

**Announcement of the 15th Standing Committee of Beijing Municipal
People's Congress**

No. 25

The *Regulation of Beijing Municipality on Optimizing Doing Business Environment*, adopted by the Standing Committee of the 15th Beijing Municipal People's Congress at its 20th meeting on March 27, 2020, is hereby promulgated and shall come into force as of April 28, 2020.

Dated: March 27, 2020

Regulation of Beijing Municipality on Optimizing Doing Business Environment

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Chapter I General Provisions

Article 1 The Regulation is formulated in accordance with the *Regulation on Optimizing Doing Business Environment* promulgated by the State Council and in light of the reality of Beijing, with a view to continuously improving Doing Business environment, modernizing the capital's governance systems and capabilities, and driving high-quality development.

Article 2 The business environment shall be improved by following a market-oriented, law-based approach and benchmarking against international best practices. Guided by the needs of market participants, reforms should deepen to streamline administration, delegate powers, strengthen regulation, improve services, and to build an approval system based on applicants' pledge to compliance, a credit-based oversight system, a standardized government service system, a data sharing and collaboration system underpinned by new-generation information technologies such as blockchain, and a law-based policy support system, for the purpose of effectively reducing government-imposed transaction costs, energizing market participants, giving

full play to the decisive role of the market in resource allocation, and creating a world-class business environment.

Article 3 All market participants shall enjoy equal rights, have equal access to opportunities and be subjected to the same rules in market and economic activities. They shall have the right to independently determine their forms and models of business in accordance with the law, the right to be protected upon their personal and property rights, the right to know about laws, policies, regulations and services, the right to autonomously join or withdraw from social organizations, and the right to supervise the business environment.

Market participants shall abide by laws and regulations, abide by social ethics and business ethics, be honest and trustworthy, compete fairly, perform legal obligations in safety, quality, environmental protection, labor rights protection, consumer rights protection, and observe internationally accepted rules in international economic and trade activities.

Article 4 The municipality shall establish and improve a consultation and coordination mechanism for optimizing the business environment, set up an expert advisory committee, improve relevant policy measures, conduct ease of doing business assessment, promptly address major issues through coordination, and advance the work on business environment improvement and supervise the implementation of measures for this purpose.

People's governments at the municipal and district levels shall strengthen leadership in optimizing the business environment. Heads of these governments are primarily responsible for this work.

The development and reform department at the municipal and district levels shall be charged with the work of optimizing the business environment within their respective administrative areas, responsible for organizing, directing and coordinating the relevant routine work. Other relevant government departments shall fulfill their share of responsibilities in accordance with their functions and duties.

Article 5 The municipality shall encourage the government and relevant departments to actively explore original and differentiated measures to optimize the business environment based on the rule of law and the municipality's

realities. For errors or deviations arising from the exploration, exemption from or mitigation of liability may be granted if the prescribed conditions are met.

Article 6 The people's government at the municipal or district level shall report annually to the standing committee of the people's congress at the corresponding level on its work of optimizing the business environment. The standing committee may supervise by hearing special work reports, or through law enforcement inspections, inquiries, questioning or inspections by people's deputies.

Article 7 The municipality shall establish a public supervisors system, engaging business managers and relevant public figures, to find out problems in the business environment and hear their opinions and recommendations in a timely manner. The government and relevant departments shall accept public supervisors' supervision and promptly address verified problems.

Article 8 The municipality shall collaborate with Tianjin and Hebei Province in optimizing the business environment, gradually bringing about standardization of government services, mutual recognition of qualifications, and equal access to government services across the Beijing-Tianjin-Hebei region.

Chapter II Market Environment

Article 9 In line with the needs of market participants, the municipality shall innovate in systems and mechanisms and create a world-class business environment for market participants to engage in production and operation activities.

Article 10 Economic entities under all forms of ownership shall be equally protected by law. All types of market participants shall have equal access to capital, technology, human resources, land and other production factors and public service resources in accordance with the law. The national and municipal support policies for development shall equally apply to market participants in accordance with the law, and market participants shall be treated fairly in public resource trading activities such as government procurement and tendering.

It is prohibited to impose, in ways not conforming to the statutory authority, conditions and procedures, administrative compulsory measures, such as sealing up, freezing and detaining the property of market participants or the personal property of business managers. It is prohibited to require market participants to pay for the costs of or contribute financial, material or human resources beyond the scope prescribed by laws and regulations.

In cases where the government needs to take measures such as expropriation, alteration or withdrawal of a valid administrative license or commitment in the interest of the state or public, the market participants concerned shall be compensated in accordance with the law.

Article 11 In accordance with the *Beijing Municipal Master Plan* approved by the CPC Central Committee and the State Council as well as national requirements, the municipality shall formulate an industrial development policy and a catalogue of prohibitions and restrictions on new industries, compatible with its functions as the national capital. The catalogue shall be made by the municipal development and reform department together with other relevant government departments, and released to the public after being approved by the municipal people's government.

Neither the district people's governments nor their relevant government departments shall formulate catalogue of prohibitions and restrictions on new industries.

Market participants of various types may have equal access to sectors that are not included in the catalogue or the National Negative List for Market Access.

Article 12 Relevant government departments shall take the following measures to simplify the registration procedures for market participants unless otherwise stipulated by laws or administrative regulations.

(1) Concerning application for the establishment of a market participant or modification of registration, if the applicant promises that the submitted articles of association, agreements, resolutions and proof of domicile use are authentic, legal and valid, the market regulation department shall conduct a formal review of the submitted documents;

(2) For establishment of a general business project, once the applicant has submitted a complete set of documents, the relevant government department shall promptly close the case and provide the applicant as needed the business license, official seal and instruments necessary for production and operation in one go. If a case cannot be closed immediately, it shall be closed within one working day;

(3) A market participant that establishes a general business project may register its business scope in accordance with the broad categories set in the *Industrial Classification for National Economic Activities*;

(4) Multiple market participants may register the same address as domicile;

(5) A market participant may carry out production and operation activities in places other than its registered domicile, but it shall publish on its own the address of its actual production and operation via the Enterprise Credit Information Publicity System;

(6) A market participant that establishes a branch may apply to indicate the domicile of the branch on its business license, instead of applying for a separate business license.

The term “general business project” mentioned in paragraphs ii and iii refers to a business project that a market participant may undertake without having to obtain the administrative approval of relevant government departments.

The specific measures for simplifying the registration procedures for market participants shall be formulated and promulgated by the municipality’s municipal market regulation department.

Article 13 A market participant shall undertake to take the registered domicile or any other address it has published on the Beijing “e-Window” Service Platform for Enterprise Registration as the address for the delivery of legal documents in paper copy. If the market participant agrees to use electronic delivery, unless otherwise stipulated by laws and regulations, its email address, fax number, mobile instant messaging account, among others, registered on the Beijing “e-Window” Service Platform for Enterprise Registration shall be deemed as the address for delivering legal documents in the digital form.

Article 14 The municipality shall promote the development of key technological and cultural industries. Market participants may use the existing resources of the National Innovation Demonstration Zone and the Beijing Economic-Technological Development Area to build incubators for technological and cultural businesses. The lawfully registered collectively-owned rural construction land for commercial use that conforms to the municipality's planning may be used for the construction of such projects as the incubation of technological and cultural businesses and commercialization of technology and cultural innovation, and for hosting industrial projects.

The municipality shall promote, in a coordinated way, the development of application scenarios for the experiment of applying new technologies and new products. Relevant government departments of science and technology, economy and information technology shall publish a list of application scenarios in key areas.

The establishment of international technological organizations or alliances, international intellectual property organizations or their branches in the municipality shall be supported.

Article 15 The intellectual property and other relevant government departments shall improve the platforms for intellectual property (IP) related reporting, complaints, rights protection and assistance, the fast track for administrative processing of relevant cases, and the systems of case transfer and clue notification among administrative organs and between administrative and judicial organs.

The municipal intellectual property department shall encourage and guide businesses to establish a patent early warning system, and support associations and IP intermediaries in providing businesses with IP early warning and strategic analysis services in target markets.

The municipal intellectual property department shall establish for businesses a patent overseas emergency assistance mechanism, guide businesses and business associations in formulating contingency plans for sudden major overseas IP cases, and support these associations and IP intermediaries in providing businesses with assistance in overseas IP disputes, conflicts and

emergencies.

Article 16 The municipal human resources and social security department shall establish a sound human resources service system, foster international and specialized service providers in human resources, and facilitate the rational flow and optimal allocation of human resources. It shall keep channels of workers' rights protection unimpeded, improve the mediation mechanism, step up supervision and law enforcement, and protect the lawful rights and interests of workers in accordance with the law. The vocational qualification rating system for skilled personnel shall be abolished as stipulated by applicable national regulations, and be replaced by a vocational skills rating system operated by non-government entities.

Article 17 The municipal local financial supervision and administration department shall organize and coordinate relevant financial institutions and intermediaries in providing market participants with first loans, loan renewals and other financial services and increase the scale and proportion of credit for small and medium-sized enterprises.

It shall, on the premise of ensuring trade secrets and personal privacy protection, promote the sharing of information by real estate registration, taxation, market regulation, civil affairs and other government departments with financial institutions. A blockchain-based information system for the electronic enterprise identity authentication shall be built to reduce the documents that businesses are required to submit.

Article 18 The municipality shall use the People's Bank of China Movable Financing Registration System to uniformly register movables as collateral other than aircraft, ships, motor vehicles and IP. A market participant may give a general description of the movable property while registering it as collateral.

The parties to the collateral may stipulate upon agreement that the security interest shall cover the collateral itself and other assets such as products, earnings and substitutes generated therefrom in the future. The municipal local financial supervision and administration department shall promote the establishment of a collateral disposition platform to facilitate the realization of creditors' security interests.

Article 19 The municipality shall pursue regulated and healthy development of the regional equity market, support the Beijing Equity Trading Center in improving the custody and registration mechanism for the shareholders register, and expand the size of direct equity financing by micro-, small- and medium-sized enterprises.

Article 20 The government and relevant departments shall strictly implement all the national policies for reducing taxes and fees, promptly study and resolve specific problems in the implementation of these policies, and ensure that they benefit market participants fully and in a timely way.

Article 21 In the event of an emergency, the people's governments at the municipal and district levels shall formulate and organize efforts to implement measures such as relief, compensation, subsidies, fees cut or exemption, and placement based on losses of the market participants affected by the emergency.

Article 22 In public resources trading activities such as government procurement and tendering, the following restrictions or exclusion of potential suppliers or bidders shall be prohibited:

- (1) Illegally prescribing the form of ownership or organization of potential suppliers or bidders;
- (2) Illegally requiring potential suppliers or bidders to set up branches;
- (3) Considering the performance and awards in specific administrative regions or specific industries as a plus;
- (4) restricting or designating specific patents, trademarks, brands, places of origin or suppliers;
- (5) Otherwise restricting or excluding potential suppliers or bidders.

Article 23 The municipal development and reform department shall promote the establishment of a sound municipality-wide public resources trading platform, adopt catalogue-based management of such trading, make public in accordance with the law the rules, procedures, results, supervision and credit information related to public resources trading, promote whole-process electronic public resources trading, and realize one-form application, and all-in-one license and one online platform for services.

The use of electronic letters of guarantee for bid bond and performance

bond shall be promoted to reduce the trading costs of market participants and improve trading efficiency.

Article 24 The municipality shall strengthen protection of the rights and interests of minority shareholders of companies.

The directors shall have the obligation of being loyal and diligent to their company. When deliberating matters such as related-party transactions of shareholders, they shall protect the company's interests as well as the lawful rights and interests of minority shareholders. The directors shall be liable for the losses suffered by the company as a result of the related-party transactions done under the resolution of the board of directors.

Article 25 The government and relevant departments shall fulfill the policy commitments made to market participants and the contracts concluded according to the law. They shall not violate or break any contract on the grounds of adjustment of administrative divisions, change of government officials, institutional or functional adjustment, or the replacement of responsible persons, inter alia, and shall not extend the payment term against the true will of market participants. Any change to a policy commitment or contract necessitated by national or public interests shall be made in accordance with the statutory authority and procedures, and compensation shall be made in accordance with the law for the losses suffered by the market participants as a result.

If a market participant applies for secured financing by accounts receivable and makes a request for the validation of claims to debtors such as state organs, public institutions or businesses, the debtors shall validate the debtor-creditor relationship promptly.

Article 26 The market regulation department shall cancel the registration of a business under any of the following circumstances:

(1) A business does not carry out production and operation activities or has neither claims nor debts after obtaining business license, and no objection is received within twenty (20) days after the release of notice on the intended cancellation of the business registration on the National Enterprise Credit Information Publicity System;

(2) A bankruptcy administrator files an application in accordance with the

ruling document of the people's court on the conclusion of bankruptcy proceedings;

(3) A business has had its business license revoked for more than three years and its shareholders undertake in writing to assume the outstanding debts.

Article 27 The municipality shall encourage industry associations and chambers of commerce to independently recruit members pursuant to the law, to make requests on behalf of members, and to serve the development of members. While drafting or formulating policy measures for the development of relevant industries, the government and relevant departments shall actively solicit views from industry associations and chambers of commerce, and give timely feedback and explanation on whether their opinions are adopted.

Chapter III Government Services

Article 28 The government and relevant departments shall harmonize the standards of government services, innovate in ways of government services, promote the application of next-generation information technologies such as blockchain, artificial intelligence, big data and the Internet of Things, continuously improve the quality of government services, and thereby provide standardized, convenient and efficient government services for market participants.

Article 29 The municipality shall promote standardized government services.

The municipal government service departments shall, in collaboration with the relevant government departments, compile and publish a single list of government services and their guidelines. The guidelines shall specify, for each service item, information on the conditions and procedures, required documents, acceptance of incomplete sets of documents, steps and time limit, charges, contact information and channels for complaints. The conditions and required documents in the guidelines must not contain ambiguous expressions such as "other" or "relevant".

Article 30 Relevant government departments and their staffs shall provide

government services in the principle of benefiting market participants and observe the following provisions:

(1) Providing government services according to the guidelines and not requiring market participants to provide anything beyond the guidelines;

(2) Not requiring market participants to provide any information that can be obtained through information sharing among government departments;

(3) In case of a need of field survey, on-site verification, technical examination, or hearing and validation, arranging promptly within the required time limits without procrastination or delay;

(4) Under the same circumstances, applying the same standards to receiving and processing applications for the same service item without differentiated treatment;

(5) Abiding by the work discipline and not engaging in any interactions with market participants that may affect the performance of their duties according to the law.

Article 31 The municipality shall implement a notification and commitment system in delivering government services in industries and fields other than those directly related to national security, public security and people's life and health. If an applicant undertakes that relevant conditions are met, the relevant government department shall directly give consent. An applicant who fails to fulfill the commitment shall be ordered to make rectification within a specified time limit. If the conditions are still not met after rectification, the consent shall be revoked and the applicant's case shall be included in the municipality's credit information platform. If an applicant makes a false commitment, the consent shall be directly revoked, the said applicant shall be held legally accountable for engaging in relevant activities without consent and the case shall be included in the municipality's credit information platform.

The specific scope, conditions, standards and procedures of the notification and commitment system shall be formulated jointly by the municipal government service departments and other relevant government departments and released to the public.

Article 32 The municipality shall handle all government service matters at

government service halls or stations.

The government shall establish government service systems at the municipal, district, sub-district and township levels, and set up as needed government service halls or stations in the municipality's sub-center and conveniently located areas. Such halls and stations shall bear the same name and logo, open on weekends or for staggered or longer hours, and provide market participants with convenience of getting things done quickly, at a service hall/station that is the nearest or of their choice, at a time convenient for them.

Article 33 The municipality shall provide all government services at any service windows.

Relevant government departments may entrust, by way of signed agreements, government service department at the same level with receiving government service applications. The government service department shall set up comprehensive service windows in the government service halls or stations for receiving all applications, which shall be administratively reviewed by the relevant government departments and the results of such reviews shall be delivered through the comprehensive windows.

Should relevant government departments station their personnel at a government service hall or station, they shall grant such personnel sufficient authority for administrative review and approval. In principle, a working mechanism shall be adopted where for a received application, at most two signatures may be required, from the operator and the chief representative respectively, before a final decision is made, realizing one-stop services for an application to be filed, reviewed and decided on.

Government departments shall, upon the application of market participants, make a decision on whether or not to grant an extension before the expiry of the validity of an administrative approval. In case where no decision is made before the expiry, an extension shall be deemed as having been granted.

Article 34 The municipality shall implement whole-process online processing for government service items.

The municipal government service departments shall establish a municipality-wide unified online government service platform, and promote

regulated, standardized and interconnected government service platforms of districts and departments.

Article 35 The municipal economy and information technology department shall establish a municipality-wide unified big-data management platform and an information sharing mechanism to promote the sharing of government service information. Relevant government departments shall provide accurate, updated and complete information within their scope of duties to the big-data management platform.

Reliable electronic signatures used by market participants for government services in compliance with the provisions of the *Law of the People's Republic of China on Electronic Signatures* shall have the same legal effect as handwritten signatures or seals; electronic seals and physical seals shall have the same legal effect; electronic certificates and licenses shall have the same legal effect as the paper copies, unless otherwise stipulated by laws and administrative regulations.

The electronic data generated in the use of blockchain technology may be used as the basis and archiving materials for handling government service matters.

Article 36 The municipal government service departments shall, in accordance with the law, formulate a catalogue of intermediary services required for administrative approval and publish the catalogue to the public. Relevant government departments shall not require intermediary services other than those listed in the catalogue for administrative approval.

Article 37 A notification-commitment system shall be implemented for business's investment projects in fixed-assets. The scope of these projects shall be determined by the municipal development and reform department and published to the public after being approved by the municipal people's government.

Article 38 At the municipality's sub-center, Zhongguancun Science City, Huairou Science City, Beijing Future Science Park, the Beijing Economic-Technological Development Area and other well-placed areas, the government and relevant departments shall carry out the regional assessment of

the environment, water and transportation in sync with the formulation of the detailed control plan and no separate assessment shall be required of market participants for their construction projects in these regions.

Article 39 The municipal department of planning and natural resources, together with the departments of housing and urban-rural development, development and reform, shall formulate a category-based management system for projects with non-government investment based on factors such as the project's construction scale, type and location, and implement differentiated management according to the risk level.

For the low-risk construction projects with non-government investment, the project planning permit and the construction permit may be handled in a consolidated manner, and the entire approval time from the project establish to real estate registration shall not exceed fifteen (15) working days.

Article 40 The municipality shall explore an “architect responsibility” system for civil and low-risk industrial construction projects. Design teams with registered architects as the core and their design enterprises may provide full-cycle design, consulting and management services for the construction projects. The municipality shall explore a professional liability insurance scheme with the architect responsibility system, and support insurance companies in developing insurance products in this regard.

For construction projects that do not require engineering supervision or the project owner does not have the capability to manage construction project, the project owner may purchase insurance for potential defects in the project quality, and the insurance company may commission a risk management agency to manage the construction project.

Article 41 The municipality shall further optimize the management of construction projects. For a housing construction project or a municipal construction project with large amount of earthwork, after the builder obtains the review opinion of the project design plan and if the construction site is suitable, it can carry out earthwork, slope protection, precipitation and related work in advance. However, a construction permit shall be obtained at the latest before the construction of the main part of the project.

Article 42 Public utilities such as water supply, drainage, power supply, gas supply, heat supply and communication shall disclose information such as service scope, standards, charges, procedures and time limits for completion.

For small construction projects that are invested by market participants and require access to municipal utilities, the public utilities of water supply, drainage and low-voltage power supply shall provide free service on site. Access to low-voltage power shall be done within eight (8) working days.

Article 43 Power suppliers shall ensure the normal and stable operation of power supply facilities and ensure that the quality of power supply conforms to national regulations. The municipal urban management department shall strengthen supervision over the annual power supply reliability rate of power suppliers, and those failing to meet the standards set out by national regulations shall be ordered to make rectifications and be fined no less than RMB 50,000 but no more than RMB 500,000.

Article 44 Taxation, human resources and social security departments shall, under the premise of ensuring information security, take the following measures to facilitate the payment of taxes and fees:

- (1) Make taxation services accessible across the municipality;
- (2) Introduce the financial and tax-assistant declaration system, enabling automatic data conversion between financial statements and tax declaration for market participants;
- (3) Provide market participants with tax payment reminders and risk alerts;
- (4) Promote combined declaration and online payment of social insurance, medical insurance and housing provident fund;
- (5) Adopt blockchain technology to implement VAT electronic special invoices and other electronic bills.

Article 45 The real estate registration department shall, in accordance with relevant national regulations, strengthen cooperation with the housing and urban-rural development, taxation and other departments to provide a single window for registration, transaction and tax payment for the transfer of real estate by the market participants. These procedures shall be done concurrently within one working day.

The real estate registration department shall, in accordance with the relevant national and municipal regulations, query the following information for market participants and provide both online and on-site services:

- (1) Information on natural conditions such as real estate area and usage;
- (2) Restriction information such as mortgage and seizure;
- (3) Information on the ownership of houses planned for non-residential purposes, and the right holders are legal persons and unincorporated organizations, except those involving state secrets;
- (4) Information such as cadastral maps and zonal maps. The people's court shall promptly make public the trial status and relevant data of land dispute cases.

Article 46 The municipal port management department shall, in accordance with the national requirements for promoting cross-border trade facilitation, set up a single window service for the declaration of import and export goods, manifest declaration and means of transport, promote the interconnection of regulatory information and logistics transportation service information, and realize paperless customs clearance, except for special cases involving state secrets.

Customs shall publish the overall clearance time. The port management department shall formulate and publish the port charges catalogue, and port operators shall not collect fees outside the catalogue.

Article 47 Customs, commerce and other relevant government departments shall reduce import and export approval items and documents according to the law, optimize customs clearance procedures, and minimize documents to be inspected at port. Market participants that meet the prescribed conditions shall be eligible for management measures such as check and release of goods prior to inspection, release prior to tax payment, and release prior to instrument correcting.

Businesses are encouraged to apply for customs clearance and documents review in advance. Any mistake in advance declaration shall be handled using the relevant fault-tolerance mechanism.

Article 48 The government and relevant departments shall establish a regular government-business communication mechanism, listen to opinions of market participants, provide them with policy information, and coordinate and resolve their difficulties and problems.

Market participants can make inquiries and complaints about the business environment through the 12345 service hotline, the relevant departments' phone numbers, government websites, and new-media accounts. The relevant government departments and public utilities shall coordinate, resolve and reply within the prescribed time limit. In cases where no solution can be found, the situations shall be promptly explained to market participants.

Article 49 The municipality supports the Beijing Sub-Center Administrative Committee, the Beijing Economic-Technological Development Zone Administrative Committee, and the people's governments of the districts where conditions permit in exploring the implementation of a pilot project on relatively concentrated administrative licensing power, where one administrative organ may exercise the administrative licensing authority of the relevant administrative organs.

The municipality shall explore pilot projects for joint approval of business licenses and related administrative permits in certain fields. A market participant who applies for business registration upon establishment may concurrently submit the application for relevant administrative permits, which shall be processed by the market regulation department in parallel with other relevant government departments.

The municipality shall explore pilot projects for comprehensive administrative licensing in certain industries. Multiple administrative permits involved in a line of business operations can be integrated into one single comprehensive administrative permit which records all relevant administrative licenses information.

The municipality shall explore a risk-based classification and approval management mechanism.

Article 50 The municipality shall implement a rating system for government services, under which market participants may rate the performance of relevant

government departments and their staffs in handling government services matters. The specific measures shall be formulated by the municipal government service department and published to the public.

Chapter IV Regulation and Law Enforcement

Article 51 The government and its relevant departments shall perform their regulatory and supervisory duties in accordance with the law, innovate regulatory and supervisory methods, adhere to fair, equitable, credit-based and comprehensive regulation, and enforce law in a strict, regulated, impartial and civilized manner.

Article 52 The lists of powers compiled by the relevant government departments shall specify the regulatory enforcement matters, basis, regulators, limits of authority, contents, methods, procedures and punishment measures in law enforcement.

Article 53 The municipality shall implement a credit-based regulation by category system. Relevant government departments of the municipality shall, on the basis of the assessment results on the public credit information platform, formulate industry- or field-specific regulatory standards by categories of credit. Market participants with good credit and low risks shall be subject to less frequent inspections over fewer matters, while those with bad credit and high risks shall be subject to more frequent inspections over more matters.

Article 54 The municipal economy and information technology department shall establish and improve a credit repair system, under which market participants with poor credit record may carry out credit repair by making credit commitments, completing credit rectifications, passing credit verification, receiving special training, submitting credit reports, participating in public interest or charity activities, etc. For market participants that have completed credit repair, relevant government departments shall promptly stop publicizing their poor credit information.

Article 55 In accordance with the principles of encouraging innovation and development and ensuring quality and safety, relevant government departments shall, in light of the nature and characteristics of new technologies, new industries, new business forms and new models, formulate provisional or transitional regulatory rules and measures, exercise inclusive and prudent regulation and guide businesses to develop in a healthy and well-regulated way.

Article 56 In industries and fields other than those directly related to national security, public safety and people's life and health, the municipality shall carry out supervision featuring random selection of targets and inspectors, and timely release of inspection results (known as "double random and timely release").

The relevant government departments shall determine the scope of "double random and timely release" for each industry or field, and improve the random inspection system and relevant detailed rules to ensure fair regulation.

Article 57 The municipality shall improve the reporting and complaint system for violations of laws and regulations, and maintain open channels for public supervision. Relevant government departments shall promptly investigate into and deal with any complaints received.

The municipality shall promote the establishment of a whistleblower system in specific industries and fields, encourage insiders to report market participants suspected of serious violation of laws and regulations or having major hidden risks, and improve the pertinence and effectiveness of regulatory enforcement. Once verified, the relevant government department shall increase the reward for the whistleblowers and give strict protection to them.

Article 58 Relevant government departments shall formulate their annual law-enforcement inspection plans and publish them before the end of March each year.

The annual law-enforcement inspection plan shall include the inspectors, the scope of targets, inspection methods, inspection items and inspection proportion.

Article 59 The municipality shall implement an administrative checklist system for on-site inspections. Relevant government departments shall, in

accordance with the law, formulate administrative checklists for their respective industries and fields, specifying the inspection contents, methods and standards.

Relevant government departments shall conduct on-site inspections according to the administrative checklists, and may not change the inspection contents, methods, standards, etc. without authorization, and shall not require inspection targets to prepare written reports or require the person in charge to accompany them so as to reduce the impact on market participants.

Article 60 In the case where different regulators need to conduct multiple inspections on the same target at a specific location or within a specific period of time, a joint inspection should be adopted, which is organized by the lead department and participated by multiple departments to ensure that all the inspections on the same target are done in one joint inspection.

Article 61 The municipality shall implement integrated law enforcement by reducing the number of law enforcers and tiers of law enforcement. Integrated law enforcement teams shall be established in the fields of agriculture and rural affairs, culture and tourism, ecological and environmental protection, transportation, and market regulation. Law enforcement forces shall be integrated at the sub-district and township levels, and the power of administrative penalty shall be exercised in a relatively concentrated way in accordance with relevant laws and regulations.

Article 62 Relevant government departments shall establish and improve a benchmark system for administrative penalties in their respective industries and fields, based on such factors as the facts, nature, circumstances of the violations, the degree of social harm, the elimination of harmful consequences, and the subjective faults of the offenders; and specify, in accordance with the law, the circumstances under which the administrative penalty may be lightened, mitigated or exempted. Relevant municipal and district government departments, sub-district offices, and people's governments at the township level shall strictly follow the benchmark in exercising discretion, and shall not arbitrarily go beyond the discretion benchmark and impose administrative penalties.

Article 63 Relevant municipal government departments shall divide into two categories market participants' illegal acts subject to administrative penalties

under their respective regulations: general illegal acts and severe illegal acts, depending on severity of the consequences, and formulate accordingly and publish catalogues and the time period for the public display of received penalties.

For general illegal acts, the time period for the public display of received administrative penalties is no less than three months and no more than one year; for serious illegal acts, the time period is no less than one year and no more than three years. The penalties shall not be publicized any longer than the time period, except in cases where administrative penalty decisions are not implemented. If a market participant finds administrative penalty information that should not be published, it shall have the right to request rectification by the party who publicized the information.

Relevant government departments may, upon request by the market participant, shorten the time period by three to twelve months depending on the specific situation, provided that the market participant fulfills the requirements of the administrative penalty decision within the prescribed time period and acts proactively to eliminate or mitigate the damaging effect of the illegal act.

Chapter V Legal Safeguard

Article 64 A fair competition review shall be conducted when the government and relevant departments formulate policy measures closely related to the production and operation of market participants, such as policy measures on market access, industrial development, investment attraction, bidding and tendering, government procurement, business conduct standards, and qualification standards.

If a market participant believes that a policy measure undermines fair competition, it shall have the right to report to the market regulator. The market regulator shall address the matter in a timely manner and provide feedback.

Article 65 When formulating policy measures that are closely related to the production and operation of market participants, the government and relevant

departments shall fully listen to the opinions of market participants, industrial associations and chambers of commerce, solicit public opinions through newspapers and the Internet except in circumstances where confidentiality is required by law, and establish and improve a feedback mechanism on the adoption of opinions. The period for soliciting public opinions is generally no less than thirty (30) days.

Article 66 When formulating policy measures that are closely related to the production and operation of market participants, the government and relevant departments shall allow for an adaption period of no less than thirty (30) days for market participants, except in cases where national security is involved or failure to implement forthwith upon promulgation will hinder implementation.

Article 67 Relevant government departments shall promptly bring relevant administrative normative documents into compliance with the formulation, amendment or repeal of higher-level laws and regulations and in line with the requirements of comprehensively deepening reforms, fully promoting law-based governance, and economic and social development. The results of the updates shall be made public.

Article 68 When formulating policy measures that are closely related to the production and operation of market participants, the government and relevant departments shall conduct legality review.

If a market participant considers the government rules or administrative normative documents of the municipal people's government as in conflict with laws or regulations, it may submit a written application for review to the standing committee of the municipal people's congress. If a market participant considers the normative administrative documents of a municipal people's government department or a district people's government as in conflict with laws or regulations, it may submit a written application for review to the municipal people's government or the standing committee of the district people's congress. If a market participant considers the normative administrative documents of a district people's government department or a township people's government as in conflict with laws or regulations, it may submit a written

application for review to the district people's government. The relevant organs shall handle the applications in accordance with the prescribed procedures.

Article 69 The municipality shall support the development of Beijing-based commercial arbitration and mediation institutions and their participation in the one-stop international commercial dispute resolution platform.

It shall encourage market participants to choose Beijing-based commercial arbitration or mediation institutions to settle disputes.

Article 70 The relevant departments shall improve the industry management systems such as judicial appraisal, asset evaluation, auditing and price review, and urge relevant institutions to optimize work processes, reduce work time limits, improve work quality, and assist relevant parties to ascertain facts.

The municipal higher people's court shall establish and improve the rules and standards for the selection, evaluation and assessment of institutions engaged to do judicial appraisal, asset assessment, auditing and price review, etc., publicize them to the public, and regularly notify relevant departments of the results of the assessment of such institutions.

Article 71 The people's courts shall take the following measures in accordance with the law to improve the efficiency and quality of hearing intellectual property (IP) cases:

- (1) Promoting the mechanism of separating complicated cases from simple ones and the latter going to speedy trial;
- (2) Expanding the scope of cases heard with sole-judge proceedings pursuant to the law;
- (3) Appointing technical investigators to participate in IP litigations that require technical expertise.

Article 72 The relevant government departments shall establish a mechanism for coordination with people's courts on business insolvency, support the businesses that meet the bankruptcy conditions in conducting liquidation or reorganization, and help them address issues such as credit repair, business de-registration, and social stability preservation.

Article 73 The people's courts shall explore to establish bankruptcy rescue mechanisms such as reorganization recognition and pre-reorganization, improve

the mechanism of separating complicated insolvency cases from simple ones for different trial procedures, and improve the efficiency of processing bankruptcy cases.

Article 74 The municipal higher people's court shall establish a joint property disposition mechanism for bankruptcy cases with the relevant municipal government departments of planning and natural resources, public security and traffic management, etc., unify the rules for the disposition of bankrupt enterprises' land, real estate, vehicles, etc., and improve the efficiency of property disposition in bankruptcy.

Article 75 The human resources and social security department shall step up efforts to protect the lawful rights and interests of employees of bankrupt enterprises, and coordinate efforts to resolve such matters as the transfer of employees' social security relations, decoupling management of retirees from their former employers, and the transfer of archives.

Article 76 Revenue from debt restructuring obtained by enterprises through reorganization shall be subject to the relevant corporate income tax policies in accordance with the relevant state regulations. The tax department shall, in accordance with the law, grant reduction or exemption of real estate tax and urban land use tax to bankrupt enterprises.

During the reorganization period of a bankrupt enterprise, the tax department shall, automatically or at the request of a bankruptcy administrator, terminate the abnormal account status of the bankrupt enterprise.

Article 77 A bankruptcy administrator shall have the right to inquire about the registration documents of the bankrupt enterprise, payment of social insurance fees, bank account opening information and deposit status, as well as real estate, vehicles, intellectual property, etc. Relevant government departments and financial institutions shall cooperate.

Article 78 The people's courts shall improve the mechanism for protecting the rights and interests of creditors in insolvency cases, and guarantee the decision-making power of the creditors' meeting over the distribution and disposition of a bankrupt enterprise's assets, and protect creditors' rights to know, participate and supervise.

Article 79 The municipal higher people's court, together with the municipal public security department and other relevant government departments, shall establish a tracing mechanism for persons subject to enforcement and their vehicles. If a people's court needs to locate a person subject to enforcement or his/her legal representative, principal person in charge, directly responsible person who may affect the service of the debt or actual controller, or the vehicle(s) of the person subject to enforcement, it may request assistance from the public security department, which shall cooperate.

Article 80 The association of bankruptcy administrators shall strengthen the industry's self-regulation, intensify the training of bankruptcy administrators, and improve their ability to perform duties.

Article 81 The government, relevant departments or their staffs who fail to perform their duties according to this Regulation or infringe upon the lawful rights and interests of businesses, shall be held legally accountable according to the law.

Chapter VI Supplemental Provisions

Article 82 The government and relevant departments may, in accordance with this Regulation, formulate measures or detailed rules for implementation.

Article 83 The Regulation shall come into force as of April 28, 2020.