

# Measures for the Administration of Certification Bodies

(Draft for promulgation)

## Chapter I. General

**Article 1 (purpose)** This regulation has been formulated to improve the supervision and regulation of certification bodies, to regulate certification practice, and enhance the effectiveness of certification, in accordance with the Regulations of the People's Republic of China on Certification and Accreditation (hereafter referred to as the Regulations on Certification and Accreditation), and other applicable laws and administrative regulations.

**Article 2 (definition)** In this document, 'certification bodies' refer to certifying agencies with the status of legal entities legally established after approval and independently engaging in the assessment of compliance of products, services and management systems with the applicable standards or technical regulations.

**Article 3 (scope)** This document is applicable to certification practice and the supervision and regulation of certification bodies within the borders of the People's Republic of China.

**Article 4 (administrative system)** The General Administration of Quality Supervision, Inspection and Quarantine (hereafter abbreviated as AQSIQ) shall be in charge of the supervision and regulation of all certification bodies.

The Certification and Accreditation Administration of the People's Republic of China (hereafter abbreviated as CNCA) shall be in charge of the establishment of certification bodies, the related examination and approval, and the supervision and regulation of their operations.

Quality and technical supervision departments of provinces, autonomous regions and municipalities directly under the Central Government (hereafter referred to as provincial quality and technical supervision departments) and entry-exit inspection and quarantine institutions directly under their jurisdiction shall be in charge of the supervision and regulation of certification practice in their areas of jurisdiction according to the division of responsibilities.

**Article 5 (principles of practice)** When engaging in certification practice, certification bodies shall follow the principles of justice, openness, objectivity, independence, honesty and credibility, and protect the social credit system.

**Article 6 (confidentiality)** Certification bodies and their staff are obliged to maintain strict confidentiality with regard to state, trade and technical secrets.

## Chapter II. Establishment and Approval

**Article 7 (access)** Certification bodies shall not be established unless approved by the CNCA, and shall not conduct certification practice within the approved scope without obtaining the status of legal entities.

No organizations or individuals shall conduct certification practice unless approved.

**Article 8 (conditions for establishment)** The following conditions shall be met for establishing a certification body:

- 1) A fixed work place and necessary facilities;
- 2) Articles of association and rules of management meeting the requirements of

certification and accreditation and, for new fields of certification, a feasibility report;

3) No less than RMB 3 million yuan of registered capital; the investor shall meet the requirements of applicable laws and regulations of the state as well as applicable rules, and provide the applicable credit certificate;

4) At least 10 full-time certifiers with the qualifications and capacity necessary for the fields of practice;

5) The board chairman, general manager/director and representative of the management (hereafter generally referred to as 'senior management') of the certification body shall meet the requirements of the applicable laws and regulations of the state and the application rules of the AQSIQ and the CNCA, and have the managerial competence necessary for discharging their duties;

6) Conditions required by other laws and regulations.

Certification bodies engaging in the certification of products shall also have the technical capacity for testing, examination and other operations needed in their practice.

**Article 9 (conditions for establishing foreign-funded certification bodies)**

Apart from the conditions in Article 8, the following requirements shall be met for the establishment of a certification body by a foreign investor in China:

1) The foreign investor shall be an institution which has practised in the field in question for at least three years outside China, with legal registration in its country or region, and without any malpractice.

2) The foreign investor has been accredited for the field in question by an accreditation body of its country or region, or acknowledged by the authorities.

3) The Chinese joint owner or partner that establishes a Sino-foreign jointly funded or Sino-foreign cooperation certification body shall be a CNCA-approved certification body which has practised for at least three years or an inspection institution or laboratory which has been legally accredited, without any malpractice; the foreign investor shall conform to the two requirements above;

A foreign investor establishing a certification body in China shall also conform to the applicable laws and administrative regulations on foreign investment and the state guidelines for foreign investment in various industries.

**Article 10 (procedure and principle of approval)** The approval procedure for the establishment of a certification body shall be as follows:

1) The applicant intending to establish the certification body (hereafter abbreviated as the Applicant) shall file an application to the CNCA and submit the valid credentials and documents that meet the requirements listed in Articles 8 and 9;

2) The CNCA shall conduct an initial examination of the submitted materials and, within five days of receiving said material, issue a written decision declaring the acceptance or rejection of the application; if the submitted materials are incomplete or not in the form established by law, the CNCA shall (on at least one occasion) inform the applicant of everything that needs to be supplemented or corrected;

3) The CNCA shall decide on whether to approve the application within a 90-day period commencing on the date on which it accepts the application. In the event of approval, it shall issue a notification for the establishment of the certification body to the applicant; in the case of rejection, it shall inform the applicant in writing and state the reasons;

4) If necessary, the CNCA shall have experts evaluate the applicant in terms of the

technical capacity for certification, testing and other operations, and inform the applicant of the results in writing. Expert evaluation shall be finished within 30 days, which shall not be included in the time limit for approval by the CNCA;

5) With the notification for establishment issued by the CNCA, the applicant shall complete the procedure for registration according to law and receive the Certificate of Approval for Certification Body;

6) The CNCA shall announce the results to the public and publish a list of all legally established certification bodies on its website.

During the process of examination and approval, the CNCA shall abide by the principles of the reasonable allocation of resources, convenience, efficiency, openness and transparency.

**Article 11 (period of validity)** The Certificate of Approval for Certification Body shall be valid for four years.

If the certification body needs to extend the period of validity, it shall file an application to the CNCA 90 days prior to the expiration of that period.

The CNCA shall re-examine the certification body which has submitted the application (in accordance with the conditions for establishment and the procedure of approval established in this document) and reach a decision on whether to grant permission for the extension before the Certificate of Approval expires.

**Article 12 (the establishment of a branch)** A subsidiary or branch of a certification body shall be established in accordance with the approval procedure for certification bodies, and shall not practise certification within the approved scope unless approved by the CNCA and legally registered at the company registration authorities.

**Article 13 (the establishment of a subsidiary)** The establishment of a subsidiary by a certification body shall meet the following requirements:

1) The certification body has practised for at least two years, without any illegal conduct or irregularity within that period;

2) The subsidiary meets the requirements in Article 8 and also conforms to other applicable laws and administrative regulations;

3) The certification body shall be the sole owner or a shareholder of the subsidiary.

**Article 14 (the establishment of a branch)** The establishment of a branch by a certification body shall meet the following requirements:

1) The certification body has practised for at least two years, without any illegal behaviour or irregularities within that period;

2) The branch has a fixed work place and necessary facilities;

3) The branch employs at least five full-time certifiers with the appropriate qualifications and capacity for the fields of practice;

4) An organization which has been certified by the certification body is located within the vicinity of the branch;

5) The branch has management rules meeting the requirements for certification and accreditation;

6) All conditions required by other laws and regulations are satisfied.

**Article 15 (registration of offices)** A certification body may establish an office for promotional activities within the approved scope. Within thirty (30) days after the date of establishment of such an office, a Chinese certification body shall register with the provincial quality and technical supervision department where the office is located; a

foreign-funded certification body shall register with the inspection and quarantine institutions directly under such department where the office is located. The registration shall include the following: name, address, person(s) in charge, scope of operation, and the certification body to which the office belongs.

Provincial quality and technical supervision departments and the inspection and quarantine institutions directly subordinate thereto shall publish a list of the registered offices according to law, and submit to the CNCA a list of the registered offices of certification bodies in the areas under their jurisdiction.

**Article 16 (registration of representative offices of foreign certification bodies)**

A foreign certification body may establish a representative office in China for promotional activities within its scope of business, and shall register with the CNCA within 30 days of the date of establishment. The registration shall include the following: name, address, person(s) in charge, registration papers, certificate issued by a foreign accreditation institution, and the certification body to which the office belongs.

The CNCA shall publish a list of the registered representative offices according to law.

**Article 17 (subcontracting)** In the case of accepting subcontracted certification business from a foreign certification body by an agreement, a certification body shall obtain the approval of the CNCA, and shall bear the risks and responsibilities entailed by subcontracting. The certification body applying to accept subcontracted business shall first of all obtain approval for the field of certification in question.

**Article 18 (alteration regulation)** A certification body shall apply to the CNCA for alteration procedures in the event of the following:

- 1) Narrowing down the approved scope of business;
- 2) Alteration of the nature of the legal entity, shareholders or registered capital;
- 3) The separation of a certification body or its merger with another;
- 4) Alteration of the name, address, legal representative, or senior management;
- 5) Other major alterations;

To apply for the expansion of the scope of business, a certification body shall have practised for at least one year, without any illegal conduct or irregularity during that period. Such an application shall be processed by the CNCA in accordance with Article 10 of this document.

### **Chapter III. Code of Conduct**

**Article 19 (justice)** A certification body shall conduct its business in a just, independent and objective manner, establish a risk prevention mechanism, take reasonable and effective measures against the risks and responsibilities that may arise from its practice, and bear the corresponding social responsibilities.

The certification body and its subsidiaries, branches and offices shall not have any interest in any consulting agency or client in terms of capital, management or personnel.

**Article 20 (basic requirements for certification)** The certification body shall establish a quality control system that maintains the regularity and effectiveness of certification practice and ensures that certification is conducted and conclusions are drawn in accordance with the basic norms and procedures established by certification rules.

The certification body may make certification rules not yet formulated by the

CNCA and report to the CNCA for the record.

**Article 21 (openness)** The certification body shall publish information relating to its scope and rules of certification, standard charges, and the names, addresses and scopes of business of its subsidiaries, branches and offices on its website or in other forms, and guarantee the veracity and validity of such information.

**Article 22 (management of institutions)** When operating simultaneously, apart from discharging the duties and obligations established by laws and regulations, the certification body and its branches and subsidiaries shall meet the following requirements:

1) The address registered at the industrial and commercial bureau shall be its central work place, from which all certification information is published and submitted;

2) If the certification body has more than one work place for certification practice, it shall ensure that the same quality control system and procedures are maintained at all work places and by all personnel and certifying processes.

**Article 23 (personnel management)** The certification body shall establish and refine a system for the management of certifying personnel, and conduct training and competence evaluation on a regular basis to guarantee that personnel competency levels consistently meet the required standard, and to ensure that a reasonable number of full-time certifiers and technical experts are available during the process of examination and verification.

The certification body shall not employ or use any person forbidden by state laws or regulations to engage in certification practice.

**Article 24 (certification)** The certification body shall verify whether the field, product and subject for which certification has been commissioned by the client conform to applicable laws and regulations, as well as the legal entity status of the commissioner. It shall design the whole certification process and make specific plans for execution, testing, examination and supervision in accordance with the scale, nature and organization-type of the client and how complicated the product is, and assign certifiers and technical experts with the required competence to conduct the certification process.

**Article 25 (procedures)** The certification body shall conduct an effective control of the entire certification process in accordance with the basic norms and procedures established by the certification rules, and ensure that the process of certification and product testing are complete, objective, truthful and traceable. It shall not add, reduce or omit certification procedures or activities, and shall have the process evaluated by certifiers with the required competence and specialist knowledge.

The certification body shall formulate a procedure for the evaluation and effective control of the results of certification, and have definite rules and evaluation requirements for the issuance, suspension or revocation of certificates.

**Article 26 (filing)** The certification body shall keep a complete record of the entire process of certification and preserve the corresponding data. The record shall be truthful and accurate so as to attest to the effective execution of certification. The record and data shall be in Chinese, and they shall be kept in the archives for the duration of the period of validity of the certificate.

**Article 27 (conclusion of certification)** The certification body and its certifiers shall promptly draw a conclusion of certification and guarantee the objectivity and veracity of said conclusion. The conclusion shall be signed by the certifiers and provided

to the client by the certification body. The certification body and its certifiers shall be responsible for the result of certification and bear the corresponding legal liability.

**Article 28 (the issuance of certificate)** In the event of a favourable conclusion, the certification body shall promptly issue a certificate to the client and permit the latter to use the symbol of certification. The certificate shall be signed and issued by a person authorized by the certification body.

The certificate shall specify the name, address, scope of business or product of the recipient, the criteria for certification or applicable technical standards, and the period of validity. The information set out in the certificate shall be consistent with the actual execution of the certification task.

The format of the certification body's certificates shall be reported to the CNCA within a 30-day period commencing on the date on which it is defined.

The certification body shall provide the public with the means of checking the validity of certificates.

**Article 29 (conversion of certificates)** A certification body that has undergone merger or separation shall process the certificates issued before the alteration and convert them in accordance with the applicable procedures.

In the event that a certification body has its right to approval cancelled or revoked, recipients holding valid certificates issued by that body may have their certificates converted by a certification body approved by the CNCA; the certification body that undertakes the task shall conduct the conversion in accordance with the established procedures and report the result to the CNCA.

**Article 30 (supervision of certificates and symbols)** The certification body shall require the recipient to properly use the certificate or symbol of certification within the scope of certification, and take effective corrective measures against the misuse or irregular use of certificates or the symbol of certification.

**Article 31 (follow-up supervision)** The certification body shall conduct effective follow-up supervision of the products, services and management systems that it has certified in accordance with the basic norms of certification and the requirements of certification rules and define a reasonable frequency of inspection to ensure that the certified products, services and management systems consistently meet the requirements of certification. In the event of the failure to consistently meet such requirements, the certification body shall suspend or revoke the certificate and promptly announce this to the public, and take effective measures to prevent the continued use of invalid certificates or symbols of certification.

**Article 32 (code of conduct for subsidiaries and branches)** The subsidiaries or branches set up by the certification body shall practise within the approved scope in the name of the certification body, and operate in accordance with the provisions of this document, the basic norms of certification, and certification rules.

The subsidiaries or branches of a certification body shall not set up any certification-related institution in any other form, or authorize anyone else to engage in certification practice.

**Article 33 (code of conduct for offices and representative offices)** Offices set up by a certification body, representative offices set up in China by foreign certification bodies, and the staff of such institutions shall not engage in the signing of certification contracts, the organization of on-site examination/inspection, the issuance of

examination/inspection reports, the execution of certification decisions, or the collection of certification fees; neither shall they engage in certification training or consultation in any form.

#### **Chapter IV. Supervision and Inspection**

**Article 34 (duty of supervision)** The AQSIQ and the CNCA shall supervise certification bodies to ensure compliance with the Regulations on Certification and Accreditation and this document.

The CNCA shall inspect the operation of certification bodies and conduct sample checks of certification results and activities, and publish the results of such inspections and sample checks, as well as a list of the certification bodies and recipients involved.

**Article 35 (report of information and review of annual report)** The CNCA shall require certification bodies to report information about their business and review their annual reports.

A certification body shall report business information to the CNCA in accordance with applicable rules, including a detailed description of the certified organization, the suspension or revocation of a certificate (if any), and business information relating to the result of certification.

Upon receipt, the CNCA shall gather together and publish all information and data reported by the certification body.

The certification body shall submit an annual report for the previous year to the CNCA before the end of February each year. The report shall include basic information about its practice, personnel and business, quality analysis, and financial and accounting audit reports issued by an accounting firm with qualifications meeting the national standard.

**Article 36 (local supervision and regulation)** Quality and technical supervision departments at various levels and local entry-exit inspection and quarantine institutions (hereafter generally referred to as 'local certification administrations') shall, according to their duties, conduct supervision of the certification practice within their areas of jurisdiction on a regular basis, investigate and punish illegal acts in certification, and establish a supervision and coordination mechanism.

**Article 37 (administrative supervision)** The AQSIQ and the CNCA shall supervise and direct the registration of certification bodies' offices by provincial quality and technical supervision departments and inspection and quarantine institutions directly under their jurisdiction as well as law-enforcement for certification by these departments and institutions.

Provincial quality and technical supervision departments shall supervise and direct law-enforcement for certification by the quality and technical supervision departments of cities and counties under their jurisdiction. Inspection and quarantine institutions directly under such departments shall supervise and direct law-enforcement for certification by the entry-exit inspection and quarantine institutions under their jurisdiction.

Provincial quality and technical supervision departments and the inspection and quarantine institutions directly under their jurisdiction shall submit a report detailing the supervision and regulation of certification in their areas of jurisdiction during the previous year to the CNCA before the end of March each year.

**Article 38 (administration)** In the event of the detection of any of the following

problems during administration, the CNCA and local certification supervision and regulations departments shall warn the certification body involved and demand rectification:

1) The establishment of an office has not been registered with the local provincial certification administration;

2) The establishment of a representative office in China by a foreign certification body has not been registered with the CNCA;

3) The self-formulation of certification rules has not been registered with the CNCA;

4) Members of the certification body's senior management have violated the provisions herein;

5) Certificates or the certification symbol have not been registered, or certificates and the certification symbol issued to certified organizations and products are inconsistent with the registered certificates and the certification symbol.

**Article 39 (accreditation regulation)** The state encourages certification bodies to be accredited by accreditation agencies in order to verify that their certification standards meet the requirements; certification bodies shall be accredited in accordance with law where accreditation is required by laws or administrative regulations.

Accreditation agencies shall conduct effective follow-up supervision of accredited certification bodies, and conduct a sample check of a certification result to verify its compliance with the regulations. They shall punish certification bodies unable to consistently meet the requirements for certification by suspending or revoking the latter's right to certify. They shall promptly report to the CNCA upon the detection of any illegal act or irregularity during accreditation and supervision.

**Article 40 (internal disciplinary procedures)** The Certification and Accreditation Association shall strengthen the regulation of certification bodies' internal disciplinary procedures and assess whether they abide by laws and regulations and follow the norms of such procedures. They shall report to the CNCA upon the detection of any illegal act or irregularity on the part of a certification body.

**Article 41 (obligation)** Certification bodies and recipients of certificates shall support and assist the CNCA and local certification administrations during their supervision and inspection, and provide accurate documents and information for inquiry and investigation into relevant matters.

**Article 42 (obligation)** In the event of the following occurrences on the part of a recipient of certificate - accidents relating to product quality or vocational health, environmental pollution, or the detection of products below the standard required by law during a sample check by an administrative institution - the certification body shall suspend or revoke its certificate depending on the actual circumstances, promptly report to the CNCA, the local certification administration and authorities concerned, and support administrative institutions concerned during the follow-up supervision and inspection of the recipient.

**Article 43 (cancellation)** The CNCA shall execute the procedures for the cancellation of the Certificate of Approval for Certification Body according to law for a certification body with any of the following conditions:

1) The Certificate of Approval for Certification Body has expired and no application for renewal has been filed;

- 2) The Certificate of Approval for Certification Body has expired and the renewal application has been rejected due to the detection of grounds for disqualification during re-examination;
- 3) The certification body has been terminated according to law;
- 4) Other conditions for which cancellation is required by laws and regulations.

**Article 44 (revocation)** In the event of any of the following, the CNCA may revoke the decision of approval for a certification body based on a plea from an interested party or its authority:

- 1) The decision has been made by a member of the CNCA as a result of abuse of authority or dereliction of duty;
- 2) The decision has been made beyond the statutory authority;
- 3) The decision has been made against the statutory procedures;
- 4) The approval has been given to a disqualified applicant or one that does not meet the statutory requirements;
- 5) The certification body no longer meets the statutory requirements or has the statutory capability, or it cannot do so consistently;
- 6) Other conditions for which the approval decision may be revoked according to law.

**Article 45 (reporting)** Any organization or individual has the right to file a complaint or report to the AQSIQ, the CNCA or a local certification administration about any illegal act or irregularity during certification practice. The CNCA or the local certification administration shall promptly investigate and deal with the reported matter, and keep the reporter's identity confidential.

## **Chapter V. Legal Liabilities**

**Article 46 (penalty for concealment)** In the event that an applicant conceals relevant information or provides false documents for the establishment of a certification body or other matters, the CNCA shall reject or refuse to approve the application. The applicant shall not re-apply for the establishment of a certification body or other matters within one year.

**Article 47 (penalty for gaining approval by deception)** For an applicant who has obtained the certificate of approval for the establishment of a certification body or other matters by deception, bribery or any other improper means, the CNCA shall revoke the certificate of approval. The applicant shall not re-apply for the establishment of a certification body within three years.

**Article 48 (penalty for branches)** In the event that a certification body has set up a subsidiary or a branch for certification practice without approval, the local certification administration shall order the subsidiary or branch to terminate its certification practice, impose a fine between 100,000 and 500,000 yuan, and confiscate any funds obtained illegally. The CNCA shall order the certification body to suspend business for rectification for six months, and order the responsible certifiers to suspend practice for one year; in serious cases, the CNCA shall revoke the certificate of approval for the certification body, disqualify the responsible certifiers from practice, and publish said penalty.

**Article 49 (penalty for offices)** In the event that an office set up by a certification body engages in such certification practices as the signing of certification contracts, the organization of on-site examination/inspection, the issuance of examination/inspection

reports, the execution of decisions on certification, and the collection of certification fees, the local certification administration shall cancel its registration, impose a fine between 100,000 and 500,000 yuan, and confiscate any funds obtained illegally; the CNCA shall order the certification body to suspend business for rectification for six months, order the responsible certifiers to suspend practice for one year, and publish said penalty.

**Article 50 (penalty for representative offices of foreign certification bodies)** In the event that a representative office set up in China by a foreign certification body engages in such certification practices as the signing of certification contracts, the organization of on-site examination/inspection, the issuance of examination/inspection reports, the execution of decisions on certification, or the collection of certification fees, the local certification administration shall order it to terminate the illegal acts, impose a fine between 100,000 and 500,000 yuan, and confiscate any funds obtained illegally; in serious cases, the CNCA shall cancel its registration and publish the decision.

**Article 51 (penalty for illegally established institutions)** In the event that a subsidiary or branch set up by a certification body establishes institutions in other forms or authorizes other persons to conduct certification practice, the local certification administration shall impose a fine between 100,000 and 500,000 yuan and confiscate any funds obtained illegally; the CNCA shall disqualify the subsidiary or branch from giving approval, order the certification body to which it belongs to suspend business for rectification for six months, and order the responsible certifiers to suspend practice for one year; in serious cases, the CNCA shall revoke the certificate of approval for the certification body, disqualify the responsible employees from practising, and publish the decision.

**Article 52 (punishment for subcontracting)** In the event that a certification body takes subcontracted business from a foreign certification body without the CNCA's approval, the CNCA shall order it to take measures to rectify this act and issue a warning; in serious cases the CNCA shall order it to suspend business for rectification for six months, publish the decision, order the responsible certifiers to suspend practice for one year, and confiscate any funds obtained illegally.

**Article 53 (warning)** In the event of any of the following occurrences on the part of a certification body, the CNCA or the local certification administration shall order it to take measures to rectify the act, issue a warning, and publish the decision:

- 1) There have been staff changes affecting the full-time certifiers, and their number and qualifications no longer meet the requirements;
- 2) The certification body has made an alteration but has not completed the required procedures;
- 3) The certification body has not submitted the annual report or information about the recipients in time, or the submitted documents are untruthful;
- 4) Other violations of this document.

**Article 54 (warning and a fine up to 30,000 yuan)** In the event of any of the following occurrences on the part of a certification body, the CNCA or the local certification administration shall order it to take measures to rectify the act, issue a warning, and publish the decision; in serious cases, a fine of no more than 30,000 yuan may be imposed:

- 1) The certification body has not announced to the public the suspended or revoked certificates;

2) The certification body has not provided the client with the examination and verification documents;

3) The duration of examination and verification is seriously below the standard required by the basic norms and rules of certification;

4) Engagement in certification consulting;

5) The product of the recipient does not meet the requirements of applicable laws and regulations, or the manufacturing standards have not been registered as required;

6) The certification body refuses to provide information about its business, conceals such information, or provides false data during supervision and inspection by an administrative institution;

7) Other violations of this document.

**Article 55 (fine between 50,000 and 100,000 yuan)** In the event of any of the following occurrences on the part of a certification body, the local certification administration shall order it to take measures to rectify the act, impose a fine of no more than 100,000 yuan, and confiscate any funds obtained illegally; in serious cases, the CNCA shall order it to suspend business for rectification for six months or revoke the certificate of approval, and publish the decision.

1) The certification body has employed persons not registered with or not confirmed by the state, or appointed persons without the qualifications or capability necessary to undertake examination, verification or inspection tasks for certification;

2) The certification body has increased, reduced or omitted basic norms for certification or procedures required by the rules of certification, or certifiers have issued certificates without being present during examination or without verifying the effectiveness of the corrective measures adopted by the client;

3) Poor internal management and decisions regarding certification issues being made at more than one work place, resulting in a failure to conduct effective certification or follow-up supervision for the certified products, services or management systems in accordance with the basic norms of certification or the procedures and requirements of the certification rules, with harmful social consequences;

4) For any of the certified products, services or management systems that fails to consistently meet the requirements for certification, the certification body has failed to suspend or revoke the certificate and publish the decision as required;

5) Other violations of basic norms or rules of certification.

**Article 56 (penalty)** In the event of any of the following occurrences on the part of a certification body, the local certification administration shall order it to take measures to rectify its act, impose a fine between 100,000 and 200,000 yuan, and confiscate any funds obtained illegally; in serious cases, the CNCA shall revoke the certificate of approval and publish the decision:

1) The certification body has engaged in practice beyond its approved scope of business;

2) The certification body has altered or forged the Certificate of Approval for Certification Body, or has illegally transferred the approval in any other form;

3) The certification body has continued to practise during the suspension of business for rectification;

4) The certification body has still failed to practise in accordance with the rectification requirements since the end of the suspension of business for rectification.

**Article 57 (penalty)** In the event that a certification body has issued a false

conclusion or that its conclusion is seriously inaccurate, the CNCA shall revoke its certificate of approval and publish the decision; it shall issue a warning to the person(s) directly in charge and disqualify the certifiers directly responsible from practice. A criminal charge shall be pressed if the offence constitutes a crime, and any damage shall be paid for by the responsible party according to law.

**Article 58 (other offences)** For other offences, certification bodies shall be punished in accordance with the Regulations on Certification and Accreditation and other laws and regulations.

**Article 59 (penalty of employees)** The CNCA, local certification administrations and their staff shall supervise certification practice according to law; they shall issue administrative penalties for such offences as abuse of authority, favouritism and irregularities and dereliction of duty, and press criminal charges for offences that constitute a crime.

## **Chapter VI. Supplementary Articles**

**Article 60 (reference)** To set up certification bodies or representative offices in the mainland of China, certification bodies based in Hong Kong, Macau or Taiwan shall complete the applicable examination and approval procedures in accordance with the provisions on foreign certification bodies in Chapter II, and conform to the provisions of this document.

**Article 61 (power of interpretation)** This document shall be interpreted by the AQSIQ.

**Article 62 (time of enforcement)** This document shall take effect on ..., 2011.