

Regulations on Special Economic Zones in Guangdong Province
(Approved for implementation at the 15th Meeting of the Standing Committee of the Fifth
National People's Congress on August 26, 1980)

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Chapter I General Provisions

Article 1 In order to develop economic cooperation and technical exchanges with foreign countries and to promote the socialist modernization programme, certain areas shall be delineated respectively in the three cities of Shenzhen, Zhuhai and Shantou in Guangdong Province for the establishment of special economic zones (hereinafter referred to as "special zones"). The special zones shall encourage foreign citizens, overseas Chinese, compatriots from Hongkong and Macao and their companies and enterprises (hereinafter referred to as "investors") to open factories and set up enterprises and other establishments with their own investment or in joint ventures with our side and shall protect their assets, the profits due them and their other lawful rights and interests in accordance with the law.

Article 2 Enterprises and individuals in the special zones must abide by the laws, decrees and pertinent provisions of the People's Republic of China. Where there are specific provisions in these Regulations, they shall be observed accordingly.

Article 3 A Guangdong Provincial Committee for the Administration of Special Economic Zones shall be set up to exercise the administration of the special zones on behalf of the Guangdong Provincial People's Government.

Article 4 The special zones shall provide investors with a wide scope of operation, create favourable operating conditions and guarantee them stable business sites. Investors may establish, with their own investment or in joint ventures with our side, all projects that have positive significance for international economic cooperation and technical exchanges, including industry, agriculture, animal husbandry, aquaculture, tourism, housing and construction, and research and manufacturing involving high technology, as well as other

businesses of common interest to investors and to our side.

Article 5 Land-levelling projects and various public works in the special zones such as water supply, drainage, power supply, roads, wharves, communications and warehouses shall be undertaken by the Guangdong Provincial Committee for the Administration of Special Economic Zones. When necessary, foreign investment may be used in building these projects.

Article 6 Each of the special zones shall invite Chinese and foreign specialists and relevant personages who are enthusiastic about China's modernization programme to form an advisory committee that will serve as a consultative body for that special zone.

Chapter II Registration and Operation

Article 7 Investors wishing to open factories or set up various economic undertakings in the special zones with their own investment shall apply to the Guangdong Provincial Committee for the Administration of Special Economic Zones, which shall issue them registration certificates and

Chapter III Preferential Treatment

Article 12 Land in the special zones is owned by the People's Republic of China. The land to be used by investors shall be provided according to actual needs, and preferential treatment shall be given with respect to the duration of use, the amount of the use fee and the method of payment according to the different types of business and uses. Provisions for specific measures shall be made separately.

Chapter IV Labour Management

zones and protect the legitimate rights and interests of the staff members and workers;

(6) to establish educational, cultural, health and various public welfare institutions in the special zones; and

(7) to maintain law and order in the special zones and protect, in accordance with the law, the persons and property in the special zones against encroachment.

Article 24 The Shenzhen Special Zone shall be under the direct management and administration of the Guangdong Provincial Committee for the Administration of Special Economic Zones. Necessary offices shall be set up in the Zhuhai and Shantou Special Zones.

Article 25 A Guangdong Provincial Special Economic Zones Development Company shall be set up to suit the expanding economic activities in the special zones. Its scope of business shall include: undertaking to raise funds and handle trust investment business; operating, or jointing with investors in operating relevant enterprises in the special zones; acting as agent for investors in the special zones in transactions relating to sales and purchases in trade with the interior, or providing services for business talks.

Chapter VI Supplementary Provisions

Article 26 These Regulations shall go into effect after they have been adopted by the People's Congress of Guangdong Province and submitted to and approved by the Standing Committee of the National People's Congress of the People's Republic of China.