

# GMS Flash Alert

## Immigration Edition

2022-134 | July 13, 2022



# People's Republic of China - COVID-19: Eased Travel Restrictions, Quarantine Requirements

The People's Republic of China ("China" or "PRC") has further eased cross-border travel restrictions and quarantine requirements after releasing the ninth edition of "COVID-19 Epidemic Prevention and Control Measures." The new rules shorten the quarantine period for inbound travellers to a 7-day centralised quarantine followed by 3 days of home health-monitoring (so-called "7+3 policy"). (For related coverage, see [GMS Flash Alert 2022-112](#), 9 June 2022.)

## WHY THIS MATTERS

While there has been a gradual recovery of inter-regional movements and a rebound of business activities, companies and individuals need to consider:

- striking a balance between carrying out necessary business activities that require cross-border and/or inter-regional travel and managing compliance risks;
- learning to adapt to changes by deploying flexible work and employment arrangements; and
- identifying cross-border tax, social security, and legal issues so as to help mitigate risks and costs.

## Background

On 28 June 2022, in order to help ensure adherence to the overall strategy of "preventing inbound cases and domestic resurgence" and the dynamic zero-COVID-19 approach, the Joint Prevention and Control Mechanism of the State Council published the ninth edition of "COVID-19 Epidemic Prevention and Control Measures" ("the Measures") with updates concerning a shortened quarantine period and enhancing risk-area classification standards. In the meantime, the Ministry of Industry and Information Technology announced on 29 June 2022 that China removed the asterisk marks

on digital travel history codes across the country, with the aim of balancing epidemic control and economic development.<sup>1</sup>

## Salient Points

### Shortened Quarantine Period for Inbound Travellers and Close Contacts<sup>2</sup>

Adjustments			Old Policy <sup>3</sup>	New Plan
Quarantine period	Inbound travellers and close contacts	Centralised quarantine	14 days	7 days
		Home monitoring	7 days	3 days
	Secondary close contacts <sup>4</sup>	Centralised quarantine	7 days	/
		Home monitoring	/	7 days
Frequency of nucleic acid testing	Inbound travellers and close contacts	Centralised quarantine	Nucleic acid test (nasopharyngeal swab) <ul style="list-style-type: none"> <li>on 1<sup>st</sup>, 4<sup>th</sup>, 7<sup>th</sup>, and 14<sup>th</sup> day</li> <li>twice prior to end of centralised quarantine period</li> </ul>	1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , 5 <sup>th</sup> and 7 <sup>th</sup> day
		Home monitoring	/	Nucleic acid test (oropharyngeal swab) on 3 <sup>rd</sup> day

Source: KPMG in the People's Republic of China

## Optimised Domestic Risk-Area Classification Standards and Control Measures

Classification	Control Measures	Transition Measures
High-risk zone	<ul style="list-style-type: none"> <li>○ Home quarantine and receive COVID-19 test at home</li> <li>○ 7 days of centralised quarantine if returned from high-risk zone</li> </ul>	<ul style="list-style-type: none"> <li>○ Downgrade to a “medium-risk zone” if no new cases reported in 7 consecutive days</li> <li>○ Downgrade to a “low-risk zone” if no new cases reported in 3 consecutive days</li> </ul>
Medium-risk zone	<ul style="list-style-type: none"> <li>○ Do not travel beyond local district and pick up deliveries at scheduled intervals</li> <li>○ 7-day home health monitoring if returned from a medium-risk zone</li> </ul>	Downgrade to a “low-risk zone” if no new cases reported in 7 consecutive days
Low-risk zone	<ul style="list-style-type: none"> <li>○ Practice good personal hygiene and avoid gatherings</li> <li>○ 2 nucleic acid tests in 3 days if returned from a low-risk zone</li> </ul>	/

Source: KPMG in the People’s Republic of China

## Domestic and Cross-Border Travel Restrictions Eased

- In June 2022, several provincial and municipal government authorities in China adjusted the domestic and cross-border travel restrictions to boost inter-regional travel and business activities.
- On 30 June 2022, China removed the asterisk marks on digital travel history codes across the country to make travel easier.

## KPMG NOTE

The latest amended policies signal that the government is enhancing epidemic controls and prevention measures to help ensure quicker and more precise responses aimed at balancing epidemic control and economic development. While there has been a gradual recovery of inter-regional movements and a rise in business activities, companies and individuals should consider the following:

- **Closely follow updates to immigration policies:** companies and individuals should pay close attention to immigration and quarantine requirements stipulated by government authorities in the departing and destination countries/regions; evaluate employees’ relocation and movement plans; and formulate cost-effective relocation strategies.

- **Formulate talent strategies:** companies and individuals are looking to flexible work arrangements – including remote working – and adjusting policies and procedures to accommodate new ways of working. In light of this, companies may need to adapt their approaches and policies with respect to new tax, social security, immigration, and employment issues in a way that fosters risk mitigation and talent retention.
  - **Evaluate cross-border travel arrangements:** individuals who are required to travel to China for work or other business-related activities are recommended to perform routine reviews of their travelling plans, including the length, nature, and purposes of the activities (to be) performed while outside their usual place of work, in order to identify potential risks associated with the travel and with the work arrangement, and deploy relevant strategies for risk and cost minimisation reasons.
- 

## FOOTNOTES:

1 The asterisk mark on a travel code is a mechanism introduced by the Chinese government to flag people who have been to, or even just passed through, a mid- or high-risk city or area in the past 14 days on their digital travel card. The previous measure was to put an asterisk mark in respect of cities and areas announced as mid-risk or high-risk on travellers' digital travel histories in the past 14 days, which was often used as proof for local authorities to impose curbs or quarantines for the visitors.

2 “Close contacts” refers to individuals who have been in close contact with patients testing positive for COVID-19.

3 The quarantine period and control measures as outlined in the Old Policy are based on the eighth edition of “COVID-19 Epidemic Prevention and Control Measures.” Local practice varied across the country.

4 “Secondary close contacts” refers to individuals who have been in close contact with close contacts with patients testing positive for COVID-19.

\* \* \* \*

## Contact us

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



**Michelle Zhou**

**Tax Partner**

Tel. + 86 (21) 2212 3458

[michelle.b.zhou@kpmg.com](mailto:michelle.b.zhou@kpmg.com)

*\* Please note the KPMG International member firm in the United States does not provide immigration or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.*

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

© 2022 KPMG Huazhen LLP, a People's Republic of China partnership, KPMG Advisory (China) Limited, a limited liability company in Mainland China, KPMG, a Macau (SAR) partnership, and KPMG, a Hong Kong (SAR) partnership, are member firms of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

[www.kpmg.com](http://www.kpmg.com)

[kpmg.com/socialmedia](http://kpmg.com/socialmedia)



© 2022 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG LLP is the U.S. firm of the KPMG global organization of independent professional services firms providing Audit, Tax and Advisory services. The KPMG global organization operates in 147 countries and territories and has more than 219,000 people working in member firms around the world.

Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

Flash Alert is a GMS publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click here. To learn more about our GMS practice, please visit us on the Internet: click here or go to <http://www.kpmg.com>.