

**Guangdong Province Regulation**  
**on**  
**Collective Negotiations and Collective Contracts for Enterprises**  
(Draft for comments)<sup>1</sup>

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**Chapter I   General Provisions**

**Article 1**       In order to promote harmonious labor relations, to protect the legal rights and interests of employees and enterprises, and to create standards for a system of collective negotiations and collective contracts, the following regulations are established in accordance with the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, and the Trade Union Law of the People’s Republic of China.

**Article 2**       This Regulation is applicable for the enterprises in the administrative jurisdiction of this Province.

**Article 3**       Enterprises should establish comprehensive collective negotiations and collective contract systems.

Collective negotiations refers to equal-level negotiations between employees and enterprises with regard to remuneration, working time, rest and vacation, occupational health and safety, vocational training, social insurance and welfare, and other such matters.

The collective contract refers to the written agreement established between all employees of the enterprise and the enterprise with regard to working conditions, remuneration and other matters, and includes general collective contracts, special collective contracts, industrial collective contracts, and regional collective contracts.

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<sup>1</sup> Translation provided by the International Center for Joint Labor Research, School of Government, Sun Yat-sen

**Article 4** Employees and enterprises should follow the principles of mutual respect, fairness and reason, good will and honesty, and equality in negotiations in the establishment and implementation of collective negotiations and the collective contract.

The collective contract established according to the law should be legally binding for the enterprise and all the employees in the enterprise.

**Article 5** Working conditions and remuneration and other standards provided in the labor contract<sup>2</sup> should not be lower than those provided in the collective contract; working conditions and remuneration standards provided in the collective contract established in the enterprises should not be lower than those provided in the industrial or regional collective contracts in the same geographic area.

**Article 6** Government at all levels should work to strengthen collective negotiations and collective contracts, in order to comprehensively promote a system of negotiations and collective contracts.

The human resources and social security authorities at the county level or above should supervise the establishment and implementation of collective contracts according to law, and review the collective contracts.

The local federations of trade unions should organize, guide and supervise unions in enterprises to conduct collective negotiations, establish and implement collective contracts according to law.

Associations of enterprises, industrial and commerce associations, other organizations representing business enterprises, and business administrative agencies should guide enterprises to practice social responsibility, direct and assist enterprises in establishing comprehensive collective negotiations and collective contract systems.

## **Chapter II Collective Negotiations**

### **Section I Content of Collective Negotiations**

**Article 7** Employees may undertake collective negotiations and establish a collective contract with enterprises with regard to one or several of the following items:

1. Remuneration;
2. Work hours;
3. Holidays and vacation;
4. Occupational health and safety;
5. Supplemental insurance and benefits;
6. Special protection of women workers and minors;
7. Protection of the rights of temporary agency workers;
8. Vocational education and training;

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<sup>2</sup> Here and hereinafter this is understood to refer to *individual* labor contracts (comment by SYSU ICJLR)

9. Labor contract management;
10. Rewards and sanctions;
11. Lay-offs;
12. Duration of the collective contract;
13. Procedures for the modification or termination of the collective contract;
14. Method of dispute resolution resulting from the implementation of the collective contract;
15. Liability for the violation of the collective contract;
16. Other matters that both parties mutually agree to negotiate;

**Article 8** Collective wage negotiations refers to the collective negotiations between employees and enterprises with regard to the pay distribution systems and methods of wage distribution, wage levels, and other items.

Generally, collective wage negotiations should be held once a year and both parties may negotiate over one or several of the following items:

1. Wage distribution system and wage standards;
2. Method and timing of wage payments;
3. Annual total wage and average pay level of employees;
4. Amount and methods of wage adjustment;
5. Distribution methods of allowances, subsidy levels, and bonuses;
6. Wages during the probationary period, sick leave and leaves of absence;
7. Duration of collective wage contract, procedures for modification and termination of collective wage contract;
8. Conditions for termination of collective wage contract;
9. Liability for the violation of collective wage contract;
10. Other mutually agreed upon wage-related items.

**Article 9** Collective wage negotiations should be in accordance with laws and regulations, taking into consideration the following factors:

1. Labor productivity and economic performance of the enterprise;
2. Total payroll and employees' average wage level in the enterprise in the preceding year;
3. Wage guidelines for enterprises issued by Human Resource and Social Security authorities, and labor market wage level;
4. Consumer Price Index issued for local residents by the statistics bureaus;
5. Local minimum wage, regional and industrial average wage levels as issued by relevant government authorities;
6. Other matters related to collective wage negotiations.

**Article 10** Employees or enterprises may request negotiations on wage adjustment on any of the following occasions:

1. Change in labor productivity or economic performance of the enterprise;
2. Persistent and substantial change in the local Consumer Price Index for local residents;

3. Change in the wage guidelines as issued by the local government.

**Article 11** Industry trade unions and regional trade unions may conduct collective negotiations and sign industrial and regional collective contracts with organizations representing employers, such as employers' associations, associations of industry and commerce, trade associations, or business associations.

**Article 12** The industrial and regional collective contract established according to law should be legally binding on the enterprises and employees in the same industries and regions.

**Article 13** Industry-wide collective negotiations and contracts may be initiated and established with regard to the following matters bearing on direct interests of the employees in the industry:

1. Minimum wage standards in the industry;
2. Amount of wage adjustment in the industry;
3. Performance standards for similar kinds of work in the industry;
4. Occupational health and safety standards for all jobs in the industry;
5. Staff training policies for all jobs in the industry;
6. Special protection of women workers and minors, and the protection of temporary agency workers' rights and interests in the industry;
7. Other matters appropriate to industrial collective negotiation.

**Article 14** Regional collective negotiations and regional collective contracts may be initiated and established with regard to the following matters bearing on direct interests of the employees in the region:

1. Minimum wage standards of the region;
2. Amount of wage adjustment of the region;
3. Occupational health and safety standards in the region;
4. Special protection of women workers and minors, and the protection of temporary agency workers' rights and interests in the region.
5. Other matters appropriate to regional collective negotiation.

## **Section II Collective Negotiations Representatives**

**Article 15** The collective negotiations representatives ("negotiations representatives" hereafter) refers to the individuals selected according to legal procedures and authorized to represent the interests of their party in collective negotiations.

Each party should have 3-9 representatives and appoint a chief representative. Both parties may also have a certain number of observer representatives.

**Article 16** The chief representative for the enterprise should be the legal representative of the enterprise or any person authorized in written form by the legal

representative of the enterprise. Other representatives should be designated by the legal representative of the enterprise.

In companies with an established trade union, the chief representative for the employees should be chairperson of the trade union or any person authorized by the chairperson in writing. The rest of the representatives should be selected either by the trade union or democratically elected by the Staff and Workers Representative Congress. In companies without a trade union, or where there is no functioning trade union, the representatives for the employees should be democratically elected by the employees under the guidance of the local federation of trade unions. The chief representative should be elected by all the collective negotiations representatives. If, due to urgent circumstances the representatives cannot be democratically elected, the representatives and the chief representative should be selected by the employees under the guidance of the local federation of trade unions. The number of elected representatives may be more than that of representatives participating in the collective negotiations as appropriate to provide alternative candidates when needed.

In enterprises with relatively large numbers of female workers, there should be an appropriate proportion of female representatives on the employees' side.

**Article 17** In industrial or regional collective negotiation, representatives of the enterprises should be appointed by the enterprises' organizations in the industries or regions. The chief representatives should be the leaders of the enterprises' organizations. When there are several representative organizations at the industry or the regional level, the chief negotiations representative and other negotiations representatives will be elected through democratic procedures. When there are no representative organizations at the industry or the regional level, enterprises should democratically elect chief a negotiations representative and other negotiations representatives.

The representatives on the employees' side are selected by the industry level or regional trade union. The chief negotiation representative is the chairperson of the industry level or regional trade union. When there is no established industrial or regional trade union, the local federation of trade unions can assume the task of conducting collective negotiations, or the chief negotiations representative and other negotiations representatives can be democratically elected among enterprise union chairpersons in the industry or regions.

**Article 18** The chief representatives of each side may authorize in written form experts from outside the enterprise unit as their negotiations representatives. The number of authorized representatives should not exceed 1/3 of negotiations representatives of each party.

The chief representatives should not be from outside of the enterprise. Enterprise negotiations representatives should not simultaneously be the employees' negotiations representatives.

**Article 19** The dismissal and replacement of negotiations representatives should follow the same procedures as the appointment of negotiations representatives. The negotiations representatives of the opposite party should be informed in written form.

When enterprise unions do not fulfill their responsibilities according to the law, the local trade union should order the enterprise union to correct its behavior. When enterprise union chairpersons do not represent employees in fulfilling their responsibilities of conducting collective negotiations or have difficulties in fulfilling such tasks, on demand of one third or more of employees, or if the Staff and Workers Representative Congress requests to change the chief negotiations representative, the local trade union should guide the employees to hold a Staff and Workers Representative Congress meeting and elect a new chief representative.

**Article 20** The negotiations representatives' term of office should be determined by the party being represented. In the absence of other specific stipulations, the term should end when the collective contract agreed upon through collective negotiation expires. When the collective negotiation does not result in an agreement or a collective contract is not signed, the term ends with the end of the collective negotiations.

**Article 21** During the negotiations representatives' term of office, the enterprises should not change their posts without their consent, discharge or demote them, or deduct or lower their wages or welfare.

If the labor contract of the negotiations representatives expires during the period of collective negotiations, the labor contract should be extended until the representative's negotiations responsibilities terminate. Except under the conditions cited in Article 39 of the Labor Contract Law of the People's Republic of China, the enterprise should not terminate labor contracts of negotiation representatives during the period when they are performing their negotiations duties.

**Article 22** The responsibilities of the representatives include:

1. To participate in the collective negotiations meetings;
2. To collect, keep and provide the materials and documents related to the collective negotiations;
3. To listen and collect opinions, and to answer inquiries from the individuals of the party they represent;
4. To represent their party in the settlement of labor contract disputes;
5. Other responsibilities as described by the laws and regulations.

**Article 23** Negotiations representatives have the right to request documents related to subjects of negotiation, including registration information, enterprise bylaws, financial and accounting reports, work performance standards, payment of wages, tax and social insurance fees. However, materials involving national security or technology secrets are excluded.

Negotiations representatives should keep confidential any business secrets of the enterprise which they have learned during the course of collective negotiations.

**Article 24** The enterprises should guarantee the necessary working conditions and time for the representatives to perform their duties.

The representatives' participation in the collective negotiations and their necessary preparation for the collective negotiations should be regarded as normal work, and their wages and welfare should not be affected.

### **Section III Collective Negotiations Procedures**

**Article 25** Employees and the enterprise both have the right to request that negotiations be conducted.

When employees or the enterprise requests negotiations in written form, the other side must provide a written response within 20 days, providing specific responses to each of the topics in the request, and must bargain about those topics. The bargaining request must include a time, place, content of negotiations, and state reasons for the request.

**Article 26** The trade union delegates of an enterprise can request the enterprise to enter into collective negotiations.

Employees may direct their request for collective negotiations to the enterprise trade union. The enterprise trade union may propose collective negotiations to the enterprise based upon the opinions of the employees and the concrete situation of the enterprise; but if one third or more of the employees or the Staff and Workers Representative Congress request negotiations, the trade union should propose collective negotiations to the enterprise.

If a trade union does not exist in an enterprise, or the union is not properly functioning, a request can be made to the upper-level trade union. If one third or more of the employees or the Staff and Workers Representative Congress unanimously are of the same opinion, the upper-level trade union should make a request for negotiations to the employer.

**Article 27** Collective negotiations must be started not later than 60 days from the date of request. Under exceptional circumstances both parties may agree to extend this term by 15 days.

**Article 28** Collective negotiations are normally conducted by meeting in person, but may also be done in writing or use of other methods by mutual consent. If either side requests meeting in person, then this method should be used.

The enterprise should provide a meeting place and other necessary provisions for conducting collective bargaining sessions.

**Article 29** When collective negotiations are conducted in person, the chief representatives of both parties chair the negotiations by taking turns or jointly, or upon mutual agreement, both parties may also determine a third-party chairperson.

The minutes of collective negotiation meetings should be signed and confirmed by all the representatives present.

**Article 30** During collective negotiations, the enterprises must not engage in the following activities:

1. Refuse or unreasonably and purposefully delay collective negotiations;
2. Restrict or interfere with the selection of employee representatives, or refuse to negotiate with employees;
3. Deny or impede an employees' access to the workplace, refuse to provide tools or other means of work to employees;
4. Restrict or interfere with trade union activities;
5. Refuse to provide data necessary for collective negotiations or provide false information;
6. Violate, arbitrarily change, or terminate the labor contracts of employee representatives;
7. Refuse to carry out an mediation-arbitration award;
8. Commit other behaviors that could inflame tensions.

Enterprises are prohibited from threatening, intimidating, bribing, restricting personal freedom, insulting or committing violence and harm against representatives of the employees.

**Article 31** During the period of collective negotiations employees must not engage in the following activities:

1. Engage in work stoppages, slow-downs in order to refuse to conduct negotiations, or demand modifications or termination of existing collective contracts;
2. Produce and arbitrarily disseminate false information, and incite, organize, provoke, assemble, intimidate, or force other employees to participate in a work stoppage or slow-down;
3. Destroy the enterprise's equipment and tools, or force the destruction and/or blockage of the enterprise's regular production procedures;
4. Block, bar or seal off access to the enterprise, obstruct employees, raw materials, and merchandise from entering or exiting the enterprise;
5. Threaten or bribe the other party's negotiation representatives;
6. Restrict the personal liberty of enterprise representatives, or insult, threaten, commit violence or harm against them;
7. Organize and participate in a work stoppage when the enterprise is already complying with a mediation agreement or a mediation-arbitration opinion;
8. Commit other behaviors that could inflame tensions.

If employees engage in aforementioned behavior, seriously violate enterprise regulations, seriously neglect work duties, practice graft, or otherwise create major harm or damage to the enterprise the enterprise may terminate their labor contracts, in accordance with the Labor Contract Law.

**Article 32** The enterprise should pay employees their regular wages when they take part in negotiations during regular working hours and engage in negotiations activities.

During the collective negotiations, for employees who participate in work stoppages or slow-downs and did not work, the enterprise shall not pay the wages.



**Article 33** When agreement is reached in collective negotiations, the chief representatives of both parties will sign a draft collective agreement. When agreement cannot be reached or previously unanticipated issues arise during the process of negotiations, the two parties can agree to suspend negotiations. The duration of the suspension, time of the next session, location and content will be determined by the two parties.

**Article 34** When a work stoppage or slowdown occurs in an enterprise, the trade union should represent the employees *vis-a-vis* the enterprise or other concerned parties, reflecting the opinions and demands of the employees and putting forward suggestions to solve the conflict. Reasonable demands on the part of the employees should be accepted by the enterprise. The trade unions should assist the enterprises in restoring production and work order.

### **Chapter III Collective Contracts**

**Article 35** Mutually-agreed upon draft collective contracts should be discussed by the Staff and Workers Representative Congress. Negotiations representatives on the employees' side should report to the Staff and Workers Representative Congress on the process of negotiations and the content of the draft collective contract.

When the draft collective contract is discussed at the Staff and Workers Representative Congress, more than two thirds of employees should be present. The draft is considered ratified with the consent of half or more of the employees present.

The industrial or regional collective contract draft may be passed based on the vote of the industrial or regional Staff and Workers Representative Congresses, or other democratic procedures.

When the collective contract draft is not passed, representatives of both parties should resume negotiations and revise the draft.

**Article 36** Once the collective contract draft has been ratified, it should be signed by the chief representatives of both negotiations parties.

**Article 37** After a collective contract has been signed, the enterprise should submit three copies of the collective contract and explanations of the text to the human resources and social security bureau within 10 days. The following documents should also be submitted:

1. The collective contract signed by the chief negotiation representatives of both parties;
2. Proof of the legal qualifications of the negotiation representatives of both parties;
3. Minutes of the collective negotiation meetings;
4. The decision of the Staff and Workers Representative Congress with regard to the deliberation and adoption of the collective contract draft;
5. Other materials as the Human Resource and Social Security authorities may

deem necessary to submit;

**Article 38** The Human Resource and Social Security authorities should check the collective contract submitted, to verify the legality of the following items:

1. Whether the negotiation representatives meet the qualifications according to laws, regulations and provisions;
2. Whether the negotiations process violated any laws, regulations or provisions;
3. Whether the content of collective contract is in conflict with any national legal regulations.

**Article 39** The collective contract comes into effect if the Human Resource and Social Security authorities have no objection within 15 days after receipt of the contract.

If the Human Resource and Social Security department rejects the collective contract, the signing parties should, within 15 days, revise the clauses rejected by the Human Resource and Social Security department or provide further explanations to the Human Resource and Social Security bureau for another review.

The enterprise should make the collective contract available to all employees within 10 days after the collective contract begins to take effect, and inform the local trade union.

**Article 40** The collective contract should be implemented by both parties, and the parties should establish parallel monitoring systems and regular inspection systems. .

**Article 41** The term of the collective contract may be from one to three years. Collective contracts automatically end on the expiration date or when mutually-agreed conditions of termination occur.

Three months prior to the expiration of the collective contract, both parties should renegotiate on the signing of a new contract.

**Article 42** The collective contract remains effective if during the term of collective contract the enterprise changes its name, legal representative, principal, etc.

**Article 43** The collective contract may be modified or terminated under one of the following conditions:

1. If it is agreed by both parties;
2. A part or all of or the collective contract cannot be fulfilled due to *force majeure*;
3. The enterprise goes bankrupt, ceases operation, splits up, is merged, so that the collective contract cannot be fulfilled;
- D. Other situations according to laws and regulations.

**Article 44** If one side of the collective contract requests negotiations regarding the fulfillment or modification of the collective contract, the other side should reply. Within seven days both parties should begin negotiations.

**Article 45** Modification or termination of a collective contract should be mutually

agreed upon through negotiation.

Modification or termination of a collective contract should follow the procedures of collective negotiations and of signing a collective contract, as stipulated in this regulation.

#### **Chapter IV Settlement of Collective Negotiations and Collective Contract Disputes**

**Article 46** If disputes occur during collective negotiations and the two parties cannot continue negotiations or reach agreement, the Human Resource and Social Security authorities, the government departments in charge of supervising enterprises and the government departments with jurisdiction over the disputes together with local trade unions and employers' associations should make a timely intervention to guide and regulate the enterprise and employees to continue negotiations. Said parties should also assist the enterprise to keep normal production order, prevent intensification of the conflict, and maintain the harmony and stability of labor relations.

**Article 47** If the two parties cannot reach an agreement, and remain in disputes over the collective negotiations, the parties can apply for mediation or mediation-arbitration in written form to the local Human Resource and Social Security authorities.

**Article 48** The Human Resource and Social Security authorities should make a decision to mediate or not within 10 working days on the receipt of the mediation request.

If the Human Resource and Social Security authorities decide to conduct mediation, it should organize tripartite labor relations actors - such as local trade unions and employers' associations at the same level - in a timely manner, and appoint staff to conduct mediation from the group of collective negotiations mediators. People's governments at all levels should set up a group of collective negotiations mediators who can take charge of mediating collective negotiations-related disputes. Necessary expenditures of the group should be included in the financial budget of the same level.

Mediators, while conducting mediations, have the right to enter the workplace, to consult with the enterprise, trade union, and employees about conditions regarding collective negotiations, and to conduct mediations. Relevant units and individuals should cooperate and provide proper information.

The mediation of collective negotiations disputes should be concluded within 30 days; if mediation is not concluded within that period, the term of mediation may be extended as appropriate for no more than 15 days.

**Article 49** After reaching agreement through mediation, the mediators will draft a collective negotiations mediation agreement .

The collective negotiations mediation agreement should state the content of negotiations and its period of validity. The agreement takes effect after the chief negotiations representatives of both sides and the mediators sign it. The enterprise and employees must obey and execute the collective negotiations mediation agreement during the period of its validity.

**Article 50** Before mediation, or if mediation does not result in an agreement, the enterprise and the employees may jointly lodge a request for mediation-arbitration to the local Human Resource and Social Security authorities. The joint request should be made together with a written pledge to accept and implement the decisions of the mediation-arbitration panel.

**Article 51** The Human Resource and Social Security authorities should start mediation-arbitration within five working days on receipt of the mediation-arbitration request and written pledge.

When the Human Resource and Social Security authorities decide to conduct mediation-arbitration, it should establish an mediation-arbitration panel for collective negotiations-related disputes and within 30 days from setting up the panel it must complete mediation-arbitration. The panel should include the following members:

1. One mediator-arbitrator appointed by the enterprise and one appointed by the employees. Mediator-arbitrators are selected by the enterprise and employees from the pool of mediator- arbitrators for collective negotiations-related disputes.

2. A chief mediator-arbitrator is assigned by the Human Resource and Social Security authorities.

If the enterprise or employees fail to submit the names of the appointed mediator-arbitrators within the time stipulated by the Human Resource and Social Security authorities, the Human Resource and Social Security authorities may appoint mediator-arbitrators from the pool.

The government at various levels should set up pools of the mediator-arbitrators for collective negotiations disputes and disclose to the public their personal information. The pool should include the representatives from the Human Resource and Social Security, personnel recommended by the enterprise organizations and the trade unions, and personnel recognized as possessing social reputation and public trust, familiarity with the handling of labor relations, and relevant expertise.

The government at various levels should subsidize the mediator-arbitrators for their work and pay necessary expenses. The selection, responsibilities, work procedures, subsidies, and code of conduct of the mediator-arbitrators should be regulated by the Provincial government.

**Article 52** The mediation-arbitration panel should investigate and understand the basic conditions of the negotiations representatives in collective wage negotiations, the production and operation of the enterprise, wage levels of employees, the opinions of both parties and other matters. The enterprise and employees should respond to the requests of the mediator-arbitrators to provide accurate information.

**Article 53** When agreement is reached through mediation-arbitration, both parties should sign the collective contract according to the law, or revise enterprise rules according to the law and decide or modify labor contracts and other items.

If no agreement can be achieved between the parties through mediation, the collective negotiations dispute mediation-arbitration panel should draft a "mediation-arbitration

opinion" within 60 days after receiving the application for mediation-arbitration, and present the opinion to both parties. The "mediation-arbitration opinion" should state the period of execution and should be publicized inside the enterprise. The negotiation representatives should inform employees about the content of the "mediation-arbitration opinion."

**Article 54** When state-owned or state holding enterprises conduct collective negotiations with employees, the upper-level unit in charge should handle the dispute if both parties cannot reach agreement through negotiations. If this process fails and the dispute case enters the procedures of mediation and mediation-arbitration, the unit in charge should assist the Human Resource and Social Security authorities and the mediation-arbitration panel to conduct mediation and mediation-arbitration.

**Article 55** For disputes pertaining to the enforcement of the collective contract, trade unions can apply for arbitration or appeal to a court according to the law, if negotiations fail.

## **Chapter V Legal Liabilities**

**Article 56** If strikes or lockouts occur in public enterprises and institutions that provide water, electricity, gas, public transportation, broadcasting and communication, public sanitation, and hospitals, and related companies, the local People's government departments can announce a cooling-off order according to actual situation, order the enterprise or employees to stop the action, and restore normal order to avoid:

- 1) Harming public security;
- 2) Undermining the normal social and economic order and the order of residents' lives;
- 3) Other consequences that seriously threaten public interests.

The local Human Resource and Social Security authorities, authorities in charge of the enterprises at the next higher level, local federations of trade unions, and the enterprises' organizations should guide both parties to conduct collective negotiations and resolve the disputes.

If relevant units and individuals refuse to follow the cooling-off order of the local People's government and violate public security management regulations, they can be punished by public security departments.

**Article 57** If an enterprise violates Article 25 of this regulation, trade unions at county level and above have the right to request the enterprise to correct its behavior, and if the employer does not correct its behavior, to give notice about the enterprise's behavior to the public.

**Article 58** If a enterprise violates Articles 30, 48 of this regulation, People's governments at the county level and above should order corrections within a determined period of time.

**Article 59** If an enterprise violates Article 25 of this regulation, and does not reply

within the stipulated period of time or refuses negotiations without reasonable cause, which then leads to strikes or slow-downs, the enterprise may not use employees' serious violation of enterprise rules as a reason to terminate employees' labor contracts ; if because of this an employee requests to terminate their individual labor contract, the enterprise should pay economic compensation according to the law.

**Article 60** If an enterprise violates Article 30 or an employee violates Article 31 and disobeys public security management regulations, the public security department will handle the case according to the law. If crimes have been committed, the violators should be investigated for criminal responsibility according to the law. Employees who agitate, organize, incite, or network with others to disturb the normal production and operation of the enterprise should be punished according to Article 23 of the Law of Public Security Administrative Punishments.

**Article 61** If officers of relevant government departments and trade union staff in carrying out administrative tasks regarding collective negotiations are derelict in their duties, abuse their power, or commit irregularities for personal interests, the departments in charge should punish them; if crimes have been committed, the violators should be investigated for criminal responsibility according to the law.

## **Chapter VI Supplemental Provisions**

**Article 62** When the branch of an enterprise, with consent from the legal representative of the enterprise, conducts collective negotiation, signs and implements a collective contract with employees in the branch, this regulation should be followed.

Institutions and privately owned non-enterprises which implement enterprise-style management should observe this regulation.

**Article 63** This regulation should go into effect as of ... , and the Guangdong Province Provisions on Enterprise Collective Contracts promulgated by the 22<sup>nd</sup> meeting of the Standing Committee of 8<sup>th</sup> Guangdong Province People's Congress on June 1, 1996 should be abolished simultaneously.