Several Opinions of the State Council on Further Optimizing the Foreign Investment Environment and Increasing Efforts to Attract Foreign Investment of the PRC

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Contents

Table of Contents 1
Section I — General Principles 1
Section II — Improving the Quality of Foreign Investment Utilization 1
Section III — Guaranteeing the National Treatment of Foreign-Invested Enterprises 2
Section IV — Strengthening Fiscal and Tax Support 2
Section V — Improving Services for Foreign Investment Promotion 3
Section VI — Strengthening Organization and Implementation 3

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Table of Contents

- Section I — General Principles
- Section II — Improving the Quality of Foreign Investment Utilization
- Section III — Guaranteeing the National Treatment of Foreign-Invested Enterprises
- Section IV — Strengthening Fiscal and Tax Support
- Section V — Improving Services for Foreign Investment Promotion
- Section VI — Strengthening Organization and Implementation

Section I — General Principles

Article 1 — These Opinions are formulated for the purposes of thoroughly implementing the spirit of the 20th National Congress of the Communist Party of China, accelerating the building of a new development paradigm, solidly promoting high-level opening-up, making greater efforts to attract and utilize foreign investment, and continuously optimizing the business environment for foreign investment.

Article 2 — Efforts shall be made to steadily expand institutional opening-up with respect to rules, regulations, management and standards, enhance the confidence of foreign investors in their investment in China, promote the upgrading of the quality and level of foreign investment utilization, and better serve the building of a modern economic system.

Section II — Improving the Quality of Foreign Investment Utilization

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Article 3 — Foreign investors shall be encouraged to invest in key areas. The Catalogue of Encouraged Industries for Foreign Investment shall be reasonably reduced and the scope of encouraged items shall be expanded. Foreign investment projects in advanced manufacturing, modern services, high and new technology, energy conservation and environmental protection, and other key areas, as well as in the central, western and northeastern regions, shall be supported. The introduction of foreign investment in areas such as biomedicine, electronic information, intelligent equipment and green and low-carbon technologies shall be supported.

Article 4 — The orderly transfer of foreign-invested enterprises in the processing trade sector to the central, western and northeastern regions shall be supported, and their land use, energy consumption, environmental capacity and other indicators shall be guaranteed.

Article 5 — Foreign investors shall be encouraged to establish research and development centers in China and undertake major scientific research projects. Qualified foreign-invested enterprises shall be supported in participating in the undertaking of projects under the national science and technology programs. Foreign investors and foreign-invested enterprises shall be encouraged to undertake major national scientific research tasks such as national major science and technology projects, and key research and development programs.

Article 6 — The opening-up of the modern services sector shall be steadily expanded. Foreign investors shall be supported in establishing investment companies and regional headquarters in China. The regions with the necessary conditions shall be supported in introducing foreign investment in the fields of cross-border data flow, international communication services and other fields to carry out pilot programs for the opening-up of digital economy-related industries.

Section III — Guaranteeing the National Treatment of Foreign-Invested Enterprises

Article 7 — Foreign-invested enterprises shall be guaranteed equal participation in government procurement activities in accordance with the law. Local people's governments at all levels shall not, in the course of government procurement, restrict the ownership form, organizational form, equity structure, country of origin of investors, brand of products or services of suppliers, and shall treat suppliers of domestic and foreign-invested enterprises equally within the territory of China.

Article 8 — Foreign-invested enterprises shall be supported in equally participating in the formulation and revision of standards and in undertaking standardized projects. The relevant departments shall ensure that foreign-invested enterprises participate in standard formulation and revision on an equal footing in accordance with the law.

Article 9 — The equal and lawful enjoyment by foreign-invested enterprises of support policies for industrial and regional development shall be ensured. No local government shall introduce policies that discriminate against foreign-invested enterprises or set up barriers that exclude or restrict foreign-invested enterprises from participating in market competition.

Section IV — Strengthening Fiscal and Tax Support

Article 10 — Foreign investors shall be encouraged to reinvest their profits derived from domestic enterprises within the territory of China. Qualified foreign investors shall be temporarily exempted from withholding income tax on the reinvested profits. Foreign-invested enterprises shall be supported in listing and financing in the domestic capital market.

Article 11 — The implementation of the policy of temporarily not levying withholding income tax on the distribution of profits by foreign investors for direct reinvestment in China shall be implemented. The financing channels for foreign-invested enterprises shall be broadened, and qualified foreign-invested enterprises shall be supported in listing and financing on the main board, the Science and Technology

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Innovation Board, the Growth Enterprise Market, and the Beijing Stock Exchange in accordance with the law.

Article 12 — Foreign investors shall be supported in establishing investment companies and private equity funds in China by using their freely usable funds such as their capital funds and profits, and investing in innovative enterprises.

Section V — Improving Services for Foreign Investment Promotion

Article 13 — The service guarantee mechanism for key foreign investment projects shall be optimized, and efforts shall be made to ensure the provision of factors such as land use, energy use, environmental capacity, and financing for foreign investment projects. The mechanism for handling complaints from foreign-invested enterprises shall be improved, and the efficiency of complaint handling shall be enhanced.

Article 14 — The facilitation of cross-border data flow shall be improved. The security assessment of cross-border data flow shall be conducted in a standardized, transparent and orderly manner, and a green channel shall be established for qualified foreign-invested enterprises. The exploration of the lawful, safe and orderly cross-border flow of data shall be promoted.

Article 15 — The facilitation of the movement of foreign personnel to and from China shall be improved. Multiple-entry visas shall be issued to qualified managerial and technical personnel of foreign-invested enterprises and their family members. The residence permit application procedures for foreign high-level talents and their teams shall be optimized.

Section VI — Strengthening Organization and Implementation

Article 16 — All regions and relevant departments shall resolutely implement the decisions and arrangements of the CPC Central Committee and the State Council, further enhance their understanding of the importance of the work of attracting and utilizing foreign investment in the new era, take practical and effective measures, and ensure the implementation of all measures.

Article 17 — The Ministry of Commerce shall strengthen the guidance and coordination of the work of attracting and utilizing foreign investment, carry out regular supervision and assessment, and promptly report to the State Council on major issues in the work.

Article 18 — These Opinions shall enter into force on the date of promulgation.

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