

After The First Year of China’s Foreign NGO Law — Known Statistics and Developments

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Although hundreds of foreign NGOs have registered under the new law, uncertainties remain.

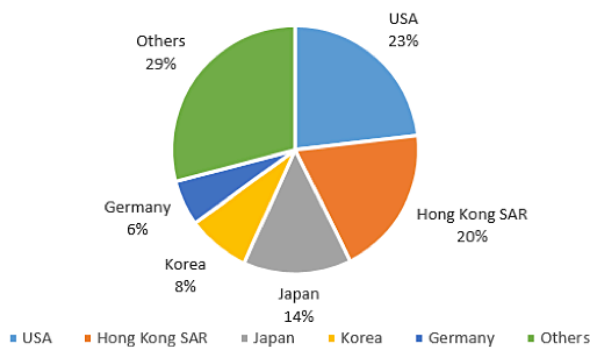
TAKEAWAYS

- Interested parties are invited to complete [our survey on FNGOs](#).

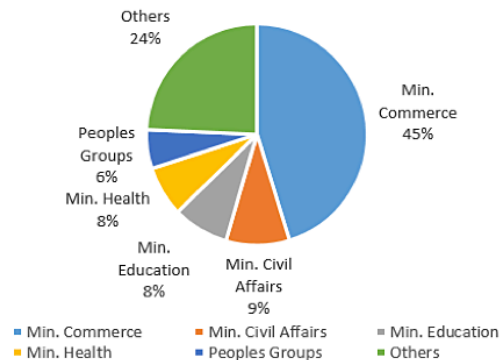
Rep office registration and temporary activity filing under the new law²

- Over **350 foreign NGO offices** have been formally registered under the FNGO law, which took effect January 1, 2017. In addition, more than 637 temporary filings have been made. Certain FNGOs have registered more than one rep office or temporary activity filings.
- A plurality of known FNGO rep offices are from **North America**, home to roughly 27 percent of all approved registered rep offices, followed by Taiwan, Hong Kong and Macao (24 percent), and Europe (21 percent).
- Li Ka Shing Foundation deregistered its rep office under the FNGO Law in February 2017, one month after it was transferred from the Ministry of Civil Affairs to the Ministry of Public Security (MPS). This action is the only known deregistration under the law up to now.
- Geographically, a plurality of registrations were made in **Beijing** (36 percent, 127 rep offices), followed by **Shanghai** (23 percent, 83 rep offices).
- The top choices for Professional Supervisory Unit (PSUs) are those falling under **four key ministries**: Ministry of Commerce, Ministry of Civil Affairs, Ministry of Education and the National Health Commission.

Country / Region



Professional Supervisory Units (PSUs)



Implementation by government authorities

- Various ministries of the central government have released **implementation rules** governing FNGOs' operations in China, including bank account establishment and administration, tax registration, work permits for foreign employees, etc. Many PSUs have released their respective rules (internal or published) governing their cooperation with FNGOs.
- MPS and provincial Public Security Bureaus (PSBs) have updated their lists of qualified PSUs to add more government agencies.
- MPS and PSBs have respectively established specialized branches named **FNGO Management Offices**. Provincial PSBs also opened their on-site offices and hotlines to provide consultation services to FNGOs.
- Efforts have been made throughout China by local PSBs to **raise awareness of the FNGO Law** among FNGOs, government agencies, universities, domestic nonprofit organizations and other organizations that may frequently collaborate with FNGOs.

Parallel reform in the domestic nonprofit sector in mainland China

- China's new Charity Law came into effect in September 2016, along with its implementing regulations, covering a broad range of issues in the Chinese domestic nonprofit sector.
- Domestic nonprofit organizations are also changing their cooperation models with FNGOs due to the FNGO Law.

Despite the above, we note that certain issues under the FNGO Law remain unsettled, from several basic definitions under the law to the daily operation and compliance rules for FNGOs.

On the other hand, many FNGOs are facing challenges in exploring options to become legally compliant as well as practical steps for their operations in China, such as the selection of Chinese partners and the tailoring of operation models to comply with the law.

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Survey on the impact of the FNGO Law

Pillsbury Winthrop Shaw Pittman LLP and Kellen are conducting a survey of foreign nonprofit organizations that operate or intend to operate in mainland China. The purpose of the survey is to better understand the impact of the FNGO Law and its implementation on FNGOs in China. Respondents will remain anonymous, and the results of the survey will be aggregated. Your responses to the survey are of great value of us and will help us understand the specific situation of your FNGO in preparation for our upcoming event in the fall. **You can join the survey at: [China FNGO Law Survey](#).**

Endnotes

- ¹ Vice President, Kellen
- ² Please note that the data presented here represents all types of FNGOs, including charities, foundations and other social groups. Trade associations and professional societies make up only a certain percentage of the total.