

China Tax Alert

Issue 27, October 2016



New Policies Facilitating Exit and Entry in Guangdong

Regulations discussed in this issue:

- Exit and Entry policies and measures issued by Guangdong public security authorities to facilitate the construction of the Guangdong Free Trade Zone and promote province-wide innovation-driven development
- Interpretations of Guangdong exit and entry administration authorities of exit and entry policies and measures to support the construction of the Guangdong Free Trade Zone and innovation-driven development
- Exit and entry policies and measures for the construction of the Guangdong Free Trade Zone and innovation-driven development

Background

In July 2015, the Exit-Entry Bureau in Shanghai first issued detailed rules for the implementation of the exit and entry policies and measures issued by the Ministry of Public Security. The Public Security department in Guangdong followed suit and implemented sixteen policies and measures (hereinafter referred to as "Sixteen Policies") which came into effect on 1 August 2016 to support the establishment of the Free Trade Zone (the "FTZ") and innovation in Guangdong. The detailed rules pertaining to the 16 Policies were issued on 10 August 2016. The new measures aim to simplify the entry of high-level foreign talents and innovators to Guangdong in order to attract and retain talents.

Policy highlights

Of the sixteen Policies, six of them are applicable to the Guangdong FTZ, while the rest apply to the entire Guangdong province (including the Guangdong FTZ). The policies simplifies the visa application procedures and below is a summary of changes that are worth noting:

Port-visa on arrival and visa-free policies

- Port-visa on arrival is available for Z-type (work) visa and an X1-type (student) visa, which simplifies the visa application procedures for foreign personnel to enter China for engaging in work or study.
- Guangzhou Baiyun Airport and other ports will become visa free transit ports, with an extended visa free transit period of 144 hours.

Expanding the coverage of long-term visa and residence permit

- Foreign personnel working in Guangdong who have applied for a work-type residence permit twice and have no record of violating laws and regulations can apply for a five-year work-type residence permit.

- Foreign citizens of Chinese origin who were born in Guangdong or whose original household registration is in Guangdong can apply for a five-year residence permit to meet their long-term stay needs for work, study and visiting relatives.
- Personnel who need to enter Guangdong for other affairs can apply for a visa allowing for multiple entries and exits during a term of five years through required certification or guarantees.

[More support to high-level and innovative talents](#)

- Channels for recommending talents eligible for R-type (talent) visa and work-type residence permit are expanded: in addition to authorities in charge of talents affairs in Guangdong, scientific and technological innovation authorities, the Guangdong FTZ Office, higher education institutions, scientific and technological research institutions and other departments can also certify or employ foreign high-level talents, who can then apply for an R-type (talent) visa at a port or apply to change the visa with which they enter Guangdong to a R-type (talent) visa.
- Foreign high-level talents certified by the above authorities and foreign citizens of Chinese origin who set up a business in the Guangdong FTZ will no longer be constrained by the previous age limit of sixty years, and can apply for a residence permit with the term extended to five years.
- Qualified foreign high-level talents or high-level talents from Hong Kong and Macau are allowed to hire housekeeping personnel with foreign nationality and will be supported by measures to facilitate their life in Guangdong.

[Preferential policies for the Guangdong FTZ and more channels for foreign personnel to apply for a green card](#)

- Enterprises within the Guangdong FTZ which are registered with the Guangdong exit-entry administration authorities can invite foreign higher education students to complete internships in Guangdong.
- Foreign personnel working, running a start-up business or investing in Guangdong are eligible for a permanent residence permit if one of the following criteria is met:
 - Qualified foreign high-level talents (and their spouse and minor children) recommended by the Guangdong FTZ Office;
 - Foreign personnel in an innovation and entrepreneurship team in the Guangdong FTZ who meet certain score-based standards and foreign technical personnel employed by enterprises within the Guangdong FTZ;
 - Foreign personnel who directly invested a total of USD 1 million in the Guangdong FTZ either as a natural person or through an enterprise in which they are a natural-person shareholder, and who have good tax records;
 - Foreign citizens of Chinese origin who have worked for an enterprise in the Guangdong FTZ for four consecutive years and lived in China for no less than six months per year;

- Employer recommended foreign personnel whose income and tax contributions meet government standards and have worked in Guangdong for four consecutive years while living in China for no less than six months per year.

KPMG observations

With the introduction of these preferential policies in Shanghai and Guangdong, it is anticipated that China will step up their efforts to strengthen the management of foreign personnel employment, and attract foreign talents and investments.

In view of the new policies, companies in Guangdong with needs to bring foreign talents are advised to consider the preferential measures in their planning in order to shorten the lead time for applications as well as minimise the relevant cost.

For any enquiries, please send to our public mailbox: taxenquiry@kpmg.com or contact our partners/directors in each China/HK offices.

Khoonming Ho Head of Tax, KPMG China Tel. +86 (10) 8508 7082 khoonming.ho@kpmg.com	Northern China	Irene Yan Tel. +86 (10) 8508 7508 irene.yan@kpmg.com	Wayne Tan Tel. +86 (28) 8673 3915 wayne.tan@kpmg.com	Aileen Jiang Tel. +86 (755) 2547 1163 aileen.jiang@kpmg.com	Becky Wong Tel. +852 2978 8271 becky.wong@kpmg.com
Beijing/Shenyang David Ling Tel. +86 (10) 8508 7083 david.ling@kpmg.com	David Ling Head of Tax, Northern Region Tel. +86 (10) 8508 7083 david.ling@kpmg.com	Jessie Zhang Tel. +86 (10) 8508 7625 jessie.zhang@kpmg.com	Tanya Tang Tel. +86 (25) 8691 2850 tanya.tang@kpmg.com	Cloris Li Tel. +86 (20) 3813 8829 cloris.li@kpmg.com	Barbara Forrest Tel. +852 2978 8941 barbara.forrest@kpmg.com
Tianjin Eric Zhou Tel. +86 (10) 8508 7610 ec.zhou@kpmg.com	Andy Chen Tel. +86 (10) 8508 7025 andy.m.chen@kpmg.com	Sheila Zhang Tel. +86 (10) 8508 7507 sheila.zhang@kpmg.com	Rachel Tao Tel. +86 (21) 2212 3473 rachel.tao@kpmg.com	Jean Li Tel. +86 (755) 2547 1128 jean.j.li@kpmg.com	John Kondos Tel. +852 2685 7457 john.kondos@kpmg.com
Qingdao Vincent Pang Tel. +86 (532) 8907 1728 vincent.pang@kpmg.com	Conrad TURLEY Tel. +86 (10) 8508 7513 conrad.turley@kpmg.com	Tracy Zhang Tel. +86 (10) 8508 7509 tracy.h.zhang@kpmg.com	John Wang Tel. +86 (21) 2212 3438 john.wang@kpmg.com	Sisi Li Tel. +86 (20) 3813 8887 sisi.li@kpmg.com	Kate Lai Tel. +852 2978 8942 kate.lai@kpmg.com
Shanghai/Nanjing Lewis Lu Tel. +86 (21) 2212 3421 lewis.lu@kpmg.com	Milano Fang Tel. +86 (532) 8907 1724 milano.fang@kpmg.com	Eric Zhou Tel. +86 (10) 8508 7610 ec.zhou@kpmg.com	Mimi Wang Tel. +86 (21) 2212 3250 mimi.wang@kpmg.com	Kelly Liao Tel. +86 (20) 3813 8668 kelly.liao@kpmg.com	Irene Lee Tel. +852 2685 7372 irene.lee@kpmg.com
Chengdu Anthony Chau Tel. +86 (28) 8673 3916 anthony.chau@kpmg.com	Tony Feng Tel. +86 (10) 8508 7531 tony.feng@kpmg.com	Central China	Jennifer Weng Tel. +86 (21) 2212 3431 jennifer.weng@kpmg.com	Patrick Lu Tel. +86 (20) 3813 8685 patrick.c.lu@kpmg.com	Alice Leung Tel. +852 2143 8711 alice.leung@kpmg.com
Hangzhou John Wang Tel. +86 (571) 2803 8088 john.wang@kpmg.com	Rachel Guan Tel. +86 (10) 8508 7613 rachel.guan@kpmg.com	Alan Garcia Tel. +86 (21) 2212 3509 alan.garcia@kpmg.com	Bruce Xu Tel. +86 (21) 2212 3396 bruce.xu@kpmg.com	Grace Luo Tel. +86 (20) 3813 8609 grace.luo@kpmg.com	Jocelyn Lam Tel. +852 2685 7605 jocelyn.lam@kpmg.com
Guangzhou Lily Li Tel. +86 (20) 3813 8999 lily.li@kpmg.com	Helen Han Tel. +86 (10) 8508 7627 h.han@kpmg.com	Cheng Chi Tel. +86 (21) 2212 3433 cheng.chi@kpmg.com	Jie Xu Tel. +86 (21) 2212 3678 jie.xu@kpmg.com	Maria Mei Tel. +86 (592) 2150 807 maria.mei@kpmg.com	Ivor Morris Tel. +852 2847 5092 ivor.morris@kpmg.com
Fuzhou/Xiamen Maria Mei Tel. +86 (592) 2150 807 maria.mei@kpmg.com	Michael Wong Tel. +86 (10) 8508 7085 michael.wong@kpmg.com	Yasuhiro Otani Tel. +86 (21) 2212 3360 yasuhiro.otani@kpmg.com	Robert Xu Tel. +86 (21) 2212 3124 robert.xu@kpmg.com	Eileen Sun Tel. +86 (755) 2547 1188 eileen.gh.sun@kpmg.com	Malcolm Prebble Tel. +852 2684 7472 malcolm.j.prebble@kpmg.com
Shenzhen Eileen Sun Tel. +86 (755) 2547 1188 eileen.gh.sun@kpmg.com	Josephine Jiang Tel. +86 (10) 8508 7511 josephine.jiang@kpmg.com	Johnny Deng Tel. +86 (21) 2212 3457 johnny.deng@kpmg.com	Yang Yang Tel. +86 (21) 2212 3372 yang.yang@kpmg.com	Michelle Sun Tel. +86 (20) 3813 8615 michelle.sun@kpmg.com	Benjamin Pong Tel. +852 2143 8525 benjamin.pong@kpmg.com
Hong Kong Karmen Yeung Tel. +852 2143 8753 karmen.yeung@kpmg.com	Henry Kim Tel. +86 (10) 8508 7023 henry.kim@kpmg.com	Cheng Dong Tel. +86 (21) 2212 3410 cheng.dong@kpmg.com	William Zhang Tel. +86 (21) 2212 3415 william.zhang@kpmg.com	Bin Yang Tel. +86 (20) 3813 8605 bin.yang@kpmg.com	David Siew Tel. +852 2143 8785 david.siew@kpmg.com
Li Li Tel. +86 (10) 8508 7537 li.li@kpmg.com	Marianne Dong Tel. +86 (21) 2212 3436 marianne.dong@kpmg.com	Chris Ge Tel. +86 (21) 2212 3083 chris.ge@kpmg.com	Hanson Zhou Tel. +86 (21) 2212 3318 hanson.zhou@kpmg.com	Lixin Zeng Tel. +86 (755) 2547 3368 lixin.zeng@kpmg.com	Murray Sarelius Tel. +852 3927 5671 murray.sarelius@kpmg.com
Lisa Li Tel. +86 (10) 8508 7638 lisa.h.li@kpmg.com	Thomas Li Tel. +86 (10) 8508 7574 thomas.li@kpmg.com	Chris Ho Tel. +86 (21) 2212 3406 chris.ho@kpmg.com	Anthony Chau Tel. +86 (21) 2212 3206 anthony.chau@kpmg.com	Hong Kong	John Timpany Tel. +852 2143 8790 john.timpany@kpmg.com
Simon Liu Tel. +86 (10) 8508 7565 simon.liu@kpmg.com	Henry Wong Tel. +86 (21) 2212 3380 henry.wong@kpmg.com	Jason Jiang Tel. +86 (21) 2212 3527 jason.jt.jiang@kpmg.com	Michelle Zhou Tel. +86 (21) 2212 3458 michelle.b.zhou@kpmg.com	Ayesha M. Lau Head of Tax, Hong Kong Tel. +852 2826 7165 ayesha.lau@kpmg.com	Ayesha M. Lau Head of Tax, Hong Kong Tel. +852 2826 7165 ayesha.lau@kpmg.com
Alan O'Connor Tel. +86 (10) 8508 7521 alan.oconnor@kpmg.com	Vincent Pang Tel. +86 (10) 8508 7516 +86 (532) 8907 1728 vincent.pang@kpmg.com	Flame Jin Tel. +86 (21) 2212 3420 flame.jin@kpmg.com	Penny Chen Tel. +86 (755) 2547 1072 penny.chen@kpmg.com	Southern China	Chris Abbiss Tel. +852 2826 7226 chris.abbiss@kpmg.com
Naoko Hirasawa Tel. +86 (10) 8508 7054 naoko.hirasawa@kpmg.com	Naoko Hirasawa Tel. +86 (10) 8508 7054 naoko.hirasawa@kpmg.com	Michael Li Tel. +86 (21) 2212 3463 michael.y.li@kpmg.com	Vivian Chen Tel. +86 (755) 2547 1198 vivian.w.chen@kpmg.com	Lilly Li Head of Tax, Southern Region Tel. +86 (20) 3813 8999 lilly.li@kpmg.com	Daren Bowdern Tel. +852 2826 7166 daren.bowdern@kpmg.com
Shirley Shen Tel. +86 (10) 8508 7586 yinghua.shen@kpmg.com	Joseph Tam Tel. +86 (10) 8508 7605 laiyu.tam@kpmg.com	Karen Lin Tel. +86 (21) 2212 4169 karen.w.lin@kpmg.com	Sam Fan Tel. +86 (21) 2547 1071 sam.kh.fan@kpmg.com	Yvette Chan Tel. +852 2847 5108 yvette.chan@kpmg.com	Steve Man Tel. +852 2143 8796 steve.man@kpmg.com
Joyce Tan Tel. +86 (10) 8508 7666 joyce.tan@kpmg.com	Jessica Xie Tel. +86 (10) 8508 7540 jessica.xie@kpmg.com	Christopher Mak Tel. +86 (21) 2212 3409 christopher.mak@kpmg.com	Joe Fu Tel. +86 (20) 3813 8823 joe.fu@kpmg.com	Lu Chen Tel. +852 2143 8777 lu.l.chen@kpmg.com	Curtis Ng Tel. +852 2143 8709 curtis.ng@kpmg.com
Henry Ngai Tel. +86 (21) 2212 3411 henry.ngai@kpmg.com	Ruqiang Pan Tel. +86 (21) 2212 3118 ruqiang.pan@kpmg.com	Ricky Gu Tel. +86 (20) 3813 8620 ricky.gu@kpmg.com	Penny Chen Tel. +852 2978 8987 rebecca.chin@kpmg.com	Rebecca Chin Tel. +852 2978 8987 rebecca.chin@kpmg.com	Karmen Yeung Tel. +852 2143 8753 karmen.yeung@kpmg.com
Christopher Xing Tel. +86 (10) 8508 7072 christopher.xing@kpmg.com	Amy Rao Tel. +86 (21) 2212 3208 amy.rao@kpmg.com	Fiona He Tel. +86 (20) 3813 8623 fiona.he@kpmg.com	Wade Wagatsuma Tel. +852 2685 7806 wade.wagatsuma@kpmg.com	Stanley Ho Tel. +852 2826 7296 stanley.ho@kpmg.com	Erica Chan Tel. +852 2143 8757 erica.chan@kpmg.com
kpmg.com/cn		Angie Ho Tel. +86 (755) 2547 1276 angie.ho@kpmg.com			Adam Zhong Tel. +852 2685 7559 adam.zhong@kpmg.com

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2016 KPMG, a Hong Kong partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. © 2016 KPMG Advisory (China) Limited, a wholly foreign owned enterprise in China and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.