

GMS Flash Alert

2017-031 | February 17, 2017



People's Republic of China – New Rules for Foreign Graduates to Get Work Permit

A new Notice¹ was recently issued in the People's Republic of China in regards to allowing qualified foreign graduates with no work experience to get a work permit in the country.

The Ministries of Human Resource and Social Security, Foreign Affairs, and Education jointly announced Notice No. 3 on 6 January 2017.

The key aspects of Notice 3 are highlighted below.

WHY THIS MATTERS

Notice No. 3 further clarifies the application criteria and procedures under existing rules on foreigners getting work permits in the People's Republic of China (PRC or China) (that had been limited to foreigners just in the so-called pilot areas) and extends the scope of the rules to foreigners outside the pilot areas.

The new rules should make it easier to attract and hire foreign talent in the PRC. Employers and immigration legal counsel should find the rules clarified and easier to understand.

Eligible Applicant

Foreign graduates with no prior work experience are eligible to apply if they have completed a master's program or above within the last year from:

- a domestic university, or
- a well-known international institution.

Criteria

They must:

- be at least 18 years old;
- be in good health;
- have a clean criminal record;
- have an excellent academic record, with an average minimum of 80 points or a B+/B grade;
- have a relevant degree and education background;
- have proof of a confirmed job offer in China relevant to the applicant's degree, with a salary that is equal to or higher than the local average²;
- have a valid passport or equivalent.

Other

The employment permit will initially be issued with a one year validity period, but can be extended for up to another five years after the employer completes the application for renewal.

The employment of foreign graduates with no working experience is subject to a quota system, which will be proposed by the Human Resource and Social Security authority at the provincial level and approved by the Ministry of Human Resource and Social Security.

KPMG NOTE

The existing regulation which requires foreigners who intend to work in China have at least two years' of related working experience put obstacles in the way to those innovative foreigners who seek opportunities following graduation in China. The Notice issued by the State Administration of Foreign Experts Affairs on Carrying out the Pilot Program of Issuing Work Permits for Foreigners Getting Work in China in September 2016 removed the requirement of "working experience" for qualified foreigners in the designated pilot areas (for related coverage see GMS [Flash Alert 2016-142](#), 30 November 2016); whereas Notice No. 3 further clarifies the application criteria, procedures, and extends the rules to foreigners *outside* the pilot areas.

At present, the specific quota has yet to be further clarified. Companies that intend to employ foreign graduates are advised to pay close attention to any updates from the local governments, and should make proper arrangements with respect to relevant document collection and preparation.

FOOTNOTES:

1 Ren She Bu Fa [2017] No. 3 - The Notice on Allowing Foreign Graduates Working in China issued by the Ministry of Human Resource and Social Security, Foreign Affairs and Education ("Notice No. 3").

2 The monthly average salary in Shanghai in 2015 is RMB 5,939.

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This article is excerpted, with permission, from "[China remove the requirement of working experience for foreign graduates to get work permit](#)," in *China Tax Alert* (Issue 4, 24 January 2017), a publication of the KPMG International member firm in the People's Republic of China.

Wednesday, 8 March 2017 -- The 183-Day Myth When Working in Australian Waters: a Webinar

Time (Perth, Australia): 8:00 am (GMT +8) and 5:00 pm (GMT +8)

KPMG invites you to join us for this live Webinar during which we will discuss the considerable recent Australian Tax Office and media scrutiny on some employer arrangements in connection with services performed in Australian waters. Recent attention has focused on the '183-day rule myth', that is pervasive within expatriate and commercial circles. Under this myth, it is assumed that the Dependent Personal Services (DPS) Articles in Australia's double taxation agreements (DTAs) will provide an exemption from Australian tax in ALL cases where an employee spends less than 183 days in Australia (including Australian waters). Unfortunately, this is rarely the case.

Please join KPMG practice leaders for a Webinar which will highlight:

- Operations that create an Australian permanent establishment (PE);
- The proper application of the DPS Article in Australia's DTAs; and
- Steps necessary to ensure Australian tax compliance.

The live Webinar on 8 March 2017, will consist of audio and slides streamed over the Internet.

Date: Wednesday, 8 March 2017

Time options: 8:00 am (GMT +8) and 5:00 pm (GMT +8)

To register: For the 8:00 am Webinar, click [here](#) ; for the 5:00 pm Webinar, click [here](#).

Contact us

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in the People's Republic of China:

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** Please note that the KPMG International member firm in the United States does not offer immigration services.*

The information contained in this newsletter was submitted by the KPMG International member firm in the People's Republic of China.

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