



# Amendments to China's Law on Promotion of Non-public Schools

(Information current as at 6 December 2016)

Last month China's National People's Congress (NPC) Standing Committee passed an amendment to the 2002 ["Law on Promotion of Non-public Schools"](#) - China's legislative instrument governing the role of non-public (private) schools in supporting China's education system.

Under this amendment, private schools will be able to operate on a for-profit basis for kindergarten, senior high school and college. Compulsory education (years one to nine) will remain strictly the domain of not-for-profit schools (both public and private).

In China compulsory education is funded by the central government and is offered free across the nation through public schools as well as through private not-for-profit schools, which also receive a level of subsidy from the central government. Historically, while China has had public and private schools, all school education has been regarded as a public good, and private schools have not been allowed to operate on a for-profit basis.

Under the amended law, existing and new schools established to teach kindergarten, senior high school or college students (years K and 10 to 12) will be able to elect to operate on a for-profit basis, which will allow them to distribute profits to their investors. Alternatively, they may elect to remain not-for-profit, which will require them to reinvest any surpluses into their educational activities. Schools electing to remain not-for-profit entities will no longer be allowed to make a "reasonable amount of return" after deducting relevant costs, as allowed under the 2002 law.

Not-for-profit schools will share the same preferential tax treatment and land grant benefits as public schools and will need to get government approval when setting their tuition fees, whereas for-profit schools will be able to set their fees according to the market, but they will be required to publish their tuition fees and fees will be monitored by the relevant local authorities.

The amendment also includes a requirement to strengthen the “construction work” of the Communist Party of China in all private schools and schools offering bilingual curriculum are likely to face closer scrutiny to ensure that they are meeting their obligations regarding core Chinese subjects such as Chinese history, Chinese constitution and morals.

Expatriate schools that teach only students with foreign passports are governed under a separate law dating back to 1995, and are not affected by the amendments to the 2002 law.

The amendment to the “Law on Promotion of Non-public Schools” will take effect from 1 Sep 2017. Detailed implementation guidelines are yet to be released.

For further enquiries, please contact the [Education and Research Section of the Australian Embassy](#) in Beijing.

*Australian schools should seek appropriate legal advice when seeking to establish or develop school education partnerships in China to ensure they meet the relevant legal requirements.*