
Measures for the Qualification Accreditation of Engineering Consulting Entities

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In accordance with the Administrative Licensing Law and the Decision of the State Council about Establishing Administrative Licensing for the Administrative Examination and Approval Items Actually Necessary To Be Retained (Order No. 412 of the State Council of the People's Republic of China), the Measures for the Qualification Accreditation of Engineering Consulting Entities are formulated for the purposes of strictly controlling the market entry and guaranteeing the engineering consulting quality. These Measures have been discussed and adopted at the executive meeting of the National Development and Reform Commission. They are hereby promulgated and shall come into effect as of the promulgation date.

Ma Kai Director of the National Development and Reform Commission

March 4, 2005

Measures for the Qualification Accreditation of Engineering Consulting Entities

Chapter I. General Provisions

Article 1 For the purposes of strictly controlling the market entry and guaranteeing the engineering consulting quality, the Measures for the Qualification Accreditation of Engineering Consulting Entities are formulated in accordance with the Administrative Licensing Law and the Decision of the State Council about Establishing Administrative Licensing for the Administrative Examination and Approval Items Actually Necessary To Be Retained (Order No. 412 of the State Council of the People's Republic of China).

Article 2 The term "engineering consulting" refers to the act of providing government organs, project owners and other kinds of clients with intelligence services relating to the decision-making and execution of social economic construction and engineering projects for the purposes of enhancing the economic and social benefits and realizing sustainable development by following the principles of independence, justice, and science and employing multidisciplinary

knowledge and experiences, modern science and technology and management skills.

Article 3 The term “engineering consulting entities” refers to the independent legal person enterprises and public institutions established within the territory of China and engaged in engineering consulting business.

Article 4 The accreditation of the qualification of engineering consulting entities is important to the investment benefits of the state and society and is a qualification licensing item that requires special credit standing and conditions for determination.

The National Development and Reform Commission (hereinafter referred to as the NDRC) is the administrative organ for the accreditation of the qualification of engineering consulting entities.

Article 5 The qualification of engineering consulting entities include the qualification grades, consulting specialties and scope of service.

Article 6 An engineering consulting entity must have obtained an Engineering Consulting Qualification Certificate issued by the NDRC and must, upon the strength of the Engineering Consulting Qualification Certificate, engage in the corresponding engineering consulting business.

Chapter II. Standards on the Qualification Grades of Engineering Consulting Entities

Article 7 The qualification grades of engineering consulting entities are classified into Grades A, B and C. The engineering consulting entities at each grade shall carry out their businesses according to the relevant provisions of the state, and the requirements of the project owners.

Article 8 A Grade A engineering consulting entity shall conform to the following qualification standards:

(1) Basic conditions:

(a) Having been engaged in the engineering consulting business for at least 5 years, having at least 5 consulting achievements relevant to the service scope of the field for which the application is filed for, and having no bad record;

(b) Having a registered capital of 5 million yuan or more (with the exception of public institutions);

(c) Having a fixed office, of which the average area per person is not less than 6 sq. m.; and

(d) It may enjoy the preferential treatments if it has ever taken charge of or formulated the relevant industrial standards and technical norms.

(2) Technical Strength

- (a) Having 60 or more full-time technicians engaging in the engineering consulting business, of whom no less than 30% have got the senior professional technical title or economic professional title, the registered consulting (investment) engineers shall not be less than 15% of the total number of the technicians, the full-time professional technicians hired from retirees shall not exceed 10% of the total number of technicians, and none of the above-mentioned persons may concurrently practice in two or more engineering consulting entities;
- (b) Having equipped each professional field with no less than 5 professional technicians and at least 2 registered consulting (investment) engineers;
- (c) The major technical person-in-charge shall have the practicing qualification of a registered consulting (investment) engineer and shall have engaged in engineering consulting and other relevant businesses for 10 years or more.

(3) Technical level and equipment:

- (a) Having mastered modern engineering technologies and project management approaches, having advanced technical equipment, and having a relatively complete accumulation of professional technical materials and methods of processing the relevant business information home and abroad;
- (b) Being able to contract overseas engineering consulting businesses independently or by cooperating with domestic or overseas engineering consulting entities;
- (c) Having equipped each of the professional technicians who are directly engaged in the relevant businesses with 1 or more computers, having complete and independent communication and information processing means, being able to apply engineering technologies and economic evaluation system software to carry out businesses, and being able to complete all the engineering the consulting achievements documents and economic evaluation by using computer and system software.

(4) Management Level:

- (a) Having a perfect organizational structure and sound management system; and
- (b) Having a strict quality control system, and it may enjoy the preferential treatments if it passed the certification of ISO9000 quality control system.

Article 9 A Grade B engineering consulting entity shall conform to the following qualification standards:

(1) Basic conditions:

- (a) Having been engaged in the engineering consulting business for at least 3 years, having at least 5 consulting achievements relevant to the service scope of the field for which the application is filed for, and having no bad record;
- (b) Having a registered capital of 2 million yuan or more (with the exception of public institutions); and
- (c) Having a fixed office, of which the average area per person is not less than 6 sq. m.;

(2) Technical Strength

- (a) Having 30 or more full-time technicians engaging in the engineering consulting business, of whom no less than 30% have got the senior professional technical title or economic professional title, the registered consulting (investment) engineers shall not be less than 15 % of the total number of the technicians, the full-time professional technicians hired from retirees shall not exceed 10% of the total number of technicians, and none of the above-mentioned persons may concurrently practice in two or more engineering consulting entities;
- (b) Having equipped each professional field with no less than 5 professional technicians and at least 2 registered consulting (investment) engineers; and
- (c) The major technical person-in-charge shall have the practicing qualification of a registered consulting (investment) engineer and shall have engaged in engineering consulting and other relevant businesses for 8 years or more.

(3) Technical level and equipment:

- (a) Having mastered modern engineering technologies and project management approaches, having advanced technical equipment, and having a relatively complete accumulation of professional technical materials and methods of consulting the relevant professional information; and
- (b) Having equipped each of the professional technicians who are directly engaged in the relevant businesses with 1 or more computers, being able to complete all the engineering consulting achievements documents by using computer, and being able to apply the economic evaluation software by 80%

(4) Management Level:

- (a) Having a perfect organizational structure and sound management system; and
- (b) Having a strict quality control system

Article 10 A Grade C engineering consulting entity shall conform to the following qualification standards:

- (1) Having a registered capital of 500, 000 yuan or more (with the exception of public institutions);
- (2) Having 15 or more full-time technicians engaging in engineering consulting business, of whom no less than 30% have got the senior professional technical title or economic title, the registered consulting (investment) engineers shall not be less than 15 % of the total number of the technicians, the full-time professional technicians hired from retirees shall not exceed 10% of the total number of technicians;
- (3) Having equipped each professional field with no less than 5 professional technicians and at least 1 registered consulting (investment) engineers;
- (4) The major technical person-in-charge shall have the practicing qualification of a registered consulting (investment) engineer and shall have engaged in engineering consulting and other relevant businesses for 5 years or more.
- (5) Having a fixed office, of which the average area per person is not less than 6 sq.

m.; and

(6) Having a strict quality control system

Article 11 Generally an entity that newly applies for the qualification of engineering consulting shall start from Grade C.

Article 12 Where an engineering consulting entity needs to expand its consulting field or service scope, it may, in accordance with Articles 8, 9, 10 and 20, apply for the temporary qualification of the corresponding grade of the consulting field or service scope.

Chapter III. Classification of Engineering Consulting Fields and Division of Service Scopes

Article 13 The professional qualification of engineering consulting entities shall be classified on the basis of the following fields: (1) road; (2) railway; (3) urban rail transport; (4) civil aviation; (5) water power; (6) nuclear power and nuclear industry; (7) thermal power; (8) coal; (9) oil and natural gas; (10) petro-chemical industry; (11) chemical industry and pharmacy; (12) construction materials; (13) machinery; (14) electronics; (15) light industry; (16) textile and chemical fibre; (17) steel; (18) nonferrous metallurgy; (19) agriculture; (20) forestry; (21) telecommunication and information; (22) radio, film and television; (23) hydrology and geology, engineering measurement, and Geo-technical Engineering; (24) water conservancy projects; (25) port, river and sea projects; (26) ecological construction and environmental projects; (27) projects of municipal public utilities; (28) construction; (29) city planning; (30) comprehensive economy (unlimited by concrete fields); and (31) others (to be filled out according to the concrete field).

Article 14 The qualification service scope of an engineering consulting entity shall specify the following contents:

- (1) Planning and consulting, including the formulation and consulting of industrial, special and regional development plans;
- (2) Working out project proposals (including the research of project investment chances and preparatory feasibility study);
- (3) Working out project feasibility study reports, project applications and fund applications;
- (4) Appraisal consulting, including project proposals, feasibility study reports, project applications and preliminary design appraisal, post-evaluation of projects, and check of rough budgets and final accounts;
- (5) Project design;
- (6) Proxy-based bidding;
- (7) Project supervision and equipment supervision; and
- (8) Engineering project management, including the management services for the whole course or several phases of an engineering project.

The qualification for project design, proxy-based bidding, project supervision and equipment supervision shall be determined by the competent administrative departments by the State Council.

Article 15 A comprehensive economic field applicant shall simultaneously meet the following conditions:

- (1) Having the professional qualification for no less than 8 separate fields;
- (2) Having 4 or more registered consulting (investment) engineers majoring in engineering and technology economy.

The qualification of the comprehensive economic field shall, except for the fields of which the applicant has obtained the qualification, be limited to the services such as appraisal consulting and engineering project management.

Article 16 An applicant entity may, according to its conditions, apply for the consulting qualification of one or more fields, or of one or more service scopes. The accreditation of the qualification of each field and each service scope shall conform to the corresponding requirements regarding the professional technical strength, technical level and engineering consulting performances.

Chapter IV. Accreditation and Administration of Qualification of Engineering Consulting Entities

Article 17 The qualification of engineering consulting entities shall be accredited by the NDRC.

Article 18 With regard to the accreditation of the qualification of an engineering consulting entity, first the preliminary examination institution shall put forward preliminary examination opinions, then it shall submit them to the NDRC for examination and approval. Under the hierarchical relationship, the development and reform commissions of all provinces, autonomous regions, municipalities directly under the Central Government, cities directly under state planning, and Xinjiang Production and Construction Corps shall be the preliminary institutions for the accreditation of qualification of engineering consulting entities. The central enterprises may directly file applications with the NDRC.

Article 19 The Engineering Consulting Entity Qualification Certificates shall be uniformly printed and produced by the NDRC. An Engineering Consulting Entity Qualification Certificate comprises an original text and two duplicates with identical legal force. The valid term of an Engineering Consulting Entity Qualification Certificate shall be 5 years.

Chapter V. The Procedures for the Accreditation of Qualification of Project

Consulting Entities

Article 20 Where an entity applies for the engineering consulting qualification, it shall fill out the contents in the software - China Engineering Consulting Business Management System, and shall simultaneously submit the document texts to the preliminary examination institution. It may submit the application materials by mail, e-mail, or by other means.

(1) The electronic documents or materials to be submitted include: a. contents to be fill out: the basic information of the entity, brief introduction of the main persons in charge of the administrative work and technological economy, information about the full-time technicians and computers offered for their use; and the information about its business operations in recent 3 years as well as its independent engineering consulting performances; b. contents to be scanned: the enterprise legal person business license or public institution legal person certificate; the practicing qualification registration certificate of the person in charge of technology for engineering consulting; the certification documents of the full-time professional technicians (certificate of senior professional technical title, certificate of economic professional title, practicing qualification registration certificate for engineering consulting, social endowment insurance and personnel certification materials); the relevant certifications of the entity (engineering design and other relevant certificates); the annual balance sheet and income statement of the previous year; certification of self-owned or rented office and other relevant certification documents.

(2) The written documents to be submitted: besides the contents in the above-mentioned electronic texts, the applicant shall provide the articles of association, quality control documents, and two already finished feasibility study reports.

One for each of the above-mentioned document texts and electronic documents shall be submitted.

Article 21 After the preliminary examination institution receives the application materials, it shall first conduct a regulation compliance examination over them, hire the relevant experts to evaluate them or to conduct an on-the-spot inspection, and then put forward preliminary examination opinions.

Article 22 The NDRC shall organize the expert appraisal committee to discuss and appraise the preliminary opinions collectively, put forward review opinions and publicize the review opinions to the general public. If no objection is raised by the general public, the NDRC shall approve and grant the applicant an engineering consulting entity qualification certificate.

Chapter VI. Time Limit for Qualification Accreditation

Article 23 The qualification accreditation applications shall be regularly accepted collectively and shall be appraised collectively every year. The NDRC shall announce the acceptance time limit to the general public 2 months in advance.

Article 24 The time limit for preliminary examination by the preliminary examination institution shall be 20 working days, in which the time for expert appraisal and on-the-spot inspection shall not be included.

Article 25 After the NDRC receives the preliminary examination opinions and materials submitted by the preliminary examination institution, it shall make a decision within 20 working days after the expert appraisal committee has put forward its review opinions. If it is unable to make a decision within 20 working days, it may extend the time limit by 10 working days upon approval of the corresponding leader of the NDRC.

Chapter VII. Upgrade, Downgrade, Modification and Termination of Engineering Consulting Qualification

Article 26 If it has been 3 years since an entity obtained a Grade C qualification certificate, or if it has been 2 years since an entity obtained a Grade B qualification certificate, the entity may, in accordance with the grade standards as specified in Articles 8 through 10 as well as the procedures as provided in Article 20 of the present Measures, apply for upgrading or expanding the professional service scope. Where a decision to degrade an entity is made upon review, the former qualification grade certificate of the entity shall be taken back, and a new qualification certificate shall be issued to the entity.

Article 27 Where an engineering consulting entity is under any of the following circumstances, it shall be degraded. If the circumstance is serious, it shall be disqualified for an engineering consulting entity.

- (1) It is found, upon inspection, to have violated the measures for practices of engineering consulting upon the strength of the qualification certificate, the rules on professional ethics, or market competition rules;
- (2) It is found, upon verification, that any problem exists in the quality evaluation of engineering consulting.

Article 28 An engineering consulting entity shall, under any of the following circumstances, apply with the original qualification accreditation entity for modifying or terminating the engineering consulting qualification:

- (1) For split-up or merger, it shall hand back the Engineering Consulting Entity Qualification Certificate to the original qualification accreditation entity and shall, upon re-examination and accreditation, obtain a new one;
- (2) Where its legal representative or major technical person-in-charge is changed, it shall go through the modification formalities in the original qualification

accreditation entity;

(3)Where it terminates its engineering consulting business due to bankruptcy or any other reason, it shall report relevant information to the original qualification accreditation entity for archival purposes, shall hand back the Engineering Consulting Entity Qualification Certificate thereto and go through the corresponding revocation and writing-off formalities.

Chapter VIII. Supervision Inspection and Legal Liabilities

Article 29 Where an entity has obtained the engineering consulting qualification, it shall establish a corresponding self-inspection system and receive a practice inspection every year.

Article 30 Where an engineering consulting entity conducts any of the following acts, it shall, in light of the seriousness of the circumstance concerned, be given a penalty such as a warning, circulated criticism, suspending business for rectification, degrading or even revocation of the qualification of engineering consulting entity; if any crime is constituted, it shall be subject to criminal liabilities:

- (1)Altering, selling-off, leasing or lending the Engineering Consulting Qualification Entity Qualification Certificate, or unlawfully transferring the Engineering Consulting Qualification Entity Qualification Certificate in any other manner;
- (2)Violating the present Measures because of engaging in the engineering consulting activities beyond the accreditation consulting field and service scope;
- (3)After it changes or terminates it business, it fails to go through the corresponding modification, revocation and writing-off formalities in time;
- (4)Concealing the relevant information from the administrative organ in charge of the supervision and inspection, providing false materials or refusing to provide true materials that can reflect its activities;
- (5)Employing trickery, divulging the commercial secrets of the entrusting party and adopting improper competition means, impairing the interests of other engineering consulting entity, seriously violating the professional ethics and code of conduct;
- (6)It is found, upon verification, that any serious quality problem exists in its consulting results; and
- (7)Other acts of violating the law or regulation.

Article 31 A legal person entity or any other organization illegally engaging in engineering consulting business without obtaining an Engineering Consulting Entity Qualification Certificate shall be stopped from doing so by the development and reform commission; if any crime is constituted, it shall be subject to criminal liabilities.

Article 32 The NDRC shall be responsible for the supervision and inspection of the preliminary examination institution, shall timely rectify the illegal act, if any, in the engineering consulting entity qualification appraisal work.

Article 33 Under any of the following circumstances, the NDRC shall decide to revoke accredited qualification:

- (1) The appraisal functionary makes the accreditation qualification decision by abusing his power or neglecting his duties;
- (2) Granting a qualification accreditation approval to any applicant entity that hasn't the application qualification or doesn't meet the statutory conditions;
- (3) Where an applicant entity obtains the engineering consulting qualification by cheating, bribery or by any improper means, the engineering consulting qualification shall be revoked and the applicant entity shall not file a new application for engineering consulting qualification within a year; or
- (4) Other circumstances under which the accredited qualification may be revoked.

Article 34 Where a preliminary examination institution or any of its functionaries violates the present Measures, under any of the following circumstances, it or he shall ordered to make corrections; if the circumstances are serious, the directly liable person-in-charge and other liable persons shall be given an administrative sanction:

- (1) Refusing to accept the engineering consulting qualification filed by an entity that meets the accreditation conditions;
- (2) Failing to perform the informing obligation during the courses of acceptance, examination and accreditation of engineering consulting qualification;
- (3) The application materials submitted by an applicant entity are incomplete or don't conform to the accreditation form, it fails to inform, once and for all, the applicant of the items need to be supplemented;
- (4) Failing to state the to-be-rejected qualification applications and reasons for rejection.

Chapter IX. Supplementary Provisions

Article 35 The expenses on the accreditation of the qualification of a engineering consulting entity shall be incorporated into the departmental budget, which shall be guaranteed by the public finance budget and shall be allocated under the approved budget.

Article 36 The power to interpret the present Measures shall remain with the National Development and Reform Commission.

Annex: National Development and Reform Commission of the People's Republic of China – Administrative Licensing Application Form (Application for Qualification of Engineering Consulting Entity) (Omitted)
