



New policies to attract foreign talent to China

Summary:

Aiming at enhancing existing policies to attract foreign talents to the city, the Shanghai Administration of Foreign Experts Affairs and other relevant authorities recently rolled out a series of practice guidelines, including extending application of a policy launched in late 2020. This facilitates the conversion of foreign exchange by remunerated foreign talents in the Pudong New Area with minimum document requirements, and now covers all districts of Shanghai. In addition, an immigration policy was launched on 1 March 2021 to expedite procedures relating to employing foreign talents in Shanghai. At the same time, China embassies and consulates overseas have recently announced relaxation of requirements on visa applications for foreigners who wish to return to China.

Background

In order to accelerate Shanghai's development into a global hub for technological innovation, the city has taken the lead in implementing a series of policies allowing companies to attract foreign talents to Shanghai. In particular, special attention should be paid to the 4.0 version of the "Virtual" Approval Policy adopted for Foreigners' Work Permit applications in China.

Key points

At present, more than 10,000 companies in Shanghai have received the certification that is needed to hire foreign talents with high-end scientific innovation skills. The new measures are summarised below:

Type of talent	Latest measures	Applicable type
➤ Foreign science and technology talent	- Relaxed restrictions on age, education and work experience	- Grant a one-time Foreigner Work Permit for more than 2 years
	- Adoption of an "self-declaration" system" if no offenses have been committed	- Applicable to Foreigner Work Permit Notification application categories B and C
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	- Allow part-time jobs	- No need to re-apply for or change the Foreigner Work Permit
	- Allow talent to start businesses	
	- Expanded scope of applicants for the Confirmation Letter for Foreign High-end Talent	- Foreign researchers participating in the national core business team - Fresh PhD graduates in key disciplines such as science, engineering, agriculture and medicine
		- Can apply for a foreign talent (R) visa with 10-year validity

➤ Foreign innovation and entrepreneurial talent	- Relaxed restrictions on age, education and work experience	- When applying for the Foreigner Work Permit for the first time
	- Foreign investors with actual office addresses will be accepted based on the business's operating conditions, taxation status and social security payments, among other factors	- Extension application for Foreigner Work Permit
	- Foreign investors who have no actual business office address will be accepted at the discretion of the authorities following a review of the business's operating conditions, taxation status, social security payments and other materials	
➤ Highly-skilled foreign talent	- Relaxed restrictions on age (not older than 70 years old) and education	- Grant a one-time Foreigner Work Permit for more than 2 years
		- Applicants holding a national general foreign vocational qualification certificate
		- Applicants holding a certified overseas skills certificate
		- Applicants holding other international general vocational skills certificates

To facilitate the smooth implementation of these measures, the authorities will gradually establish a database to record incidents where false declarations have been made by enterprises and foreign individuals for Foreigner's Work Permit applications. They will conduct investigations on enterprises and individuals that provide false declarations for these applications.

➤ **Reducing document requirements for foreign currency conversion for foreign talents with Fast Pass in Shanghai**

Starting March 1st, 2021, financial institutions in Shanghai can now process foreign exchange purchase and remittance requests (e.g. for salary remittance) made by foreign talents who meet the following document requirements. Foreign talents holding the Fast Pass no longer need to provide their tax payment records and labour contract when conducting foreign currency conversion processes at banks.

- "Fast Pass" issued by the Shanghai Administration of Foreign Experts Affairs for remuneration-related foreign currency conversion required by foreign talents
- Valid personal ID

Enterprises and individuals who meet the following requirements can apply for the Fast Pass :

- The sponsoring enterprise should be registered in Shanghai, have a physical business premises, and not have been engaged in any illegal or untrustworthy conduct
- The foreign talent should be employed by the enterprises for job positions requiring special skills which cannot be met by candidates locally
- The foreign talent's wage should not be lower than the Shanghai minimum wage
- The foreign talent should be at least 18 years of age, and has no criminal record, and is employed by the sponsoring enterprise
- The applicant should receive their salary in Shanghai

➤ Measures announced by China's embassies and consulates overseas on relaxing visa application requirements for foreigners to return to China

Recently, several Chinese embassies and consulates overseas (see Note 1 below) have issued measures to facilitate the issuance of visas for foreigners who have been inoculated with China approved COVID-19 vaccines to visit mainland China:

- The PU and TE Invitation Letters (formal letters of invitation issued by local in-charge Foreign Affairs Offices in China) are no longer required when applying for a visa for foreign nationals and their family members to travel to mainland China for the purposes of resuming work and business
- Foreign passport holders whose family members are Chinese citizens or permanent residents of China, including spouses, parents, children and other close relatives who live together (siblings, grandparents and grandchildren), may submit visa applications to travel to mainland China for the purposes of reuniting with family, taking care of the elderly, visiting relatives, attending funerals or visiting critically ill relatives
- Holders of valid APEC business travel cards may apply for business visa (M type) by presenting the original valid APEC business travel card and the invitation letter issued by the inviting party in mainland China

KPMG suggestions



With the gradual improvement and stabilization of the epidemic situation in mainland China, Shanghai has taken the lead in implementing more open policies to attract foreign talent to the city. KPMG believes that the relevant authorities will continue to introduce policies to enable high-end foreign talent to more conveniently work or start businesses in China.

Before employing foreign personnel, KPMG recommends that enterprises make the following assessments to ensure that the foreign talent can arrive in China and take up their post as soon as possible:

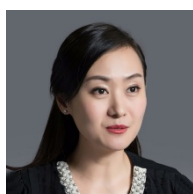
- Assessment of the nature of the enterprise
- Assessment of whether the policy on expediting the employment of foreign talent in Shanghai is applicable

As China's overseas embassies and consulates continue to issue policies to facilitate visa applications submitted by foreigners for visits to mainland China, KPMG recommends that enterprises and foreigners keep abreast of the latest developments in the policies and their impact so as to make timely arrangements for visa applications and entry procedures into China.

KPMG will continue to closely monitor the above policies and detailed operating rules to provide enterprises and foreign individuals with timely professional insights and recommendations. We welcome inquiries from organizations and individuals and can provide professional advice on policy interpretation and practical guidance.

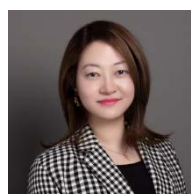
*Note 1: Hong Kong SAR, Macao SAR, Japan, Thailand, Vietnam, Pakistan, Sri Lanka, Israel, the Philippines, Malta, Belarus, Ireland, Belgium, Norway, Finland, India, Spain, Serbia, United Kingdom, South Korea, Denmark, Australia, Slovakia, Micronesia, East Timor, Indonesia, Arabia, Kyrgyzstan, Germany, Switzerland, Romania, the United States, Turkey, Nepal, Jordan, Italy, Argentina, Estonia, Bulgaria, Croatia, Latvia, Luxembourg, Malta, Gabon, etc. The above information is current as of 16 March 2021.

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