

China Tax Alert

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China Immigration Policy Updates – Cancellation of the Invitation Letter Requirement for Foreigners Entering China

Abstract:

- Effective June 6th, 2022, foreign nationals who wish to take up employment in the PRC can apply for principal and dependent visas with the Chinese Embassy or Consulate abroad without the need of a PU letter. As a result, the lead time for obtaining a work related visa will be significantly reduced.

Background

Since November 2020, foreign nationals applying for Chinese work visas have been required to obtain a special invitation letter, often referred to as the PU letter, issued by the Chinese foreign affairs authorities. Issuance of the PU letter took at least 30 days since its introduction. Effective June 6th, 2022, foreign nationals in many jurisdictions can apply to the Chinese Embassy or Consulate abroad for work visa with a Work Permit Notification Letter and other supporting documentation. PU letter will no longer be required for applying for Chinese work visa. Meanwhile, accompanying family members are eligible to apply to the Chinese Embassy or Consulate for dependent visas. Cancellation of the PU letter requirement for application for Chinese work visas will shorten the application process by at least one month.

KPMG observations

Application for the following type of visas will no longer require a PU letter. Applicants can now lodge their visa applications with the Chinese Embassy or Consulate abroad with standard application documentation:

Purpose of visit	Applicable visa category
Working in China with a Work Permit Notification Letter	Z visa
Family members of foreigners working in China	S1/S2 visa
Study	X1/X2 visa
Family reunion	Q1/Q2 visa
High-end talent or specialists	R visa
Crew members for flight, aviation and shipping	C visa

In the meantime, please note that foreign nationals visiting China for the following purposes are still required to apply for a PU letter, before lodging their application for a visa with the Chinese Embassy or Consulate abroad:

Purpose of visit	Applicable visa category
Business visit	M visa
Academic exchanges	F visa
Participation in a major project	M/F visa

KPMG recommendations

As the pandemic has been gradually brought under control, government authorities have released a series of bail-out packages and tax incentives to facilitate enterprises' efforts to resume production and operations and help them attract talent, with the goal of driving economic recovery and development. The cancellation of the invitation letter requirement for foreign nationals entering China serves as one example of the country's efforts to proactively attract foreign investment and talent. In this context, relevant enterprises may consider reviewing and adjusting their talent dispatch policies and talent allocation plans.

Based on the changes described above, we have put forward the following summarised recommendations from an immigration perspective:

- In the past week, the Chinese Embassy or Consulate in Japan, South Korea, Sri Lanka, United States, Italy and New Zealand has issued notices on their official website to announce that PU letters are no longer required for foreign nationals and their accompanying family members to enter China for work purposes. For countries where the Chinese Embassy or Consulate has not made such announcement, we recommend that applicants consider taking the following measures to confirm with the Embassy or Consulate for the latest practice, in order to minimise the impact on their travel plans:
 - Visit the official websites or WeChat accounts of the Chinese Embassies to learn their latest announcements (e.g. guidance notes on China visa applications);
 - Send an email to the Chinese Embassy to confirm.
- At this stage, foreign nationals traveling to China for business purposes are still required to obtain PU letter before applying for business visa. We recommend that appropriate arrangements are made in advance, in anticipation of delay which may be caused by the lengthy process involved in obtaining a PU letter.

In the future, KPMG will continue to closely monitor the latest developments in government policies and keep enterprises, clients and foreign individuals updated on the latest relevant changes. If you have a question regarding any of these issues, please do not hesitate to contact us.

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