Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition)

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

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Order No. 17 of the National Development and Reform Commission and the Ministry of Commerce of the People’s Republic of China. Issued on September 6, 2024, and effective as of November 1, 2024. This Negative List sets out the special administrative measures (equity and senior-management requirements) applicable to foreign investment access in China.

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Explanatory Notes

- The Special Administrative Measures (Negative List) for Foreign Investment Access (hereinafter referred to as the “Negative List for Foreign Investment Access”) sets out in a unified manner the special administrative measures for foreign investment access, such as equity requirements and senior-management requirements. In fields outside the Negative List for Foreign Investment Access, administration shall be carried out in accordance with the principle of consistency between domestic and foreign investment. Domestic and foreign investors shall uniformly apply the relevant provisions of the Market Access Negative List.
- Overseas investors shall not engage in investment or business activities as individual industrial and commercial households, as investors in sole proprietorship enterprises, or as members of farmers’ professional cooperatives.
- Where a foreign-invested enterprise invests within the territory of China, it shall comply with the relevant provisions of the Negative List for Foreign Investment Access.
- Where, in the course of performing their duties in accordance with the law, the competent authorities find that an overseas investor intends to invest in a field within the Negative List for Foreign Investment Access but does not comply with the provisions of the Negative List, they shall not process the relevant matters such as licensing and enterprise registration; where the approval of a fixed-asset investment project is involved, they shall not process the relevant approval matters. In fields subject to equity requirements, no foreign-invested partnership enterprise may be established.
- Upon examination by the relevant competent department of the State Council and approval by the State Council, specific foreign investment may be exempted from the provisions applicable to the relevant fields in the Negative List for Foreign Investment Access.
- Where a domestic enterprise engaged in business in a field where investment is prohibited under the Negative List for Foreign Investment Access issues shares and lists them for trading overseas, it shall be subject to examination and consent by the relevant competent state authorities; overseas investors shall not participate in the operation and management of the enterprise, and their shareholding ratio shall be handled with reference to the relevant provisions on the administration of domestic securities investment by overseas investors.
- Where a domestic company, enterprise, or natural person acquires a domestic company with which it has an affiliated relationship through a company legally established or controlled by it overseas, the matter shall be handled in accordance with the relevant provisions on foreign investment, overseas investment, foreign exchange administration, and the like.
- Measures relating to administrative examination and approval, qualification conditions, national security, and the like in fields such as culture and finance that are not listed in the Negative List for Foreign Investment Access shall be implemented in accordance with the current provisions.
- Where the Mainland and Hong Kong Closer Economic Partnership Arrangement and its subsequent agreements, the Mainland and Macao Closer Economic Partnership Arrangement and its subsequent agreements, the Cross-Strait Economic Cooperation Framework Agreement and its subsequent agreements, or international treaties or agreements concluded or acceded to by China provide more preferential access treatment for overseas investors, such provisions may be implemented accordingly.

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Where more preferential opening-up measures are implemented for eligible investors in special economic areas such as pilot free trade zones, such measures shall be implemented in accordance with the relevant provisions.

- The Negative List for Foreign Investment Access shall be interpreted by the National Development and Reform Commission and the Ministry of Commerce together with the relevant departments.
- The 2021 Edition of the Negative List for Foreign Investment Access, issued by the National Development and Reform Commission and the Ministry of Commerce on December 27, 2021, shall be repealed as of November 1, 2024.

I. Agriculture, Forestry, Animal Husbandry and Fishery

1. For the selection and breeding of new wheat varieties and the production of wheat seeds, the Chinese party's equity ratio shall be no less than 34%; for the selection and breeding of new maize varieties and the production of maize seeds, the Chinese party shall hold a controlling stake.

2. Investment in the research and development, breeding, and cultivation of China's rare and endemic precious and superior varieties, as well as the production of related propagation materials (including superior genes of the crop-farming, animal-husbandry, and aquaculture industries), is prohibited.

3. Investment in the selection and breeding of genetically modified varieties of crops, breeding livestock and poultry, and aquatic fry, and the production of genetically modified crop seeds (seedlings), is prohibited.

4. Investment in the fishing of aquatic products in sea areas and inland waters under the jurisdiction of China is prohibited.

II. Mining Industry

5. Investment in the exploration, mining, and mineral processing of rare earths, radioactive minerals, and tungsten is prohibited.

III. Production and Supply of Electricity, Heat, Gas and Water

6. The construction and operation of nuclear power stations shall be controlled by the Chinese party.

IV. Wholesale and Retail Trade

7. Investment in the wholesale and retail of tobacco leaves, cigarettes, redried tobacco leaves, and other tobacco products is prohibited.

V. Transportation, Warehousing and Postal Services

8. Domestic waterborne transport companies shall be controlled by the Chinese party.

9. Public air transport companies shall be controlled by the Chinese party, and the investment ratio of a single foreign investor and its affiliated enterprises shall not exceed 25%; the legal representative shall be a Chinese citizen. The legal representative of a general aviation company shall be a Chinese citizen; among general aviation companies, those engaged in agriculture, forestry, and fishery are limited to joint ventures, and the others are limited to Chinese controlling stakes.

10. The construction and operation of civil airports shall be subject to relative controlling stakes held by the Chinese party. The foreign party shall not participate in the construction and operation of airport control towers.

11. Investment in postal companies and in the domestic express delivery business for letters is prohibited.

VI. Information Transmission, Software and Information Technology Services

12. Telecommunications companies: limited to the telecommunications businesses that China has committed to open upon its accession to the WTO. The foreign equity ratio in value-added telecommunications services shall not exceed 50% (except for e-commerce, domestic multi-party communication, store-and-forward services, and call centers); basic telecommunications services shall be controlled by the Chinese party.

13. Investment in internet news information services, online publishing services, online audio-visual program services, internet cultural operations (except music), and internet public information release services is prohibited (except for the content already opened under China's WTO accession commitments among the aforesaid services).

VII. Leasing and Business Services

14. Investment in Chinese legal affairs is prohibited (except for the provision of information on the impact of the Chinese legal environment); foreign investors shall not become partners of a domestic law firm.

15. Market surveys are limited to joint ventures, among which radio and television audience and viewership surveys shall be controlled by the Chinese party.

16. Investment in social surveys is prohibited.

VIII. Scientific Research and Technical Services

17. Investment in the development and application of human stem cell and genetic diagnosis and treatment technologies is prohibited.

18. Investment in institutions for research in the humanities and social sciences is prohibited.

19. Investment is prohibited in geodetic surveying, marine charting, aerial photography for surveying and mapping, ground mobile surveying, and surveying of administrative boundaries; the compilation of topographic maps, world political-region maps, national political-region maps, political-region maps at and below the provincial level, national teaching maps, local teaching maps, true three-dimensional maps, and navigation electronic maps; and regional geological mapping, mineral geology, geophysics, geochemistry, hydrogeology, environmental geology, geological hazards, remote-sensing geology, and other surveys (holders of mining rights carrying out work within the scope of their mining rights are not subject to this special administrative measure).

IX. Education

20. Preschool, ordinary senior secondary, and higher education institutions are limited to Chinese-foreign cooperative school-running and shall be led by the Chinese party (the principal or the chief administrative officer shall have Chinese nationality, and the Chinese members of the council, board of directors, or joint management committee shall be no less than one-half).

21. Investment in institutions of compulsory education and religious education institutions is prohibited.

X. Health and Social Work

22. Medical institutions are limited to joint ventures.

XI. Culture, Sports and Entertainment

23. Investment in news agencies (including but not limited to news wire services) is prohibited.

24. Investment in the editing, publishing, and production businesses of books, newspapers, periodicals, audio-visual products, and electronic publications is prohibited.

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25. Investment is prohibited in radio stations (stations) at all levels, television stations (stations), radio and television channels (frequencies), and radio and television transmission and coverage networks (transmitting stations, relay stations, radio and television satellites, satellite uplink stations, satellite receiving and retransmission stations, microwave stations, monitoring stations, and cable radio and television transmission and coverage networks, etc.); it is prohibited to engage in the radio and television video-on-demand business and the installation service of ground receiving facilities for satellite television broadcasting.

26. Investment in companies engaged in the production and operation of radio and television programs (including the introduction business) is prohibited.

27. Investment in film production companies, distribution companies, and cinema-line companies, as well as the film-import business, is prohibited.

28. Investment in auction companies for the auction of cultural relics, cultural-relic shops, and state-owned cultural-relic museums is prohibited.

29. Investment in performing-arts troupes is prohibited.

This English translation is provided by Dan Young Business Consultancy for informational and reference purposes only. While every effort has been made to ensure accuracy, this translation does not constitute legal advice, and the official Chinese text issued by the National Development and Reform Commission and the Ministry of Commerce shall prevail in all legal matters. Foreign investors assessing market access, equity restrictions, or prohibited and restricted sectors when establishing a WFOE, joint venture, or subsidiary in China should consult qualified professionals. For professional foreign investment access assessment and company registration services in China, please contact Dan Young Business Consultancy directly.

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