

China Tax Alert

Issue 7, December 2024



New “One-Card” system: Integration of work permit and social security systems

Summary :

The Ministry of Human Resources and Social Security of the People’s Republic of China (the “PRC” or “Chinese Mainland”) has recently issued a “Notice of the Ministry of Human Resources and Social Security on the Integration of Non-Chinese National’s Work Permit and Social Security Card” (Renshefa [2024] No.75). The notice outlines the digitalisation of the Work Permit (“WP”) issuance process, replacing the physical WP card with an electronic/physical social security card through integration of the WP and social security system, effective from 1 December 2024.

The system integration is enabling WP information to be embedded in social security cards in achieving a One-Card System to optimise WP issuance processes and to further enhance non-Chinese nationals’ experience in the PRC.

Highlights

- Work Permit issuance processes
 - For new WP applicants, the issuance of WP will be managed solely through the “Service System for Foreigners Working in China” online portal with effect from 1 December 2024, i.e. non-Chinese nationals will no longer be issued with a physical WP card.
 - For existing physical WP card holders, the card remains valid. WP and social security card will be integrated upon successful WP extension or WP amendment application.
- Electronic social security card

Non-Chinese nationals can download the electronic social security card App, and fill in personal details along with the WP number or social security number to complete App registration/login. Upon verification, an electronic social security card will be issued with WP information embedded.
- Resident Permit (“RP”) application

For RP application, Z visa holders are only required to bring either an electronic social security card or Work Permit Notification Letter (“WPNL”) along with other required documentation to the Exit and Entry Department of the public security bureau at their work location.

KPMG Observations

- Various functional departments are actively working on system upgrade following on from the release of the Notice, with the aim to further optimise relevant application/issuance processes for non-Chinese nationals upon their arrival to the PRC.
- The electronic social security card serves as a carrier of work permit information, with the system integration, information exchange and transparency across relevant functional departments facilitates compliance management across functions. Employers should comply with social security regulations and local practices to ensure compliance. For further social security related consultation, please contact us.

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