

Notice of the Administration for Industry and Commerce of Zhejiang Province on Printing and Distributing the Interim Measures for the Administration of Registration of Pilot Small-sum Loan Companies of Zhejiang Province

(No.16 [2008] of Administration for Industry and Commerce of Zhejiang Province)

The administrations for industry and commerce of all cities and counties (cities or districts):

To promote the sound development of small-sum loan companies and standardize the supervision over registration of small-sum loan companies, in accordance with the Guiding Opinions on the Pilot Small-sum Loan Companies (No.23 [2008] of China Banking Regulatory Commission) and other provisions, this Administration has formulated the Interim Measures for the Administration of Registration of Pilot Small-sum Loan Companies of Zhejiang Province, which are hereby distributed to you in print for your compliance and implementation.

Administration for Industry and Commerce of Zhejiang Province

July 23, 2008

Interim Measures for the Administration of Registration of Pilot Small-sum Loan Companies of Zhejiang Province

Article 1 To promote the sound development of small-sum loan companies and standardize the supervision over registration of small-sum loan companies, these Measures are formulated in accordance with the provisions of the Company Law of the People's Republic of China, the Regulation on the Administration of Company Registration, the Guiding Opinions on the Pilot Small-sum Loan Companies (No.23 [2008] of China Banking Regulatory Commission) and the Implementing Opinions on Carrying out the Work on Pilot Small-sum Loan Companies (No. 46 [2008] of the People's Government of Zhejiang Province).

Article 2 The term "small-sum loan company" as mentioned in these Measures refers to a Chinese-funded limited liability company or a Chinese-funded joint stock limited company, which is legally formed within the territory of this province, does not absorb the public savings and operates the small-sum loan business.

Article 3 For the formation, modification and deregistration of a small-sum loan company, company registration shall be conducted according to the provisions of these Measures.

When applying for the company registration of a small-sum loan company, an applicant shall be responsible for the authenticity of the application materials.

Article 4 A small-sum loan company may engage in the relevant business activities only after having legally registered with the company registration organ, collected the business license for an enterprise legal person and obtained the qualification for an enterprise legal person.

In the absence of registration with the registration organ, no company shall conduct business activities in the name of small-sum loan company.

Article 5 The Administration for Industry and Commerce of Zhejiang Province shall be responsible for the administration and guidance of registration of small-sum loan companies across the province. The administration for industry and commerce of a districted city shall be responsible for the registration of small-sum loan joint stock limited companies within its territorial jurisdiction and the administration and guidance of registration of small-sum loan companies within its territorial jurisdiction. The administration for industry and commerce of a county (city or district) shall be responsible for the registration of small-sum loan limited liability companies within its territorial jurisdiction.

The administration for industry and commerce of a county (city or district) where a small-sum loan company is located shall be responsible for the routine supervision over the small-sum loan company.

Article 6 The name of a small-sum loan company shall comprise, in sequence, the administrative division, trade name, industry and form of organization.

The term “administrative division” refers to the name of administrative division of the county (city or district) where a small-sum loan company is located. Where a small-sum loan company is formed in a district of a districted city, the term “administrative division” refers to the name of administrative division of the districted city and the name of the district of the districted city in succession. The term “industry” refers to “small-sum loan”. The term “form of organization” refers to either a “limited liability company” or a “joint stock limited company”.

Before applying for examination and approval, a small-sum loan company shall apply to the name registration organ for registration of pre-approval of name as provided for.

Article 7 A small-sum loan company may legally engage in the businesses as set out in Article 9 of the Interim Measures for the Administration of Pilot Small-sum Loan Companies of Zhejiang Province within the territory of the local county (city or district).

No small-sum loan company shall engage in any other business, make foreign investment, or set up a branch.

Article 8 An enterprise legal person (other than a foreign-funded enterprise), natural person or any other economic organization may invest and hold shares in a small-sum loan company.

The shareholders shall meet the relevant conditions as set out in the Interim Measures for the Administration of Pilot Small-sum Loan Companies of Zhejiang Province.

Article 9 The registered capital of a small-sum loan company shall be all paid-up money capital, and be paid up in a lump by the shareholders.

Where a small-sum loan company is formed as a limited liability company, the registered capital shall not be less than 50 million yuan (or, in an underdeveloped county area, 20 million yuan). Where a small-sum loan company is formed as a joint stock limited company, the registered capital shall not be less than 80 million yuan (or, in an underdeveloped county area, 30 million yuan). The upper limit for the registered capital shall be 200 million yuan (or, in an underdeveloped county area, 100 million yuan).

A small-sum loan company may increase its capital and shares with the approval of the financial work office of the province one year after its formation.

Article 10 The proportion of shares held by a major promoter of a small-sum loan company shall not be more than 20% of the registered capital. The proportion of shares held by any other natural person, enterprise legal person, economic organization or affiliated party shall not be more than 10% of the registered capital. The proportion of shares held by a natural person, an enterprise legal person or any other economic organization shall not be less than 5% of the registered capital.

Article 11 A small-sum loan company shall have a board of directors and a board of supervisors. The competency for office, number and tenure of directors or supervisors shall be consistent with the provisions of the Company Law and the Regulation on the Administration of Company Registration.

Article 12 To form a small-sum loan company, the formalities of examination and approval shall be conducted according to the provisions of the Interim Measures for the Administration of Pilot Small-sum Loan Companies of Zhejiang Province. A small-sum loan company meeting the conditions shall legally conduct the registration

formalities and collect a business license at the registration organ on the strength of the examination and approval documents of the financial work office of the province agreeing on the formation.

Article 13 To apply for formation of a small-sum loan company, an applicant shall submit the following documents to the registration organ:

- (1) a written Application for Registration of Formation of a Company, signed by the legal representative;
- (2) a Certificate of Designation of a Representative or Joint Authorization of an Agent, signed by all the shareholders;
- (3) bylaws of a company, signed by all the shareholders;
- (4) a photocopy of certificate of capacity of each shareholder which is an entity or certificate of identification of each shareholder which is a natural person;
- (5) a report on capital verification produced by a legally formed capital verification institution;
- (6) photocopies of appointment documents and certificates of identification of the directors, supervisors and managers;
- (7) photocopies of appointment document and certificate of identification of the legal representative;
- (8) a certificate of use of residence;
- (9) a Notice of Pre-approval of Enterprise Name;
- (10) examination and approval documents of the financial work office of the province agreeing on the formation; and
- (11) any other document as required by a law or administrative regulation.

Article 14 Where the bylaws of a small-sum loan company have any provision in violation of a law or administrative regulation, the registration organ shall have the authority to require the applicant to amend it correspondingly.

Article 15 Where any registered item of a small-sum loan company changes, the company shall apply to the original registration organ for registration of modification according to law, and submit the following documents:

- (1) a written Application for Registering of Modification of a Company, signed by the legal representative of the company;
- (2) a Certificate of Designation of a Representative or Joint Authorization of an Agent, signed by the company;
- (3) a duplicate of the business license of the company; and
- (4) any other document as required by a law or administrative regulation.

Where the modification of any specific registered item is involved, the company shall also submit the corresponding materials for modification registration at the same time according to the relevant provisions of the State Administration for Industry and Commerce.

Where the registered capital is increased, the company shall also submit the examination and approval documents

of the financial work office of the province.

Where any registered item to be modified involves the amendment of the bylaws, the company shall also submit the amended bylaws or the amendment to the bylaws signed by the legal representative of the company.

Article 16 Where the amendment of the bylaws of a small-sum loan company does not involve any registered item, the company shall submit the amended bylaws or the amendment to the bylaws signed by the legal representative to the registration organ for the record within 30 days from the day on which the decision of amendment is made.

Article 17 Where any directors, supervisor or manager of a company changes, the company shall file a record of the change with the original company registration organ.

Article 18 Where a small-sum loan company is dissolved and shall be liquidated according to law, the liquidation group shall submit a list of the members and person in charge of the liquidation group to the company registration organ for the record within 10 days from the day of its formation.

The small-sum loan company shall apply to the original company registration organ for deregistration within 30 days after the conclusion of liquidation, and submit the following materials:

- (1) a written Application for Deregistration of Company signed by the person in charge of the liquidation group of the company;
- (2) a Certificate of Designation of a Representative or Joint Authorization of An Agent signed by the company;
- (3) a Notice of Filing Record of the members of liquidation group;
- (4) a resolution made in accordance with the Company Law or a ruling on dissolution or bankruptcy made by the people's court, or a decision of an administrative organ on ordering closedown or cancellation of company registration;
- (5) an affirmed liquidation report;
- (6) a sample newspaper publishing the announcement of deregistration;
- (7) original and duplicates of the business license of the company; and
- (8) any other document as required by a law or administrative regulation.

Article 19 The department for industry and commerce at the place where the enterprise is located shall carry out the routine supervision under the unified leadership of the people's government at the county level. The department for industry and commerce shall, according to its functions in industry and commerce, enhance the routine tour of inspection and credit monitoring, strengthen the annual inspection, and urge the enterprise to operate business in compliance with regulations.

Article 20 The department for industry and commerce at the place where an enterprise is located shall list the small-sum loan companies as the key targets of supervision, assign special persons to be responsible for the routine tour of inspection, and place the emphasis on the examination of the registered items and compliance with regulations in business operations of the small-sum loan companies, and the tour of inspection and examination shall be recorded for archiving.

Article 21 When undergoing the annual inspection, besides the normal materials for annual inspection, a small-sum loan company shall submit an annual financial audit report and a written statement on the business

operations and compliance with regulations in business operations of the company issued by a designated accounting firm.

Article 22 The registration organ and the routine supervision department may take the corresponding credit monitoring measures for the small-sum loan companies, and create the credit archives of industrial and commercial enterprises for small-sum loan companies, according to the provisions of the Measures for the Supervision over Enterprise Credit by the Administrative Organs for Industry and Commerce of Zhejiang Province.

Article 23 Where the pilot qualification of a small-sum loan company is cancelled by the financial work office of the province, or a small-sum loan company is ordered to close down by the government, the registration organ shall order it to handle the deregistration or registration of modification within a prescribed time limit. Where the company refuses to do so, the company shall be punished according to Article 222 of the Company Law and Article 73 of the Regulations on the Administration of Company Registration.

Article 24 Where, during the routine supervision, the department for industry and commerce finds that a small-sum loan company violates the relevant provisions of the Interim Measures for the Administration of Pilot Small-sum Loan Companies of Zhejiang Province, it shall have the authority to take such measures as warning, bulletin, risk alert, appointment with the directors or senior managerial officers of the small-sum loan company for talk, inquiry or order of suspension of business.

Article 25 Where a small-sum loan joint stock limited company violates the provisions on the administration of registration items of enterprises, the registration organ shall authorize the administrative organ for industry and commerce at the county (city or district) where the company is located to conduct investigation and impose punishment. Where a small-sum loan company engages in illegal activities in violation of any other law or administrative regulation on the administration of industry and commerce, the department for industry and commerce shall handle it according to law.

Article 26 Where, during the routine supervision, the department for industry and commerce finds that a small-sum loan company violates the relevant provisions on compliance with regulations in business operations, it may, according to its functions in industry and commerce and the relevant powers granted by the Interim Measures for the Administration of Pilot Small-sum Loan Companies of Zhejiang Province, urge the company to standardize its business operations. The relevant information on urging the small-sum loan company to operate business in compliance with regulations shall be recorded in the credit archives of enterprise, and serve as a major basis for the implementation of the credit monitoring measures.

Article 27 Where, during the routine supervision, the department for industry and commerce finds that a small-sum loan company is suspected of illegally raising fund or absorbing public savings in disguise, it shall timely report the relevant information to the local banking regulatory department for handling.

Article 28 Where, during the routine supervision, the department for industry and commerce finds that a small-sum loan company is suspected of making usurious loan, it shall timely report the relevant information to the local branch of the People's Bank of China for handling.

Article 29 Where a company engages in business operations in the name of a small-sum loan company without registration with the department for industry and commerce, or a small-sum loan company forms a branch without approval, it shall be handled according to the relevant provisions of the Measures for Investigating, Punishing and Banning Unlicensed Business Operations.

Article 30 These Measures shall come into force on the day of distribution in print.