New Policies Facilitating Exit and Entry in Guangdong

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.

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
- 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.

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