Provisions of the China State Council on Outbound Investment

Dan Young Business Consultancy — www.danyoungcpa.com

Unofficial English translation prepared for reference only. The official Chinese text prevails.

Article 1 — These Provisions are formulated in accordance with the Law of the People's Republic of China on Foreign Relations, the Foreign Trade Law of the People's Republic of China, and other laws, for the purposes of advancing high-standard opening up, promoting high-quality development of outbound investment, effectively implementing outbound investment management, protecting the legitimate rights and interests of investors and their outbound investments, and safeguarding national sovereignty, security, and development interests.

Article 2 These Provisions apply to outbound investments made by investors within the territory of the People's Republic of China (hereinafter referred to as the territory of China).

For the purposes of these Provisions, "outbound investment" means an overseas investment, which refers to an activity in which an investor, by means of contributing assets or rights, or providing financing or guarantees, directly or indirectly acquires ownership, control, management rights, or other related rights and interests in or over the enterprises, assets, etc. of another country (region).

For the purposes of these Provisions, "investor" includes enterprises, other organizations, and individual residents within the territory of China.

Article 3 — The outbound investment work shall adhere to the basic state policy of opening up, implement the holistic approach to national security, coordinate development and security, coordinate domestic and international aspects, improve the outbound investment management and service system, enhance the quality and level of outbound investment, and promote open cooperation and mutual benefit and win-win.

Article 4 — The State shall actively align with international high-standard economic and trade rules, promote high-quality Belt and Road cooperation, advance the development of multilateral and bilateral investment cooperation mechanisms, actively participate in the formulation of international investment rules, promote international cooperation on industrial and supply chains, oppose unilateralism and protectionism, and promote the building of an open world economy.

Article 5 — The State supports investors in carrying out outbound investment activities in accordance with market principles and actively participating in international competition and cooperation. Investors shall have the autonomy to make outbound investments, making their own decisions, bearing their own risks, and assuming responsibility for their own profits and losses.

Investors carrying out outbound investment and related activities shall comply with laws, regulations, and international practices, respect local customs and cultural traditions, observe business ethics, act in good faith and engage in fair competition, fulfill social responsibilities, uphold the national image, and shall not disrupt market competition order, damage the ecological environment, harm the legitimate rights and interests of workers, or endanger China's national security, national interests, or public interests.

Article 6 — The State shall improve the overseas comprehensive service system, promote the integration of trade and investment, improve public platforms and services, coordinate service resources in fields such as foreign affairs, legal affairs, fiscal and taxation, finance, economy and trade, logistics, exit and entry, customs, and trade promotion, and provide service guarantees for investors.

People's governments at or above the provincial level and their relevant departments shall enhance the capacity and standard of public services and provide investors with public goods and services in areas such as laws and regulations, policies and measures, investment guidelines, intellectual property, risk prevention and response, and rights protection.

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Article 7 — Support shall be given to professional service institutions such as those providing consulting and evaluation, legal services, accounting and auditing, credit rating, mediation and arbitration, and intellectual property services, to expand their overseas service networks, improve their international service capacity and level, and provide high-quality professional services for investors and their outbound investments.

Relevant professional service institutions shall adhere to the principles of good faith, diligence and responsibility, independence and objectivity, establish effective risk control and internal control systems, be staffed with personnel possessing corresponding professional capabilities, and carry out relevant service activities in accordance with the law.

Article 8 — Banking financial institutions shall, based on their functional positioning, follow the principles of marketization, rule of law, commercial sustainability, and controllable risks, and provide financial services such as financing for investors' outbound investments within their business scope. Policy-oriented insurance institutions are encouraged to provide services such as overseas investment insurance for investors' outbound investments.

Article 9 — Relevant industry associations and chambers of commerce shall, in accordance with laws, regulations, and their articles of association, strengthen industry self-discipline, enhance their capacity and level of service to investors and their outbound investments, and promptly reflect industry demands.

Industry associations, chambers of commerce, and trade and investment promotion organizations shall provide services related to outbound investment, such as information consultation, market expansion, economic and trade exchanges, rights protection, and dispute resolution, in accordance with their articles of association.

Article 10 — The State shall improve the outbound investment management system, refine regulatory measures, implement categorized and graded full-process supervision, strengthen risk prevention and control, enhance the scientific and security nature of outbound investment, and promote the combination of investment facilitation and effective risk prevention.

Article 11 — The investment administration and the commerce administration of the State Council shall, in conjunction with other relevant departments of the State Council, formulate, adjust, and implement outbound investment policies based on the needs of national economic and social development, changes in the investment environment of relevant countries (regions), and the degree of risk; clarify encouraged, restricted, and prohibited outbound investments; strengthen outbound investment supervision; and guide and supervise investors in standardizing their investment and operation practices.

Article 12 — Where investors need to go through formalities such as verification and approval, information reporting, and cross-border fund registration in accordance with the law when carrying out outbound investment activities, they shall do so in accordance with relevant state regulations, truthfully submit relevant materials, and cooperate with the supervision and inspection of the relevant competent departments.

Article 13 — When carrying out outbound investment activities, investors shall not export or use goods, technologies, services, or related data that are prohibited from export by the State, nor export or use goods, technologies, services, or related data whose export is restricted by the State without permission; nor shall they transfer goods, technologies, services, or related data that are prohibited from export by the State to other countries (regions), or transfer goods, technologies, services, or related data whose export is restricted by the State to other countries (regions) without permission, by means such as dispatching technical personnel across borders, organizing personnel to work in other countries (regions), providing technical guidance across borders, or arranging personnel for cross-border training.

Article 14 — The management of outbound investment involving foreign exchange remittance, import and export of goods and technologies, cross-border trade in services, cross-border data flows, personnel exit and entry, as well as the review of business concentration, export controls, network security supervision, tax

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collection and management, and supervision of state-owned assets, shall be implemented in accordance with relevant laws, administrative regulations, and relevant state provisions.

Article 15 — The State shall establish a sound security review system for outbound investment. The investment administration and the commerce administration of the State Council shall, in conjunction with other relevant departments of the State Council, conduct security reviews of outbound investments that affect or may affect national security, and of the transfer or disposal of related assets, rights, and interests. Relevant organizations and individuals shall provide assistance and cooperation, shall not refuse or obstruct, and shall comply with the decisions arising from outbound investment security reviews.

Article 16 — Investors and their enterprises invested in other countries (regions) shall improve their governance structures, establish and improve systems for compliant operations, internal control, production safety, and emergency response, strengthen risk identification and prevention and disposal, and invest necessary personnel, funds, equipment, and other resources to ensure the safety of their employees and assets.

Article 17 — Investors shall standardize their investment and operation practices, and shall not damage the commercial reputation or goodwill of other investors, infringe upon others' trade secrets, dump goods at unreasonably low prices without□□□□, seek illegitimate interests through bribery, fraud, or other means, or disrupt the order of the outbound investment market.

Article 18 — Relevant departments of the State Council shall strengthen outbound investment monitoring, early warning, and risk assessment; promptly release information on the security situation of relevant countries (regions); issue investment risk warnings; guide and assist investors in taking good security risk prevention measures; and safeguard the State's overseas interests and the legitimate rights and interests of investors.

Article 19 — The People's Republic of China shall, in accordance with international treaties or agreements it has concluded or acceded to, or on the principle of equality and mutual benefit, carry out cooperation and exchanges in the field of law enforcement with other countries (regions) and international organizations, to protect the safety of investors, their invested enterprises, project employees and assets in other countries (regions), and the legitimate rights and interests of relevant organizations and individuals.

The State shall actively negotiate and sign multilateral and bilateral trade and investment agreements and other international economic and trade agreements to improve the level of protection for outbound investment and promote investment liberalization and facilitation.

Article 20 — The State shall, in accordance with the law, provide consular protection and assistance to Chinese citizens and organizations investing in other countries (regions), and to the Chinese employees of their invested enterprises and projects in those countries (regions), to safeguard their legitimate rights and interests.

In the event of major emergencies such as war, armed conflict, riots, serious natural disasters, major accidents and disasters, major infectious disease epidemics, or terrorist attacks in the host country (region) of the investment, where the Chinese investors, their invested enterprises, and Chinese employees of the projects in that country (region) need assistance due to threats to their personal and property safety, the overseas diplomatic missions shall promptly verify the situation, urge the relevant country (region) to take effective measures to protect the personal and property safety of Chinese citizens and organizations, and provide assistance based on the circumstances; where the Chinese government makes corresponding risk avoidance arrangements, the relevant organizations and individuals shall cooperate.

Article 21 — Investors are encouraged to resolve disputes related to outbound investment through multiple means such as negotiation, mediation, arbitration, and litigation, to safeguard their legitimate rights and interests.

Article 22 — Where organizations or individuals within the territory of China participate in arbitration or litigation related to outbound investment or are subject to relevant investigations by overseas judicial or law enforcement agencies, and need to provide evidence or relevant materials abroad, they shall comply with laws, administrative regulations, and relevant state provisions on the protection of state secrets, data security, personal information protection, technology export management, export controls, and judicial assistance. Where approval from the competent authority is required by law, the relevant legal procedures shall be fulfilled.

Article 23 — Where an investor encounters trade-related investment barriers or other investment operational obstacles in the host country (region) of the investment, the commerce department of the State Council may, on its own or in conjunction with other relevant departments of the State Council, initiate an investigation. Relevant organizations and individuals shall provide assistance and cooperation. Based on the investigation results, the relevant departments of the State Council may take measures such as adjusting relevant country-specific investment policies, prohibiting or restricting the import or export of relevant goods or technologies, or international trade in services.

Article 24 — Where any country (region) or international organization, in violation of international law and basic norms of international relations, takes discriminatory prohibitions, restrictions, or other similar measures against the People's Republic of China in areas such as investment and operations, the Chinese government and its relevant departments may take corresponding measures based on the actual circumstances to protect the security and legitimate rights and interests of investors and their outbound investments, and to protect the State's overseas interests from threats and infringements.

The relevant departments of the State Council may, in accordance with the Anti-Foreign Sanctions Law of the People's Republic of China and the Provisions on the Implementation of the Anti-Foreign Sanctions Law of the People's Republic of China, decide to include organizations or individuals that directly or indirectly participate in formulating, deciding, or implementing the discriminatory prohibitions, restrictions, or other similar measures specified in the preceding paragraph on a countermeasure list and take corresponding measures.

Article 25 — Where foreign organizations or individuals endanger the sovereignty, security, or development interests of China; interrupt normal transactions with Chinese enterprises, other organizations, or individuals in violation of normal market transaction principles; or take discriminatory measures against investors or their outbound investments, unreasonably depriving or restricting the legitimate rights and interests of investors and their outbound investments, the relevant departments of the State Council may take measures such as prohibiting or restricting their engagement in import or export activities related to China; prohibiting or restricting their investment within the territory of China; prohibiting or restricting organizations and individuals within the territory of China from engaging in transactions, cooperation, or other activities with them; prohibiting or restricting the entry of relevant personnel, products, means of transportation, etc.; or canceling or restricting the qualifications of relevant personnel for working, staying, or residing within the territory of China. Such measures may apply to organizations actually controlled by, or established or operated with the participation of, such foreign organizations or individuals.

Article 26 — Public officials shall, in accordance with the law, keep confidential any state secrets, work secrets, trade secrets, personal privacy, and personal information learned of in the course of performing duties related to outbound investment management and services, and shall not disclose or illegally provide them to others.

Article 27 — Where an investor invests in outbound investments prohibited by the State, the investment administration and the commerce administration of the State Council shall, within their respective responsibilities, order the cessation of such investment activities, require the disposal of shares and assets within a specified period, and confiscate the illegal gains; if the investor refuses to comply, a fine of not less than 5‰ but not more than 10‰ of the investment amount shall be imposed; the directly responsible person

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in charge and other directly responsible persons shall be fined not less than CNY 50,000 but not more than CNY 100,000.

Where an investor fails to go through the verification and approval procedures for outbound investment as required, or applies for relevant verification and approval by submitting false materials, concealing true information, or other means, the verification and approval authority shall order rectification, confiscate illegal gains, and impose a fine of not less than 1‰ but not more than 5‰ of the investment amount; if the investor refuses to rectify, it shall order the cessation of such investment activities, require the disposal of shares and assets within a specified period, and impose a fine of not less than 5‰ but not more than 10‰ of the investment amount; the directly responsible person in charge and other directly responsible persons shall be fined not less than CNY 20,000 but not more than CNY 50,000.

Where an investor obtains verification and approval for outbound investment by improper means such as bribery or deception, the verification and approval authority shall revoke the verification and approval documents, confiscate illegal gains, and impose a fine of not less than 1‰ but not more than 5‰ of the investment amount; if an investment has already been made, it shall order the cessation of such investment activities, require the disposal of shares and assets within a specified period, and impose a fine of not less than 5‰ but not more than 10‰ of the investment amount; the directly responsible person in charge and other directly responsible persons shall be fined not less than CNY 20,000 but not more than CNY 50,000.

From the date on which the penalty decision under the preceding three paragraphs takes effect, the relevant competent department may refuse to accept any verification and approval application from the violator for a period of three years, or prohibit the violator from engaging in outbound investment activities for a period of not less than one year but not more than three years.

Article 28 — Where a person violates Article 15 of these Provisions by refusing to cooperate with an outbound investment security review, providing false materials or concealing relevant information, or failing to comply with an outbound investment security review decision, the relevant department of the State Council shall order rectification, confiscate illegal gains, and impose a fine; if national security is endangered, it shall order the adoption of necessary measures to eliminate the impact on national security, and may prohibit the person from engaging in outbound investment activities for a period of not less than one year but not more than three years; if an investment has already been made, it may order the cessation of such investment activities and require the disposal of shares and assets within a specified period.

Article 29 — Where an investor violates Article 17 of these Provisions, the investment administration or the commerce administration of the State Council may, within their respective responsibilities, order rectification within a specified period; if harmful consequences have been caused, the investor may be prohibited from engaging in outbound investment activities for a period of not less than one year but not more than three years.

Article 30 — Where an investor, in carrying out outbound investment activities, violates these Provisions and causes personal injury or property damage, it shall bear civil liability in accordance with the law; if the act constitutes a violation of public security administration, public security administration penalties shall be imposed in accordance with the law; if a crime is constituted, criminal liability shall be pursued in accordance with the law.

Where an investor, in carrying out outbound investment activities, violates other laws or regulations, the competent authority shall order rectification and handle the matter in accordance with the law.

Article 31 — Where a public official abuses power, neglects duty, or engages in malpractice for personal gain in outbound investment work, or discloses or illegally provides to others state secrets, work secrets, trade secrets, personal privacy, or personal information learned of, disciplinary action shall be taken in accordance with the law; if a crime is constituted, criminal liability shall be pursued in accordance with the law.

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Article 32 — The management of investments made by investors in the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the Taiwan region shall be implemented by reference to these Provisions; where laws, administrative regulations, or the State Council provide otherwise, those provisions shall prevail.

Article 33 — The management of investments made by investors in overseas financial markets using their own funds, raised funds, and other entrusted funds shall be implemented in accordance with these Provisions and other relevant state regulations.

The management of reinvestments made by investors overseas using assets or rights and interests obtained from outbound investments shall be implemented in accordance with these Provisions and other relevant state regulations.

Specific measures for the management of outbound investment by individual residents within the territory of China shall be formulated by the investment administration and the commerce administration of the State Council.

Article 34 — These Provisions shall come into force on July 1, 2026.

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