



Interim Regulation on the Supervision and Administration of State-owned Assets of Enterprises (2019 Revision)

企业国有资产监督管理暂行条例(2019 修订)

Interim Regulation on the Supervision and Administration of State-owned Assets of Enterprises

(Promulgated by Order No. 378 of the State Council of the People's Republic of China on May 27, 2003; revised for the first time in accordance with the Decision of the State Council on Abolishing and Amending Some Administrative Regulations on January 8, 2011; and revised for the second time in accordance with the Decision of the State Council to Amend Certain Administrative Regulations on March 2, 2019)

Chapter 1 General Provisions

Article 1 The present Measures are enacted in order to establish a supervision and administration system of state-owned assets that meets the demand of the socialist market economy, to further activate the state-owned enterprises, to promote the strategic adjustment of the layout and structure of the state-owned economy, to develop and strengthen the state-owned economy, and to try to maintain and increase the value of the state-owned assets.

Article 2 The present Regulations shall apply to the supervision and administration of the state-owned assets in the state-owned, state controlling, and state holding enterprises.

And the present Regulations shall not apply to the supervision and administration of the state-owned assets in financial institutions.

Article 3 State-owned assets in enterprises as mentioned in the present Regulations refer to the state's various form of investment and the rights and interests formed thereby, as well as other rights and interests recognized as being state-owned according to law.

Article 4 The state-owned assets in enterprises belong to the state. The state shall apply the administration system of state-owned assets in which the State Council and the local people's governments shall, on behalf of the state, perform the investor's duties and enjoy the owner's rights and interests, the rights shall be associated with the obligations and responsibilities, and the administration of assets shall be combined with the administration of personnel and affairs.

Article 5 The State Council shall, on behalf of the state, perform the investor's duties for the large state-owned, state controlling, and state holding enterprises that have



[FBM]CLI.2.330970(EN)

bearings on the national economic lifeline and the state security, and the state-owned, state controlling, and state holding enterprises in the fields of important infrastructure and important natural resources etc. The State Council shall determine and promulgate the list of the enterprises for which the State Council will perform the investor's duties.

The people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government, and the people's governments at the level of districted city and autonomous prefecture shall, on behalf of the state, perform the investor's duties for the state-owned, state controlling, and state holding enterprises other than those for which the State Council performs the investor's duties. Among which, the state-owned, state controlling, and state holding enterprises that for which the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government perform the investor's duties shall be determined and promulgated by the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government, and shall be put on record with the state-owned assets supervision and administration body under the State Council; other state-owned, state controlling, and state holding enterprises for which the people's governments at the level of districted city or autonomous prefecture perform the investor's duties shall be determined and promulgated by the people's governments at the level of districted city or autonomous prefecture, and shall be put on record with the state-owned assets supervision and administration bodies of the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government.

The enterprises for which the State Council, the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government, and the people's governments at the level of districted city or autonomous prefecture perform the investor's duties shall be generally called as the invested enterprises.

Article 6 The State Council, the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government, and the people's governments at the level of districted city and autonomous prefecture shall respectively set up state-owned assets supervision and administration bodies. The state-owned assets supervision and management bodies shall perform the investor's duties according to law and supervise and administer the state-owned assets of the enterprises.

The districted cities and autonomous prefectures with relatively few state-owned assets in enterprises may set up no separate state-owned assets supervision and administration bodies upon approval of the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government.

Article 7 The people's governments at various levels shall strictly execute the laws and regulations on the administration of state-owned assets, shall stick to the separation of the government's function of administration of public affairs and the function as the investor of state-owned assets, and stick to the separation of government bodies and enterprises and the separation of ownership and management power.

The state-owned assets supervision and administration bodies shall not exercise the government's function of administration of public affairs, and the other bodies and departments of the government shall not perform the duties of the investor of state-



owned assets in enterprises.

Article 8 The state-owned assets supervision and management bodies shall, in accordance with the present Regulations and other relevant laws and administrative regulations, establish and perfect the internal supervision system, and strictly enforce the laws and administrative regulations.

Article 9 In case of war, serious natural disaster, or other major and emergent situations, the state may allocate and dispose of the state-owned assets in enterprises in a unified way according to law.

Article 10 The invested enterprises and the enterprises invested and established thereby are entitled to the right to autonomy in business operations. The state-owned assets supervision and management bodies shall support the enterprises to independently carry out business operations according to law, and may not intervene with the production and business activities of the enterprises except for performing the investor's duties.

Article 11 The invested enterprises shall strive to improve the economic benefits, and assume the responsibilities to maintain and increase the value of the state-owned assets they operate and manage. The invested enterprises shall accept the supervision and administration carried out by the state-owned assets supervision and administration bodies according to law, and may not damage the legitimate rights and interests of the owners of the state-owned assets in enterprises and of other investors.

Chapter 2 State-Owned Assets Supervision and Administration Bodies

Article 12 The state-owned assets supervision and administration body under the State Council is the ad hoc body directly affiliated to the State Council that, on behalf of the State Council, performs the investor's duties and is responsible for the supervision and administration of the state-owned assets in enterprises.

The state-owned assets supervision and administration bodies of the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government, and the state-owned assets supervision and administration bodies of the people's governments at the level of districted city and autonomous prefecture are the ad hoc bodies directly affiliated to the people's governments that, on behalf of the people's governments at the corresponding levels, perform the investor's duties and are responsible for the supervision and administration of the state-owned assets in enterprises.

The state-owned assets supervision and administration bodies of the people's governments at the higher levels shall direct and supervise the work of the state-owned assets supervision and administration bodies of the people's governments at the lower levels..

Article 13 The main duties of a state-owned assets supervision and administration body include:

1) Performing the investor's duties and protecting the owner's rights and interests in accordance with [the Company Law of the People's Republic of China](#) and other laws and regulations;



[FBM]CLI.2.330970(EN)

- 2) Directing and promoting the reform and restructuring of the state-owned and state controlling enterprises;
- 3) Dispatching supervisors to the enterprises in which it invests as required;
- 4) Appointing and removing, and assessing the principals of the invested enterprises pursuant to the statutory procedures, and awarding or punishing them according to the assessment results;
- 5) Supervising the value maintaining and increase of the state-owned assets in enterprises through the methods of statistics and auditing etc.; and
- 6) Performing other duties of the investor and the matters handed over by the people's government at the corresponding level.

The state-owned assets supervision and administration body under the State Council may, apart from executing the duties provided for in the preceding paragraph, set forth the regulations and systems on the supervision and administration of the state-owned assets in enterprises.

Article 14 The main obligations of a state-owned assets supervision and administration body are:

- 1) Promoting the rational flow and optimized allocation of the state-owned assets, and promoting the adjustment of the layout and structure of the state-owned economy;
- 2) Maintaining and increasing the control power and competitiveness of the state-owned sectors that have bearings on the national economic life line and the state security, and improving the overall quality of the state-owned economy;
- 3) Exploring effective systems and methods for operation of the state-owned assets in enterprises, strengthening the supervision and administration of the state-owned assets in enterprises, promoting the value maintaining and increase of the state-owned assets in enterprises, and prevent the state-owned assets in enterprises from erosion;
- 4) Directing and promoting the state-owned and state controlling enterprises to establish the modern enterprise system, to perfect the corporation governance structure, and to promote the modernization of the management;
- 5) Respecting and maintaining the right to autonomy in business operations of the state-owned and state controlling enterprises, safeguarding the legitimate rights and interests of the enterprises, promoting the enterprises to operate and manage the business according to law, and enhancing the competitiveness of the enterprises; and
- 6) Directing and coordinating the difficulties and problems arising from the reform and development of the state-owned and state controlling enterprises.

Article 15 The state-owned assets supervision and administration bodies shall report the work of supervision and administration of the state-owned assets in enterprises, the maintaining and increase of the value of the state-owned assets, and other major matters to the people's governments at the corresponding levels.

Chapter 3 Administration of the Enterprise Principals

Article 16 The state-owned assets supervision and administration bodies shall establish and perfect the mechanism of selection and the mechanism of incentive and restriction of enterprise principals that meet the requirements of the modern enterprise system.

Article 17 A state-owned assets supervision and administration body shall, according to the relevant provisions, appoint or remove, or suggest the appointment or removal



[FBM]CLI.2.330970(EN)

of the enterprise principals of the invested enterprises:

- 1) Appointing and removing the general manager, vice general manager, general accountant and other enterprise principals of the solely state-owned enterprises;
- 2) Appointing and removing the board chairperson, vice board chairperson and directors of the solely state-owned companies, and suggesting to the companies the appointment and removal of the general manager, vice general manager, and general accountant etc.;
- 3) Naming the selected directors and supervisors dispatched to the state controlling companies according to the articles of incorporation of the companies, recommending the selected board chairperson, vice board chairperson, and the president of the board of supervisors of the state controlling companies, and suggesting the selected general manager, vice general manager, and general accountant; and
- 4) Naming the selected directors and supervisors dispatched to the state holding companies according to the articles of incorporation of the companies.

Where the State Council, the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government, and the people's governments at the level of districted city and autonomous prefecture have otherwise provisions on the appointment and removal of the principals of the invested enterprises, the relevant provisions shall be carried out.

Article 18 The state-owned assets supervision and administration bodies shall establish the system of assessment of the business operation achievements made by the enterprise principals, shall enter into achievement contracts with the appointed enterprise principals, and shall carry out annual and office term assessments of the enterprise principals according to the achievement contracts.

Article 19 The state-owned assets supervision and administration bodies shall, pursuant to the relevant provisions, determine the salaries of the enterprise principals of the solely state-owned enterprises and solely state-owned companies among the invested enterprises; and shall decide the award and punishment to the enterprise principals dispatched to the invested enterprises according to the assessment results.

Chapter 4 Administration of the Major Matters of the Enterprises

Article 20 The state-owned assets supervision and administration bodies shall be responsible for directing the state-owned and state controlling enterprises to establish the modern enterprise system, for examining and approving the restructuring and stock system reform schemes of the solely state-owned enterprises and solely state-owned companies among the invested enterprises, and the articles of incorporation of the solely state-owned companies among the invested enterprises.

Article 21 the state-owned assets supervision and administration bodies shall, pursuant to the statutory procedures, decide the major matters of the solely state-owned enterprises and solely state-owned companies among the invested enterprises, such as splitting, merger, bankruptcy, dissolution, increase and reduction of capital, issuance of company bonds etc. Among which, the splitting, merger, bankruptcy, and dissolution of important solely state-owned enterprises and solely state-owned companies shall, after examination by the state-owned assets supervision and administration bodies, be subject to the approval of the people's governments at the corresponding levels.



[FBM]CLI.2.330970(EN)

The state-owned assets supervision and administration bodies shall execute the relevant laws and regulations of the state when they, pursuant to the statutory procedures, examine and decide the relevant major matters of the solely state-owned enterprises and solely state-owned companies among the invested enterprises in the field of national defense science and technology industry.

Article 22 The state-owned assets supervision and administration bodies shall, pursuant to the provisions of the [Company Law](#), dispatch shareholder representatives and directors to take part in the shareholders' conference and the board of directors of the state controlling companies and state holding companies.

Where the shareholders' conference and the board of directors of the state controlling companies and state holding companies decide the major matters of the companies, such as splitting, merger, bankruptcy, dissolution, increase or reduction of capital, issuance of company bonds, and appointment or removal of the enterprise principals etc., the shareholder representatives and directors dispatched by the state-owned assets supervision and administration bodies shall, in accordance with the instructions of the state-owned assets supervision and administration bodies, present the opinions and exercise the voting right.

The shareholder representatives and directors dispatched by the state-owned assets supervision and administration bodies shall report their performance of the duties to the state-owned assets supervision and administration bodies in good time.

Article 23 The state-owned assets supervision and administration bodies shall decide the transfer of state-owned equity of the invested enterprises. Among which, the transfers of all of the state-owned equity or the transfers of state-owned equity that will result in the state's losing of the controlling position shall be subject to the approval of the people's governments at the corresponding levels.

Article 24 Where the major matters of the important subsidiary enterprises set up by the invested enterprises need to be reported by the invested enterprises to the state-owned assets supervision and administration bodies for approval, the administration measures shall be separately set forth by the state-owned assets supervision and administration body under the State Council and be submitted to the State Council for approval.

Article 25 The state-owned assets supervision and administration bodies shall, pursuant to the relevant provisions of the state, organize and coordinate the annexation and bankruptcy of the solely state-owned enterprises and solely state-owned companies among the invested enterprises, and shall cooperate with the relevant enterprises in the resettlement of the laid-off workers of the enterprises etc.

Article 26 The state-owned assets supervision and administration bodies shall, pursuant to the relevant provisions of the state, draft the guiding opinions on the reform of the income distribution system of the invested enterprises, and adjust and control the overall level of the salary distribution of the invested enterprises.

Article 27 The state-owned assets supervision and administration bodies may authorize the solely state-owned enterprises and solely state-owned companies among invested enterprises that have the necessary conditions to operate state-owned assets. The authorized solely state-owned enterprises and solely state-owned companies shall



[FBM]CLI.2.330970(EN)

operate, manage and supervise the state-owned assets formed through the state investment made to the enterprises solely funded by them or in which they take the controlling position or hold shares.

Article 28 The authorized solely state-owned enterprises and solely state-owned companies shall establish and perfect the normative modern enterprise system, and assume the responsibilities to maintain and increase the value of the state-owned assets in enterprises.

Chapter 5 Administration of the State-Owned Assets in Enterprises

Article 29 The state-owned assets supervision and administration bodies shall, pursuant to the relevant provisions of the state, be responsible for the basic administration of the state-owned assets in enterprises, such as the determination of the property rights, registration of the property rights, regulation of the assets evaluation, clearing and verification of the assets, statistics of the assets, and comprehensive appraisal etc.

The state-owned assets supervision and administration bodies shall coordinate the disputes between the invested enterprises over the property rights of the state-owned assets in enterprises.

Article 30 The state-owned assets supervision and administration bodies shall establish the system of supervision and administration of the transaction of property rights to the state-owned assets in enterprises, strengthen the supervision and administration of the transactions of the property rights to the state-owned assets in enterprises, promote the rational flow of the state-owned assets in enterprises, and prevent the state-owned assets in enterprises from erosion.

Article 31 The state-owned assets supervision and administration bodies shall perform according to law the investor's duties with respect to the proceeds of the state-owned assets in the invested enterprises; and shall perform the investor's duties with respect to major investment and financing planning, development strategies and planning of the invested enterprises in accordance with the state development planning and industrial policies.

Article 32 Where the disposition of the major assets of the solely state-owned enterprises and solely state-owned companies among the invested enterprises need to be approved by the state-owned assets supervision and administration bodies, the relevant provisions shall be executed.

Chapter 6 Supervision of the State-Owned Assets in Enterprises

Article 33 The state-owned assets supervision and administration bodies shall, according to law, supervise the financial status of the invested enterprises, establish and perfect the indicator system for maintaining and increase of the value of the state-owned assets, and maintain the rights and interests of the investors of the state-owned assets.

Article 34 The state-owned and state controlling enterprises shall strengthen the internal supervision and risk control, and shall establish the systems of finance,



[FBM]CLI.2.330970(EN)

auditing, in-house counsel, and employees' democratic supervision etc. pursuant to the relevant provisions of the state.

Article 35 The solely state-owned enterprises and solely state-owned companies among the invested enterprises shall, pursuant to the provisions and in fixed terms, report to the state-owned assets supervision and administration bodies their financial status, production and operation status, and the maintaining and increase of the value of the state-owned assets.

Chapter 7 Legal Liabilities

Article 36 Where any state-owned assets supervision and administration body appoints or removes, or suggests the appointment or removal of the principals of the invested enterprises in violation of the relevant provisions, or intervenes with the production and business operations of the invested enterprises, infringes upon their legitimate rights and interests, and causes loss of or other serious consequences to the state-owned assets in enterprises in violation of the law, the personnel directly in charge and other directly responsible personnel shall be given administrative sanctions according to law; and the criminal liabilities shall be investigated for if a crime is constituted.

Article 37 Where any solely state-owned enterprise or solely state-owned company among the invested enterprises fails to report to the state-owned assets supervision and administration body the financial status, production and business operations, and the maintaining and increase of the value of the state-owned assets pursuant to the provisions, it shall be given a warning; where the circumstances are serious, the personnel directly in charge and other directly responsible personnel shall be given disciplinary sanctions according to law.

Article 38 Where any enterprise principal of the state-owned or state controlling enterprise abuses the powers, neglects the duties, and causes loss of the state-owned assets in enterprise, that person shall be liable for the compensation and be given disciplinary sanctions according to law; and the criminal liabilities shall be investigated for if a crime is constituted.

Article 39 An enterprise principal of the state-owned or state controlling enterprise that is liable for the loss of state-owned assets and has been given the disciplinary sanction heavier than dismissal from the post may not assume the enterprise principal of any state-owned or state controlling enterprise within 5 years; and one that has caused gross loss of the state-owned assets of the enterprise or has been given criminal punishment may not assume the enterprise principal of any state-owned or state controlling enterprise throughout his/her life.

Chapter 8 Supplementary Provisions

Article 40 The organizational form, structures, rights and obligations of the state-owned, state controlling and state holding enterprises shall comply with the [Company Law of the People's Republic of China](#) and other laws, administrative regulations, and the present Regulations.



[FBM]CLI.2.330970(EN)

Article 41 The construction of the basic-level organization of the Communist Party of China and the construction of the socialist spiritual civilization in the state-owned, state controlling and state holding enterprises shall be carried out in accordance with the [Articles of Association of the Communist Party of China](#) and the relevant provisions.

The organization of trade unions in the state-owned, state controlling and state holding enterprises shall be carried out in accordance with the relevant provisions of [the Trade Union Law of the People's Republic of China](#) and the Articles of Association of the Trade Union of China.

Article 42 The state-owned assets supervision and administration body under the State Council, and the people's governments of the provinces, autonomous regions, and municipalities directly under the Central Government may formulate the implementation measures in accordance with the present Regulations.

Article 43 Where any administrative regulations relating to the supervision and administration of the state-owned assets in enterprises conflict with the present Regulations, the latter shall prevail.

Article 44 The entities that have not separated the government bodies from the enterprises shall, pursuant to the provisions of the State Council, accelerate the reform and realize the separation of government bodies and enterprises. With respect to the enterprises separated from government bodies, the state-owned assets supervision and administration bodies shall perform the investor's duties, and carry out supervision and administration of the state-owned assets in enterprises.

Article 45 The present Regulations shall be implemented as of the day of promulgation.



[FBM]CLI.2.330970(EN)

© Pkulaw (www.pkulaw.com) provides various professional solutions in such fields as legal information, law knowledge and legal software. Pkulaw provides you with abundant reference materials. When you invoke articles of laws and regulations, please check them with the standard texts.

You are welcome to view all our [products and services](#). Pkulaw Express: [How to quickly find information you need? What are the new features of Pkulaw V6?](#)



Scan QR Code for instant access to the original text.

Original Link: https://www.pkulaw.com/en_law/02b98fb0efda657abdfb.html