperatively-run school shall be subject to examination and approval of the examination and approval authorities, and the relevant alteration formalities shall be undertaken.

Article 44 Any alteration in the name, level or type of a Chinese-foreign cooperatively-run school shall be reported for approval by the board of trustees, the board of directors or the joint managerial committee to the examination and approval authorities.

In the case of an application for altering a Chinese-foreign cooperatively-run school to offer education for non-academic qualifications, the examination and approval authorities shall reply in writing within three months from the date of receiving the application; in the case of an application for altering a Chinese-foreign cooperatively-run school to offer education for academic qualifications, the examination and approval authorities shall reply in writing within six months from the date of receiving the application.

Article 45 A Chinese-foreign cooperatively-run school shall be terminated in one of the following cases:

(1) where a request for termination is made in accordance with the articles of association and approved by the examination and approval authorities;

(2) where its permit for Chinese-foreign cooperation in running the school is revoked; or

(3) where it is unable to continue its operation due to insolvency and such termination is approved by the examination and approval authorities.

A Chinese-foreign cooperatively-run school shall make proper arrangements for its students at school upon its termination; a Chinese-foreign cooperatively-run school shall submit a plan for such arrangements while applying for termination thereof.

Article 46 A Chinese-foreign cooperatively-run school shall make liquidation in accordance with law upon termination.

Where a Chinese-foreign cooperatively-run school itself requests termination, the Chinese-foreign cooperatively-run school shall organize liquidation; where the termination is the result of dissolution by the examination and approval authorities in accordance with law, the examination and approval authorities shall organize liquidation; where the termination is the result of inability to continue the operations for education due to its insolvency, a people's court shall be requested according to law to organize liquidation.

Article 47 Upon liquidation, a Chinese-foreign cooperatively-run school shall settle its outstanding debts according to the following sequence:

(1) tuition and other fees that shall be refunded to the students;

(2) salaries due to the teaching and administrative staff and their social insurance premiums payable;

(3) payments for other outstanding debts.

The remaining assets of a Chinese-foreign cooperatively-run school after the settlement of the above debts shall be handled in accordance with the provisions of the relevant laws and administrative regulations.

Article 48 Where a Chinese-foreign cooperatively-run school is terminated after approval or its permit for Chinese-foreign cooperation in running the school is revoked, it shall return its permit for Chinese-foreign cooperation in running the school and its official seals to the examination and approval authorities and register its cancellation in accordance with law.

Chapter VII Legal Liability

Article 49 Where the examination and approval authorities for Chinese-foreign cooperation in running schools or their personnel, by taking advantage of their office, accept money or property from others or obtain other interests, or, by abusing their power or neglecting their duty, issue a permit for Chinese-foreign cooperation in running a school to those that do not meet the requirements prescribed by these Regulations, or fail to conduct investigation when an illegal act is discovered, if the consequences are serious and the case violates the criminal law, the persons in charge who are responsible and other persons directly responsible shall be investigated for criminal liability in accordance with the provisions of the criminal law on the crime of acceptance of bribes, the crime of abuse of power, the crime of neglect of duty or other crimes; if the case is not serious for criminal punishments, they shall be given administrative sanctions in accordance with law.

Article 50 Where any authority, in violation of the provisions of these Regulations, examines and approves a Chinese-foreign cooperatively-run school beyond the

scope of power, the document of approval shall be null and void and the higher level authorities shall order it to make corrections; the persons in charge who are responsible and other persons directly responsible shall be given administrative sanctions in accordance with law; if public property or interests of the State and the people sustains heavy losses, they shall be investigated for criminal liability in accordance with the provisions of the criminal law on the crime of abuse of power or other crimes.

Article 51 Where anyone, in violation of the provisions of these Regulations, establishes a Chinese-foreign cooperatively-run school without approval, or defrauds a permit for Chinese-foreign cooperation in running the school by illegitimate means, the education administrative department or the labour administrative department shall ban it according to their respective functions and duties, or, jointly with the public security organ, order it to return the fees collected from the students, and concurrently impose a fine of not more than 100,000 yuan; in case the criminal law is violated, criminal liability shall be investigated in accordance with the provisions of the criminal law on the crime of swindle or other crimes.

Article 52 Where anyone, in violation of the provisions of these Regulations, enrolls students within the period of preparation for establishment of a Chinese-foreign cooperatively-run school, the education administrative department or the labour administrative department shall, according to their respective functions and duties, order it to stop the enrollment of students and to return the fees collected from the students, and concurrently impose a fine of not more than 100,000 yuan; if the circumstances are serious and it refuses to stop the enrollment, the examination and approval authorities shall revoke the letter of approval for preparation for establishment.

Article 53 Where either Chinese or foreign cooperator in running a school makes false capital contribution or withdraws the capital contribution after establishment of the Chinese-foreign cooperatively-run school, the education administrative department or the labour administrative department shall, according to their respective functions and duties, order it to make corrections within a prescribed time limit; if it refuses to make such corrections within the prescribed time limit, the education administrative department or the labour administrative department shall, according to their respective functions and duties, impose a fine of not more than twofold of its false capital contribution or of its capital contribution withdrawn.

Article 54 Anyone who forges, alters, buys or sells a permit for Chinese-foreign cooperation in running a school shall be investigated for criminal liability in accordance with the provisions of the criminal law on the crime of forging, altering, buying or selling certificates of a State organ or other crimes.

Article 55 Where a Chinese-foreign cooperatively-run school adds items of fees charged or raises the level of fees charged without approval, the education administrative department or the labour administrative department shall, according to their respective functions and duties, order it to return the fees overcollected, and the pricing department shall punish it in accordance with the provisions of the relevant laws and administrative regulations.

Article 56 Where a Chinese-foreign cooperatively-run school causes gross adverse impacts due to its poor management or inferior educational and teaching quality, the education administrative department or the labour administrative department shall, according to their respective functions and duties, order it to make rectification within a prescribed time limit and make an announcement; if the circumstances are serious, or no rectification is made within the time limit, or the requirements are not met after

its rectification, the education administrative department or the labour administrative department shall, according to their respective functions and duties, order it to stop its enrollment of students and revoke its permit for Chinese-foreign cooperation in running the school.

Article 57 Where anyone, in violation of the provisions of these Regulations, issues false enrollment brochures and swindles money or property, the education administrative department or the labour administrative department shall, according to their respective functions and duties, order it to make corrections within a prescribed time limit and give a warning, confiscate its illegal gains, if any, and may concurrently impose a fine of not more than 100,000 yuan after fees collected have been refunded, and, if the circumstances are serious, order it to stop enrollment of students and revoke its permit for Chinese-foreign cooperation in running the school; if a crime is constituted, criminal liability shall be investigated in accordance with the provisions of the criminal law on the crime of swindle or other crimes.

Where a Chinese-foreign cooperatively-run school issues false enrollment advertisements, it shall be investigated for legal liability in accordance with the relevant provisions of the Advertisement Law of the People's Republic of China.

Article 58 Where a Chinese-foreign cooperatively-run school has its permit for Chinese-foreign cooperation in running the school revoked as an administrative punishment, the chairperson of its board of trustees or its board of directors, or its president or principal administrator shall be prohibited from taking positions of the chairperson of the board of trustees or of the board of directors, the president or principal administrator of any Chinese-foreign cooperatively-run school within ten years starting from the date of revocation of its permit for Chinese-foreign cooperation in running the school.

Those who violate the provisions of these Regulations and the criminal law and

are punished for criminal liability in accordance with law shall be prohibited from engaging in activities of Chinese-foreign cooperation in running schools within ten years starting from the date of completion of service of criminal punishments.

Chapter VIII Supplementary Provisions

Article 59 Cooperation in running schools between educational institutions from the Hong Kong Special Administrative Region, the Macao Special Administrative Region or Taiwan and mainland educational institutions shall be handled with reference to the provisions of these Regulations.

Article 60 Measures for administration of for-profit training institutions which are cooperatively run by Chinese and foreign parties and registered at the administrative department for industry and commerce shall be formulated separately by the State Council.

Article 61 Specific measures for examination and approval and administration of cooperatively-run educational projects for offering education for academic qualifications, tutoring self-taught students for examinations, supplementary teaching of school courses or pre-school education, etc., which provide education mainly to Chinese citizens and are operated jointly by foreign educational institutions and Chinese educational institutions within the territory of China, shall be formulated by the education administrative department of the State Council.

Specific measures for examination and approval and administration of cooperatively-run educational projects for offering vocational skill training, which provide education mainly to Chinese citizens and are operated jointly by foreign educational institutions and Chinese educational institutions within the territory of

China, shall be formulated by the labour administrative department of the State Council.

Article 62 No foreign educational institution, other organization or individual may establish unilaterally schools or other educational institutions providing education mainly to Chinese citizens within the territory of China.

Article 63 Chinese-foreign cooperatively-run schools established in accordance with law before the implementation of these Regulations shall apply retroactively for permits for Chinese-foreign cooperation in running schools as required by these Regulations. Those that do not fully meet the requirements prescribed by these Regulations shall, within two years starting from the date of implementation of these Regulations, accomplish such requirements; for those that fail to do so within the prescribed time limit, the examination and approval authorities shall dissolve them.

Article 64 These Regulations shall be effective as of September 1, 2003.