

GMS Flash Alert

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People's Republic of China – Pilot Program for Employment Permit in Shanghai

On 1 October 2016, the State Administration of Foreign Expert Affairs launched a pilot program to simplify foreigners' applications for the so-called "Employment Permit" in the People's Republic of China (PRC).¹ Local administrative measures have been rolled out in Beijing, Tianjin, Hebei, Shanghai, Anhui, Shandong, Guangdong, Sichuan, Ningxia, and Hebei. The pilot will run until 31 March 2017, and the new nationwide administrative measures will be launched on 1 April 2017.

Shanghai, as one of the first cities in the nation to pilot the program, officially kicked off on 1 November 2016, with the establishment of a mechanism for the administration of work visa applications by classification and providing easy access to highly-skilled talent as they apply for work visas, while stipulating a quota on visas for seasonal unskilled workers.

WHY THIS MATTERS

- The electronic form for the new Employment Permit will enhance precision in processing and record-keeping and cut down on paper and time-consuming administration.
- The new points-based classification methodology that is being introduced will enhance the experience of Category A applicants by reducing the amount of application documents and simplifying application procedures.
- Companies with foreign talent needs in the pilot cities should familiarise themselves with the administrative guidelines rolled out in the respective city in order to enhance their processes and introduce efficiencies in meeting their recruitment needs.
- It is important for companies to keep abreast of updates on the local guidelines and administrative procedures in order to avoid delays in the application process.

New Pilot Program, New Employment Permit

According to the guidelines of the pilot program, the former Alien Employment Permit and Foreign Expert Certificate, which were issued by two different sub-national governmental authorities, will now be consolidated into one single permit to be issued by one governmental authority. This is intended to enhance the efficiency of the administration and ongoing monitoring of the application procedures.

As noted above, the new Employment Permit (officially known as the “Notification of Employment Permit for Foreigners”) replaces the former Alien Employment Permit and Foreign Experts Certificate and will be issued in electronic form. The new Employment Permit echoes the principle of “one lifetime code per person,” which provides the foundation for the nationwide administration of the employment of foreigners in the PRC.

Administration by Classification

The new system focuses on administering the issuance of the Employment Permit on a points-based methodology, which classifies foreigners who intend to take up employment in the PRC by their competencies, relevant work experiences, and contributions in the following categories:

- Category A: Highly-skilled talent;
- Category B: Professionals;
- Category C: Others.

The guidelines issued define a set of criteria with assigned points, which will be used to classify foreigners. The new points-based classification methodology will enhance the experience of Category A applicants by reducing the amount of application documents and by simplifying the application procedures. It should be noted that a quota is being proposed on the Category C applications.

Simplified Online Application

A new online application system will be introduced to simplify application procedures and to reduce the number of in-person visits required to the labour bureau. Employers are now required to complete the applications online and upload a copy of the supporting documents for the labour bureau’s pre-approval. Once pre-approved, hard copies of the supporting documents, such as certificate of degree, professional qualifications, non-criminal record, medical examination report, and employment contract should be submitted in person at the labour bureau for verification, while hard copies of the applicant’s passport, receipt of the issued permit, and resumes are no longer required.

KPMG NOTE

A Few Important Observations

- The pilot program around issuance of Employment Permits to foreigners according to a points-based methodology is a step forward in attracting talent in an internationally-competitive environment. This move is expected to improve the administration of foreign talent in the PRC.

- Companies should also be aware that apart from Shanghai, the pilot program has also been rolled out on 1 November 2016 in provinces such as Anhui, Sichuan, and Hebei. While the same online system will be deployed in these other provinces, as well as in Shanghai, there may be variations to the administrative guidelines issued by the respective local authorities.
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FOOTNOTE:

1 Notice by the State Administration of Foreign Experts Affairs of P. R. China on Carrying out the Pilot Program of Issuing Work Permits for Foreigners Getting Work in China (hereinafter referred to as “Notice of SAFEA [2016] No. 151”).

“Value Table Based on a Point-Factor Method (trial version)” promulgated by the Shanghai Municipal Human Resources and Social Security Bureau on 18 October 2016.

Notice on Carrying out the Pilot Program of Issuing Work Permits for Foreigners Getting Work in China promulgated by the Shanghai Administration of Foreign Experts Affairs on 11 October 2016.

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RELATED RESOURCE

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