

# Notice of the General Office of the State Council on Forwarding Several Measures on Further Encouraging Foreign Investment to Establish Research and Development Centers Issued by the Ministry of Commerce and the Ministry of Science and Technology

Guo Ban Han [2023] No. 7

People's governments of all provinces, autonomous regions, and municipalities directly under the Central Government, as well as all ministries and commissions of the State Council and directly affiliated institutions:

Several Measures on Further Encouraging Foreign Investment to Establish Research and Development Centers Issued by the Ministry of Commerce and the Ministry of Science and Technology has been approved by the State Council and is now forwarded to you. Please implement them seriously.

General Office of the State Council

January 11, 2023

# Several Measures on Further Encouraging Foreign Investment to Establish Research and Development Centers Issued by the Ministry of Science and Technology and the Ministry of Commerce

Foreign R&D center is an important part of China's science and technology innovation system. In order to accelerate the implementation of the innovation-driven development strategy, expand international scientific and technological exchanges and cooperation, increase support for the establishment of foreign investment R&D centers in China to carry out scientific and technological R&D and innovation activities, and better leverage their positive role in serving to build a new development pattern and promote high-quality development, the following measures are formulated:

## **I. Supporting scientific and technological innovation**

1. Improving science and technology innovation services. We will implement tax policies to support science and technology innovation, and support local governments to optimize approval procedures, simplify declaration materials, and provide more convenience for eligible foreign R&D centers in light of their actual conditions. Strengthen guidance and services for foreign-funded research and development centers applying for recognition of high-tech enterprises, organize policy training, strengthen policy publicity and guidance, and encourage and guide foreign investment to invest more in scientific and technological innovation. (The Ministry of Science and Technology, the Ministry of Finance, the Ministry of Commerce, the State Administration of Taxation, the General Administration of Customs, and the provincial people's governments shall be responsible according to the division of responsibilities)
2. Encourage basic research. Support foreign-funded R&D centers to use large scientific research instruments, science and technology reports and related data of major national science and technology programs in accordance with the law. For the new-type research and development institutions established by foreign investment to provide services for the research and development of key common technologies in the region, local governments may provide support in the construction of basic conditions, equipment purchase, personnel supporting services, and operation funds. (The Ministry of Science and Technology, the Ministry of Commerce, the General Administration of Customs and the provincial people's governments shall be responsible according to the division of responsibilities)
3. Promoting industry-university-research coordinated innovation. Institutions of higher learning, research institutes, vocational schools and foreign-funded R&D centers are encouraged to cooperate in technological research and protect intellectual property rights of both sides. Foreign R&D centers are encouraged to carry out technical cooperation with vocational schools, set up training bases, and build joint laboratories and other technological innovation platforms. We will support foreign-funded R&D centers in participating in the achievement transformation and docking, innovation and entrepreneurship platforms set up by local governments. Support foreign-funded R&D centers to set up post-doctoral research workstations in accordance with regulations, and eligible post-doctoral research workstations can independently recruit post-doctoral researchers upon approval. (The Ministry of

Education, the Ministry of Science and Technology, the Ministry of Human Resources and Social Security, and the provincial people's governments shall be responsible according to the division of responsibilities)

4. Supporting the establishment of open innovation platforms. Support foreign investment in the establishment of open innovation platform R&D centers, strengthen land, equipment, infrastructure and other factors, and further promote the platform to integrate technology, talent, capital, industrial chain and other resources with domestic and foreign enterprises, universities and research institutes by providing facilities and equipment, research and development sites and professional guidance, so as to achieve collaborative innovation. Support the application of registration methods such as "one address, multiple photos" and cluster registration for enterprises settled in the platform. (Provincial people's governments are responsible)

5. Improving financial support for science and technology innovation. Financial institutions are encouraged to provide financial support for foreign-funded R&D centers to carry out scientific and technological innovation and engage in basic and cutting-edge research on the premise of controllable risks and commercial sustainability. Local commercial authorities should carry out in-depth research, take the initiative to understand the financing needs and operation of foreign-funded R&D centers in the region, timely share relevant information with financial institutions in accordance with the law, and actively promote financial institutions and foreign-funded R&D centers to carry out "bank-enterprise docking". (The Ministry of Commerce, the People's Bank of China, the China Banking and Insurance Regulatory Commission and the provincial people's governments shall be responsible according to the division of responsibilities)

6. Unblocked channels for participation in government projects. Encourage and support foreign-funded research and development centers to undertake national science and technology tasks, participate in major national science and technology plans, pilot project plans in multiple languages, appropriately extend the deadline for project declaration, and improve the convenience of project declaration. Actively attract qualified foreign R&D centers of scientific and technological experts into the national database of scientific and technological experts and relevant local database of scientific and technological experts to participate in the consultation, evaluation and management of scientific and technological planning projects. (The Ministry of Science and Technology and provincial people's governments shall be responsible according to the division of responsibilities)

## **II. Improve the convenience of research and development**

7. Supporting the cross-border flow of R&D data in accordance with the law. We will implement the Cyber Security Law, Data Security Law, Personal Information Protection Law and other relevant laws and regulations, strengthen cross-border data security management, safeguard national security and public interests, and protect personal information rights and interests. Carry out efficient security assessment of important data and personal information leaving the country, and promote the safe, orderly and free flow of research and development data. (CAC takes the lead, with the Ministry of Industry and Information Technology, the Ministry of Public Security and other departments and provincial people's governments taking responsibility according to their respective responsibilities)

8. Optimize the management process of intellectual property transfer and technology import and export. We will improve the relevant work system for the overseas transfer of intellectual property rights, and guide local governments to complete the supporting system, mechanism connection and process optimization of the overseas transfer of intellectual property rights. We will optimize the management of technology import and export, study facilitating arrangements for cross-border technology transfer within multinational enterprise groups, strengthen policy publicity and interpretation, and provide training and guidance. (The Ministry of Commerce and the State Intellectual Property Office take the lead, and the Publicity Department of the CPC Central Committee, the Ministry of Agriculture and Rural Affairs, the State Forestry and Grass Administration and other departments are responsible according to their respective responsibilities)

9. Optimize the customs clearance and supervision process for scientific research materials. Actively carry out biosafety risk assessment for imported transgenic organisms and biological materials of animals and plants introduced by foreign-funded R&D centers for national and provincial scientific research projects, and provide quarantine approval facilitation arrangements if they meet the requirements. Support the extension of the re-export period for key equipment and test vehicles temporarily imported by foreign-funded R&D centers for research and development purposes. (The General Administration of Customs, the Ministry of Science and Technology, the Ministry of Agriculture and Rural Affairs, the Ministry of Commerce and other departments shall be responsible according to the division of responsibilities)

### **III. Encourage the introduction of overseas talents**

10. Facilitate for overseas talents to work in China. Foreign R&D centers are allowed to apply for a one-time work permit of no more than the term of the labor contract and a work residence permit of no more than 5 years for foreign members of the team, so as to facilitate the long-term residence and permanent residence of overseas talents in China. For overseas high-end talents employed by foreign-funded research and development centers, those who meet the conditions can apply for work permits in such ways as notification commitment and acceptance of capacity and absence. For foreign senior managers appointed by the headquarters of the same multinational company to change work units across provinces, optimize the change or re-application work permit process. (The Ministry of Foreign Affairs, the Ministry of Science and Technology, the Ministry of Human Resources and Social Security, the National Immigration Bureau, and the provincial people's governments shall be responsible according to the division of responsibilities)

11. Encourage overseas talents to apply for professional titles. Establish a green channel for overseas high-end talents and talents in short supply employed by foreign R&D centers to participate in title evaluation, relax qualifications, years and other conditions, allow their overseas work experience, performance results, etc., as the basis for assessment, eligible candidates can directly apply for senior titles. (Ministry of Human Resources and Social Security shall be responsible)

12. Strengthen overseas talent awards and subsidies. We encourage local governments to, in light of development needs and within the scope of their legal authority, provide support to qualified overseas

high-end talents and talents in short supply employed by foreign-funded R&D centers in such areas as housing, children's education, spouse employment, and medical security. Support leading talents and their teams to undertake key R&D projects. (The Ministry of Education, the Ministry of Science and Technology, the Ministry of Human Resources and Social Security, and the provincial people's governments shall be responsible according to the division of responsibilities)

13. Facilitate receipt and payment of cross-border funds for overseas talents. Support financial institutions to facilitate authentic and compliant cross-border fund collection and payment for overseas talents working in foreign-funded R&D centers in accordance with regulations. (The People's Bank of China, the State Administration of Foreign Exchange and provincial people's governments shall be responsible according to the division of responsibilities)

#### **IV. Improve level for the protection of intellectual property rights**

14. Accelerating the improvement of the system of trade secret protection rules. Further clarify the scope of protection of trade secrets, infringement acts and legal responsibilities, improve infringement litigation procedures, and strengthen judicial protection of trade secrets of various market players. (The Supreme People's Court, the Supreme People's Procuratorate, the Ministry of Justice, the Ministry of Public Security, the General Administration of Market Regulation and other departments and units shall be responsible according to the division of responsibilities)

15. Strengthening the construction of intellectual property protection centers. We will further strengthen the establishment of mechanisms for rapid coordinated protection of intellectual property rights, optimize the layout of intellectual property protection centers, and provide enterprises, including foreign-funded research and development centers, with one-stop comprehensive services integrating rapid review, quick confirmation of rights, and quick protection of rights. (State Intellectual Property Office)

16. Improving intellectual property law enforcement. The system of punitive damages for intellectual property infringement will be fully implemented. Give play to the role of the administrative adjudication system for patent infringement disputes, and strengthen the enforcement of administrative adjudication. We will continue to carry out special rectification actions against illegal intellectual property rights violations such as malicious trademark registration and imitation, patent infringement, and online piracy. (The Supreme People's Court, the Supreme People's Procuratorate, the Publicity Department of the CPC Central Committee, the General Administration of Customs, the General Administration of Market Regulation, the State Intellectual Property Office and other departments and units shall be responsible according to the division of responsibilities)

The Ministry of Commerce and the Ministry of Science and Technology will, together with other relevant departments and units, strengthen organizational support in accordance with the division of responsibilities, strengthen coordination and cooperation, do a good job in policy publicity, formulate supporting policies in a timely manner, and ensure that relevant measures are effective. All localities should optimize management and services in light of actual conditions, promote the implementation of relevant measures, and ensure that eligible foreign-funded R&D centers enjoy various support policies in

accordance with the law. Important work progress, existing problems and experience practices shall be reported to relevant authorities in a timely manner.