



China Tax Alert

Issue 19, September 2018

Changes to Work/Residence Permit Requirements for Taiwan, Hong Kong, Macau Residents in Mainland China

Regulations discussed in this issue:

- Decision of the State Council on Cancellation of a Series of Administrative Permits (Guo Fa [2018] No.28)
- Notice of the General Office of the State Council on Promulgation of the Measures on Application and Issuance of Residence Permit for Hong Kong, Macau and Taiwan Residents (Guo Ban Fa [2018] No.81)
- Decision on Revocation of Provisions on the Employment Administration of Taiwan, Hong Kong and Macau Residents in Mainland China (Human Resource and Social Security Bureau No.37)
- Notice on Matters relating to Employment of Hong Kong, Macau and Taiwan residents in mainland China (Human Resource and Social Security Bureau [2018] No. 53)

Background

On 28th July 2018, the State Council promulgated the Decision on the Cancellation of a series of Administrative Permits (Guo Fa [2018] No.28), formally abolishing work permit requirement for residents of Hong Kong, Macau and Taiwan working in Mainland China. On 6th August 2018, the General Office of the State Council released the Measures on Application and Issuance of Residence Permit for Hong Kong, Macau and Taiwan Residents (Guo Ban Fa [2018] No.81), which came into effect from 1st September.

On 23rd August 2018, the Ministry of Human Resources and Social Security Bureau promulgated the Decision on Revocation of Provisions on the Employment Administration of Taiwan, Hong Kong and Macau Residents in Mainland China (Human Resource and Social Security Bureau No.37). The Notice on Matters Relating to Employment of Hong Kong, Macau and Taiwan Residents in Mainland China (Human Resource and Social Security Bureau [2018] No. 53) was issued simultaneously, clarifying that Hong Kong, Macau and Taiwan residents are no longer required to apply for work permit. The Ministry of Human Resources and Social Security Bureau also issued guidance on administrative measures relating to employment of Hong Kong, Macau and Taiwan residents' in Mainland China following abolishment of the work permit requirement.

Executive Summary

Abolishment of Work Permit Requirement for Hong Kong, Macau and Taiwan Residents

Recent regulatory updates in relation to work permit requirement for Hong Kong, Macau and Taiwan residents in Mainland China have the following implications:

- Effective 28th July 2018, Hong Kong, Macau and Taiwan residents are no longer required to apply for the work permit to work in the mainland.

- Effective 23rd August 2018, Human Resource and Social Security Bureau ceased to process work permit application for residents of Hong Kong, Macau, and Taiwan seeking employment in Mainland China.
- Existing work permits issued to residents of Hong Kong, Macau and Taiwan will be valid through to 31st December 2018 and cease to be valid from 1st January 2019.

Effective 1st January 2019, Hong Kong, Macau and Taiwan residents employed in Mainland China can use their valid personal identity document, such as Mainland residence permit for residents of Hong Kong, Macau and Taiwan, Mainland Travel Permits for Hong Kong, Macau and Taiwan residents for matters relating to human resources and social security. Industrial and commercial business license, labour contract, proof of salary payment, and proof of social security contribution payment could serve as proof of employment in the mainland for residents of Hong Kong, Macau, and Taiwan.

[Application and Issuance of Residence Permit](#)

Effective 1st September 2018, Hong Kong, Macau and Taiwan residents residing in Mainland China for half a year or longer and meet one of the following conditions can apply for a Residence Permit:

- Engaged in legal and stable employment in the mainland China;
- Maintaining a legal and stable residence in the mainland China; or
- Engaged in continuous study in the mainland China.

Application for residence permit should be submitted to the local public security bureau and will require valid Mainland Travel Permit for Hong Kong and Macau Residents, and the Five-year Mainland Travel Permit for Taiwan Residents. The public security bureau shall issue residence permit within 20 working days upon acceptance of the application.

Holders of residence permit for Hong Kong, Macau and Taiwan residents shall be allowed to take up employment in the mainland, and participate in the mainland social security schemes and housing provident fund pursuant to the law at the place of residence and entitled to basic public services including free compulsory education and other social welfare.

KPMG Observations

Abolishment of work permit requirement for Hong Kong, Macau and Taiwan residents and issuance of Residence Permits for Hong Kong, Macau and Taiwan residents provide convenience for Hong Kong, Macau and Taiwan residents to work, study, live and travel in Mainland China. Hong Kong, Macau and Taiwan residents who take up employment in Mainland China will enjoy the same rights to labor security rights and other basic rights as mainland compatriots.

It should be noted that Hong Kong, Macau and Taiwan residents moving in and settling down in Mainland China shall comply with the relevant provisions, and measures on Residence Permit for Hong Kong, Macau and Taiwan Residents shall not apply. Those who wish to apply for residence permit for Hong Kong, Macau and Taiwan residents should check their eligibility before lodging an application. If in doubt, please contact your KPMG representative for assistance.

In the meantime, following the passing of the amendments to the PRC individual income tax law, enterprises should consult KPMG global mobility advisers to understand the tax implications and associated cost of hiring residents of Hong Kong, Macau, and Taiwan to work in mainland China.

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