

Reform of 'Separating Business Licences from Operating Permits'

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Pursuant to the Circular of the State Council on the Implementation of the Nationwide Reform of "Separation between Business Licences and Permits" issued on 10 October 2018. The aforesaid reform was implemented on the first batch of 106 enterprise-related administrative approval items across the nation from 10 November 2018. (For details, please refer to the annex of the Circular: **Table of the First Batch of Items Covered in the Nationwide Reform of "Separation between Business Licences and Permits" (106 Items)**; hyperlink: Annex 1)

The Circular of the State Council on Launching Full Coverage Reform of "Separation between Business Licences and Permits" in Pilot Free Trade Zones was issued on 15 November 2019, stipulating that the aforesaid full coverage reform was implemented in 18 Pilot Free Trade Zones across the nation from 1 December 2019. A full coverage list was employed to make sure all business licence and permits were handled as instructed by the Circular, in order to mainstream the "Internet + Government Services" and streamline the procedures from application, assessment, approval to permit issuance via the "Single-window Service", which enables users to complete the entire process in one go. (For details, please refer to Annex 1 of the Circular: [✖ List of Items for Full Coverage Reform of "Separation between Business Licences and Permits" \(523 Items\)](#))

The reform of "Separation between Business Licences and

Permits” and “Integrating Multiple Certificates into One” is being implemented in a coordinated manner:

Through the reform of “Separating between Business Licences and Permits”, business licences and permits are effectively differentiated by function, enabling more market entities to operate with business licences alone and solving the issue that companies were not allowed to operate without the permit despite being granted market access.

A **business licence** is a legal document issued to market entities by the registration department after verifying their qualification and operational capabilities based on the statutory conditions and procedures. After the reform of “Integrating Multiple Certificates into One”, market entities may engage in normal business activities simply with their business licences, which contain more information and details than before.

An **operation permit** is a legal certification issued by the approving department to particular types of market entities which are required to obtain both the business licence and the operation permit to be engaged in specific business activities.

Enterprises (including individual businesses and specialised farmers’ co-operatives) within the ambit of the reform “Separation between Business Licences and Permits” are managed according to the four methods below:

1. **Exemption of approval:** Market entities can be engaged business activities immediately after obtaining their business licences.
2. **Replacing approval with record filing:** Market entities can start their business activities after filing relevant documents, and the relevant departments will no longer conduct the approval procedures.
3. **Simplified approval procedure with notification**

guarantee: For registrations which cannot be exempted from approval yet rectification of things not meeting the requirements is allowed after filing the applications, the handling departments guarantee to issue an official notification and provide the applicants a sample informing about all the approval conditions and required materials. The handling departments also pledge to complete the approval procedure on the spot if all requirements are met and the relevant materials are submitted.

4. **Optimised services for market access:** Investments related to major public interests, such as national security, public security, financial security, ecological security, and public health, are not exempted from the approval procedure. Yet, procedures relevant to market access are optimised.

More information:

1. [Circular of the State Council on the Implementation of the Nationwide Reform of “Separation between Business Licences and Permits”](#)

2. [Circular of the State Council on Launching Full Coverage Reform of “Separation between Business Licences and Permits” in Pilot Free Trade Zones](#)

3. [Guangdong Government Service Website](#)

Source: Official website of the Central People’s Government of China, Guangdong Government Service Portal