Company seals in China: what has changed

Myth

Whoever holds the seal controls the company

Rule

The court first checks whether the signatory had authority at the moment the seal was affixed

Legal basis

- para. 41, Minutes of the National Court Work Conference (法〔2019〕254号), 8 Nov 2019
- Art. 22, SPC Interpretation (法释〔2023〕13号), in force since 5 Dec 2023

Takeaway

A seal evidences authority but does not replace it

The seal's journey: from licence to bank

1 Business licence

Issued by the Administration for Market Regulation (AMR)

2 Choosing an engraver

The company chooses one itself: no separate permit has been required since 2017 (国发〔2017〕7号)

3 PSB filing

The engraver files the seal details with the Public Security Bureau (备案)

4 Bank specimens

Specimens of the financial seal and the legal representative's seal are lodged with the bank

Fact

Since April 2025, seal engraving has operated under a filing-based regime (发改体改规〔2025〕466号)

Important

The set of seals depends on the line of business. A trading company needs a customs seal; a consultancy does not

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Official seal (公章): the widest authority

What it looks like

- round, red
- five-pointed star in the centre
- full registered company name in Chinese around the rim

Where it is used

Contracts, powers of attorney, filings with government authorities

Caution

An English-language stamp or an imprint of any other shape does not match the prescribed form (国发〔1999〕25号). That is a reason to check the register and the signatory's authority. However, a non-standard imprint does not in itself release the company from the contract

Financial seal and legal representative's seal: they work together

Financial seal (财务专用章)

Account opening, payment documents, tax filings

Legal representative's seal (法定代表人名章)

The personal name seal of the person named on the business licence

In common

Both seals are filed with the PSB and lodged with the bank as specimens

A frequent and costly mistake

Keeping both seals with one accountant. One person then has full access to the account

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Digital fapiao: no imprint, full legal force

Paper fapiao

Without the invoice seal (发票专用章) it is not accepted for deduction

Digital fapiao (数电发票)

- rolled out nationwide from 1 December 2024 (STA Announcement 公告2024年第11号)
- exists only in electronic form
- has the same legal force as a paper fapiao
- delivered through the tax digital account, where the recipient confirms it for accounting

Bottom line

The seal has not been abolished. It is needed wherever a document is issued on paper

WFOE seals: status and risks

Seal	Status	Practice and risk
Official	Mandatory, filed with the PSB	Highest risk: separate custody, usage log
Financial	Mandatory, specimen at the bank	Works in tandem with the legal representative's seal
Legal representative's	Specimen at the bank	Replaced when the representative changes
Contract (合同专用章)	Optional	Convenient for delegation; valid for contracts only
Customs	For importers and exporters	No declaration can be filed without it
Invoice (fapiao)	For paper documents	A digital fapiao is issued without it

Minimum

The official and financial seals. The rest depends on the company's activities and the bank's requirements

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Three equal ways to give consent

Article 490 of the PRC Civil Code

A contract in the form of a single written document is concluded once each party has affixed

- a signature,
- or a seal,
- or a fingerprint

The key word is "or"

A seal is a form of consent in its own right, not a mandatory addition to a signature

Exception

If the parties have agreed that the contract is concluded only with both signature and seal, both are required. Without the imprint, such a contract does not bind the company (Art. 22, SPC Interpretation)

From "trust the seal" to "check the authority"

Before

"Recognise the seal, not the person" (认章不认人)

Now

- **2019, para. 41 of the Minutes:** the court first establishes whether the signatory had the right to act on the company's behalf
- **2023, Art. 22 of the SPC Interpretation:** if an employee acted within their authority, the company cannot escape the contract by arguing that the imprint differs from the filed specimen or was forged

Important

Forging a seal is punishable by up to 3 years' imprisonment (Art. 280, PRC Criminal Law). Yet a contract signed by an authorised person under a forged imprint may still bind the company

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Electronic seal: equal force under four conditions

Reliability criteria (Art. 13, Electronic Signature Law)

1 The creation data belongs to the signatory alone

2 At the time of signing it is controlled by the signatory alone

3 Any alteration of the signature is detectable

4 Any alteration of the document is detectable

Measures for the Administration of Electronic Seals (国办发〔2025〕33号)

- in force since 9 Oct 2025
- give equal force with a physical seal (Art. 5)
- principle: "whoever owns it controls it; whoever affixes it is responsible" (Art. 21)

Example

In Zhejiang Province, a new company receives 4 electronic seals free of charge together with its electronic business licence

Takeaway

Access to the key calls for the same rules as access to the safe

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Where companies lose money and how to avoid it

Risk	What to do
The legal representative has left and kept the seal. Until the change is registered, their actions may bind the company (Art. 34, Company Law)	Recover the seal under a signed handover record; notify the bank and counterparties
The legal representative has resigned. A new one must be appointed within 30 days (Art. 10)	Prepare the resolution and the filing package for the AMR
A forged imprint has been found. The forger faces up to 3 years (Art. 280, PRC Criminal Law)	File a report with the PSB and review every contract bearing that imprint

Three rules

- **Usage log:** date, document, who authorised it
- **Separate custody:** no one holds the full set
- **Dual payment approval:** amounts above the limit are additionally confirmed by the shareholder through the bank's system

Bottom line

A company that records who affixes the seal and when controls its own obligations

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