

2017/03

February 2017

China attracts foreign talents by new policies

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In brief

- » China's State Administration of Foreign Experts Affairs (SAFEA) announced a reform to the employment administration system for foreigners on 27 September 2016. The original dual-track "Border Entrance Work Permit" and "Foreign Experts Work Permit" administration will be combined into "Foreigner's Work Permit" administration.
- » The new system has introduced a categorized management on foreign employees. High-end talents can enjoy favorable treatment in permit application.
- » The new system is trialed in the following regions from October 2016: Beijing, Tianjin, Hebei, Shanghai, Anhui, Shandong, Guangdong, Sichuan and Ningxia, and will be expanded nationwide from 1 April 2017.

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In detail

On 27 September 2016, SAFEA issued “Notification about Trial Run of Work Permit System for Foreigners” (Wai Zhuan Fa [2016] No.151). The management of work permit for foreigners is ushered into a new era.

- » According to the circular, the original “Alien Employment License of PRC” and “Working Permit for Foreign Experts”, will be combined into “Notification Letter of Foreigner’s Work Permit”; the original “Alien Employment Permit” and “Foreign Expert Certificate” will be combined into “Foreigner’s Work Permit”.
- » Behind the integration of the permits, a sophisticated assessment system is also established. Integrating a market oriented evaluation mechanism and a scoring system, the assessment system classifies foreign employees into three categories: A) high-end talents, B) professional talents, and C) general personnel in temporary, seasonal, servicing or non-technical sectors.

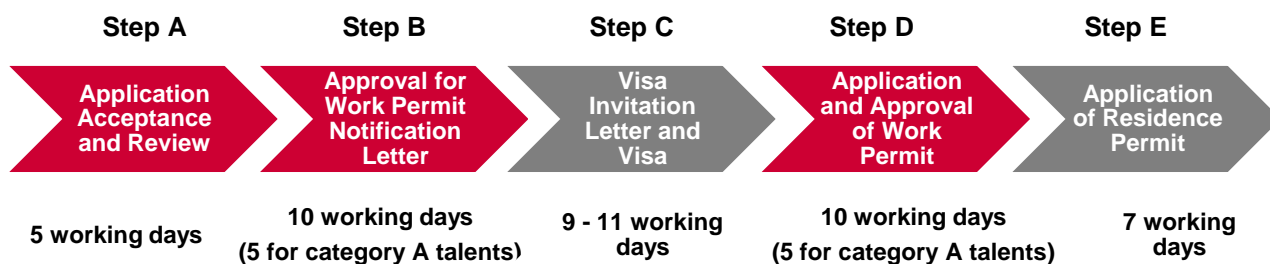
Category	Qualifications	Examples
A: High-end talents	<ol style="list-style-type: none"> 1) Qualified for “Talents Introduction Plan” set out by central or local municipal government 2) Qualified for internationally recognized professional achievement standards; 3) Qualified for the requirements of market-oriented, encouraged occupations; 4) Innovative and entrepreneurial talents; 5) Outstanding young talents; 6) Talents achieving 85 points and above. 	<ol style="list-style-type: none"> 1) Talents qualified for “1000 Talent Plan”, and various other central or local plans / programs; 2) Nobel Prize winners; top management or head of R&D of Fortune 500 companies; top management of famous financial institutes (Goldman Sachs, Morgan Stanley, Deutsche Bank, etc.) and famous CPA firms (PwC, EY, KPMG, etc.); top management of famous organizations (WTO, OECD, IMF, etc.); 3) Talents (top management; technical expert or R&D leader) employed by Fortune 500 companies’ global or regional headquarters, encouraged foreign invested enterprises; 4) Intellectual property (IP)-owning enterprises or personnel: <ol style="list-style-type: none"> a) Founders who have used technical IP to invest and hold shares no less than 30% of an enterprise with an investment of no less than USD 500,000 and a stable investment status for consecutive 3 years; b) Chairmen, legal representatives, general managers or technical experts of the enterprises which have used technical IP to invest and have an annual revenue over CNY 10 million, or have made tax payment over CNY 1 million for continuous 3 years. 5) Talents under the age of 35 with a doctorate degree from, or undertaking post-doctorate research in a global top 200 university or a university in China.

<p>B: Professional talents</p>	<ol style="list-style-type: none"> 1) Holders of a bachelor degree or above having more than 2 years related working experience; 2) Outstanding graduates of a master degree or above from a China university; 3) Graduates of a master degree or above from a foreign top 100 university; 4) Foreign language teachers; 5) Talents achieving 60 points and above. 	<ol style="list-style-type: none"> 1) Personnel with the following working experience: <ol style="list-style-type: none"> a) Management or technical personnel in education, research, media, publishing, culture, arts, health care, sports, etc.; b) Implementation personnel for governmental agreements, international organization agreements, trade contracts and engineering contracts; c) Personnel employed by China representative offices of international organizations or overseas expert organization; d) Mid-ranking assignees of multinational companies, chief representatives and representatives of foreign companies' representative offices in China; e) Foreign management and technical personnel employed by local entities; 2) Foreign language teachers teaching their mother language, with a bachelor degree or above from their mother language country with at least 2 years' working experience in language education.
<p>C: Personnel in temporary, seasonal, servicing or non-technical sectors</p>	<ol style="list-style-type: none"> 1) Foreigners employed under the authorization of State Council's relevant departments, or by the governmental agreements between China and foreign countries; 2) Foreign interns assigned by governmental agreements between China and foreign countries; 3) Housekeeping personnel accompanying high-end foreign talents to China; 4) Foreigners working in special sectors like ocean fishery; 5) Seasonal foreign workers; 6) Other foreign employees subject to quota management 	

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- » Favorable treatments are provided to high-end talents (category A), specifically:
 - Simpler requirements on submission documents:
 - ✓ Commitment of no criminal conviction will suffice. No official document is required;
 - ✓ Digital application and submission is sufficient before entering China;
 - ✓ Talents qualified for central and local governmental talent plans / programs can enjoy a complete online application; commitment of working experience, professional skills, and education qualification is sufficient. No official certificate is required.
 - Shorter approval lead-time: Half of the time is needed compared with that for other categories;
 - Talents in category A are not subject to quota management, nor age or working experience limitation;
- » A detailed scoring system is established. Multiple factors are set out to evaluate talents, including: remuneration, education, relevant working experience, working time for each year, level of Chinese language proficiency, regional destination of work in China, and ages. Besides, graduation from a famous university or working experience with Fortune 500 companies and meeting each provinces' urgent need can also be granted additional points.
- » A typical procedure for a foreign employee to work legally in China, according to Circular 151, shall be:



It is worth noting that, starting from Step B, applicants who are in category B and C shall still submit documents in a hard copy for review and approval. While in Step D, as was mentioned above, only talents in category A who are also qualified for central and local governmental talent plans / programs can apply online and be freed from submission of a hard copy.

WTS observation

Circular 151 proclaims the advent of the new work permit administration for foreign employees. The previous dual-track system is now rendered historic. Along with the integration of the two work permits, the most significant change lies in the categorization of foreign employees based on the market oriented evaluation and factor-specified scoring system. While favorable treatments are provided to talents in category A, foreign employees in category B and C should still go through standard procedures to apply for work permits.

Employers in China and foreigners who are working / considering to work in China are advised to pay attention to the coming reform in the work permits application administration, evaluate their own situation to check how the new categorization system can apply to them, and assess how the new system will affect their work permit application as well as future benefits.

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