

Opinions of the State Council on Further Optimizing the Foreign Investment Environment and Increasing the Attraction of Foreign Investment

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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:

Actively attracting and utilizing foreign investment is an important part of promoting high-level opening-up and building a new open economy system. In order to further optimize the foreign investment environment, improve the level of investment promotion work, and increase the efforts to attract foreign investment, the following opinions are proposed.

I. Overall requirements

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implement the spirit of the 20th National Congress of the Communist Party of China, adhere to the general principle of seeking progress while maintaining stability, completely, accurately and comprehensively implement the new development concept, build a new development pattern, promote high-quality development, better coordinate the overall domestic and international situations, create a market-oriented, law-based and international first-class business environment, give full play to the advantages of China's super-large-scale market, attract and utilize foreign investment more vigorously and effectively, making a contribution for promoting high-level opening-up and building a modern socialist country in an all-round way.

II. Improving the Quality of Utilizing Foreign Capital

1. Increase efforts to attract foreign investment in key areas. Support foreign investment in establishing research and development centers in China, collaborate with domestic enterprises to carry out technology research and industrialization applications, and encourage foreign investment enterprises and their established research and development centers to undertake major scientific research projects. On the premise of complying with relevant laws and regulations, accelerate the landing and production of foreign-invested projects in the field of biopharmaceuticals, encourage foreign-invested enterprises to carry out clinical trials of overseas listed cell and gene therapy drugs in China in accordance with the law, and optimize the application process for registration of drugs that have been transferred from overseas production to domestic production. Support foreign invested enterprises in fields such as advanced manufacturing, modern services, and digital economy, as well as various vocational colleges (including technical colleges) and vocational training institutions to carry out vocational education and training.

2. Give full play to the leading and driving role of the comprehensive pilot demonstration of expanding the opening up of the service industry. Connect with international high standard economic and trade rules, and increase the pilot and demonstration efforts for expanding the opening up of the service industry. Encourage the development of combined pledge financing for intellectual property, equity, and

related physical assets, and support the standardized exploration of intellectual property securitization. Orderly increase the pilot areas for equity investment and venture capital share transfer. We will steadily increase the opening of value-added telecommunications services in pilot areas such as domestic internet virtual private network services (with a foreign equity ratio of no more than 50%), information service services (limited to application stores, excluding online publishing services), and internet access services (limited to providing users with internet access services).

3. Expand channels for attracting foreign investment. Encourage eligible foreign investors to establish investment companies and regional headquarters. Enterprises established by relevant investment companies can enjoy the treatment of foreign-invested enterprises in accordance with relevant national regulations. Deepen the implementation of qualified foreign limited partner (QFLP) domestic investment pilot projects, establish and improve the QFLP foreign exchange management facilitation system, and support direct domestic related investments with the raised overseas RMB.

4. Support gradient transfer of foreign-invested enterprises. Relying on various open platforms such as free trade pilot zones, national level new areas, and national level development zones, we encourage the eastern region, the central, western, and northeastern regions, as well as border areas, to explore and collaborate on industrial transfer through sharing mechanisms such as output value and benefits. Foreign invested enterprises that conduct overall gradient transfer within China shall be supervised based on the customs credit rating obtained in the original location.

5. Improve the mechanism for promoting the construction of foreign-funded projects. Establish a specialized mechanism for major and key foreign investment projects, strengthen factor support, policy support, and service guarantee, and promote early signing, landing, construction, and production of foreign investment projects. Introduce policies and measures to promote green power consumption, and support foreign invested enterprises to participate more in green certificate trading and cross provincial and cross regional green power trading.

III. Ensuring national treatment for foreign-invested enterprises

6. Ensure that foreign-invested enterprises participate in government procurement activities in accordance with the law. Promptly introduce relevant policies and measures to further clarify the specific standards for "production within China". Research and innovate collaborative procurement methods, and support foreign invested enterprises in innovating and developing globally leading products in China through measures such as first purchase ordering. Promote the acceleration of the revision of the Government Procurement Law. Carry out special inspections to ensure the fair participation of business entities in government procurement activities, investigate and punish illegal and irregular behaviors such as differential treatment of foreign-invested enterprises in accordance with the law, and timely report typical cases. Foreign invested enterprises may raise doubts and complaints in accordance with regulations if they believe that government procurement activities have harmed their rights and interests. Financial departments at all levels shall accept and handle them fairly in accordance with the law.

7. Support foreign-invested enterprises to participate equally in the formulation of standards in accordance with the law. Promote the disclosure of information throughout the entire process of

standard formulation and revision, and ensure that foreign-invested enterprises and domestic enterprises participate equally in the standardization technical committee and standard formulation work in accordance with the law. Encourage foreign-invested enterprises to develop enterprise standards themselves or jointly with other enterprises, and carry out standardized services. Promote national level service industry standardization pilot projects in comprehensive pilot demonstration areas for expanding the opening up of the service industry.

8. Ensure that foreign-invested enterprises enjoy equal support policies. The policies introduced by various regions to support industrial development and expand domestic demand shall not exclude or discriminate against foreign-invested enterprises and their products and services by limiting brands or using foreign brands as grounds, unless explicitly stipulated by laws and regulations or involving national security fields. Foreign invested enterprises and their products and services shall not enjoy additional conditions set by the policies.

IV. Continuously strengthening the protection of foreign investment

9. Improve the mechanism for protecting the rights and interests of foreign investment. Improve the mechanism for responding to international investment disputes, consolidate the main responsibility, strengthen dispute prevention, and properly handle international investment disputes. We will resolutely crack down on malicious speculation that infringes on the legitimate rights and interests of foreign investment through online publication, dissemination of false, untrue, and infringing information, and strictly investigate and punish relevant responsible institutions and individuals in accordance with the law. Establish and improve the complaint coordination mechanism for provincial-level foreign-invested enterprises, and promote the resolution of issues involving multiple departments or policy and institutional issues.

10. Strengthen administrative protection of intellectual property rights. Improve the administrative ruling system for patent infringement disputes and increase the enforcement of administrative rulings. Support various regions to rely on exhibition intellectual property workstations to accept intellectual property applications for exhibited products such as copyrights, patents, and trademarks, and provide effective measures to prevent infringement. Strengthen the protection of intellectual property rights in the procurement of drugs and medical consumables. Enterprises participating in procurement activities must independently promise that there will be no violations of patent laws and regulations. For products involving intellectual property disputes, relevant departments should strengthen communication and consultation, and carry out procurement activities in accordance with laws and regulations; For products that have been determined as patent infringement by administrative rulings of the intellectual property department or effective judgments of the people's court, timely measures such as not purchasing or canceling the selection qualification shall be taken.

11. Intensify administrative enforcement of intellectual property rights. Resolutely crack down on infringement of intellectual property rights of foreign-invested enterprises, and carry out special law enforcement actions against cross regional and chain based infringement violations. Improve the mechanism for rapid collaborative protection of intellectual property rights, accelerate the processing of

cases with clear facts and conclusive evidence in accordance with the law, establish and improve an integrated online and offline law enforcement mechanism, and appropriately simplify procedural requirements.

12. Standardize the formulation of foreign economic and trade policies and regulations. The formulation of various foreign economic and trade policies and measures should focus on enhancing transparency and predictability, listening to the opinions of foreign-invested enterprises in accordance with the law, and setting a reasonable transition period for newly introduced policies and measures.

V. Improve the level of investment and operation facilitation

13. Optimize the residence suspension policy for foreign employees of foreign-invested enterprises. Continuously optimize entry and exit policies and measures, and provide convenience for foreign executives, technical personnel, and their families of foreign-invested enterprises to enter, exit, and stay. Guide my embassies and consulates in key investment attracting countries or regions to continue providing convenience for multinational company executives to apply for visas, and timely promote my entry policies through business institutions stationed abroad. Provide convenience for foreign senior management and technical talents hired and recommended by qualified foreign-invested enterprises to apply for permanent residence. Improve the convenience of using foreigners' permanent residence identity cards in scenarios such as public transportation, financial services, medical security, and internet payments.

14. Explore a convenient cross-border data flow security management mechanism. Implement the requirements of the Cybersecurity Law, the Data Security Law, and the Personal Information Protection Law, establish green channels for qualified foreign-invested enterprises, efficiently carry out exit security assessments of important data and personal information, and promote the orderly and free flow of data security. Support Beijing, Tianjin, Shanghai, Guangdong Hong Kong Macao Greater Bay Area and other places in implementing systems such as data exit security assessment, personal information protection certification, and personal information exit standard contract filing, pilot exploration of the formation of a general data list that can flow freely, construction of service platforms, and provision of cross-border data flow compliance services.

15. Coordinate and optimize law enforcement inspections for foreign-invested enterprises. We will coordinate the promotion of "double randomness, one disclosure" regulation and credit risk classification management, and further reduce the proportion and frequency of spot checks on foreign-invested enterprises with low credit risk. Support areas with conditions to coordinate enterprise law enforcement inspections such as safety production, environmental protection, and product quality, and achieve "one visit, multiple inspections".

16. Improve the service guarantee for foreign-invested enterprises. Establish and improve the roundtable conference system for foreign-invested enterprises. Establish and improve a linkage and coordination mechanism for major and key foreign-funded projects at all levels, and promptly coordinate and solve difficulties and problems encountered in project signing, construction, and production. Do a good job in issuing certificates of origin for free trade agreements, and provide convenience for foreign-invested

enterprises to enjoy tariff reduction policies.

VI. Increase financial and tax support

17. Strengthen the guarantee of foreign investment promotion funds. By coordinating and increasing support for iconic foreign investment projects through the central special fund for foreign economic and trade development, we aim to promote the speedy implementation of projects. Improve the use of foreign investment promotion funds by local governments at all levels, and increase the efforts to attract investment in key industrial chains. Support regions to provide support for investment projects of key multinational corporations within their legal jurisdiction.

18. Encourage foreign invested enterprises to reinvest in China. Implement the policy of temporarily exempting withholding income tax from reinvestment of profits obtained by foreign investors in China, increase publicity and guidance efforts, guide local commercial and tax departments at all levels to refine the scope of policy application, application materials, and procedures, and do a good job in specific implementation work.

19. Implement relevant tax preferential policies for foreign-invested enterprises. Counseling helps foreign individuals enjoy preferential policies such as housing subsidies, language training fees, and children's education fees in accordance with relevant national regulations. Guide and assist foreign R&D centers to enjoy the support of technology innovation import tax policies and value-added tax refund policies for purchasing domestic equipment in accordance with relevant national regulations.

20. Support foreign invested enterprises to invest in areas encouraged by the state for development. Support regions to implement supporting incentive measures for foreign-invested enterprises that comply with the provisions of the Catalogue of Industries Encouraging Foreign Investment within their legal jurisdiction. Implement supporting policies and measures related to the tax exemption of imported equipment for encouraged foreign investment projects.

VII. Improve the promotion methods for foreign investment

21. Improve the mechanism for attracting investment. Carry out the "Investment in China Year" series of activities, continue to build the "Investment in China" brand, establish and improve work mechanisms, and guide and serve local governments in promoting foreign investment. Encourage regions with conditions to establish investment promotion cooperation mechanisms with relevant countries or regions, and adopt various forms to build investment promotion platforms. Encourage regions to explore more effective and flexible employment mechanisms and salary systems for non-civil servants and non-public service positions in foreign investment promotion departments and teams. Through cross regional, cross level, and cross departmental adjustments, strengthen the staffing of foreign investment promotion personnel, accelerate the establishment of a diversified foreign investment promotion work system, and promote the formation of flexible and efficient coordination and linkage mechanism of multiple parties participate for promoting foreign investment, such as governments, investment attraction institutions, business associations, intermediary agencies and leading enterprises in the industrial chain.

22. Facilitate overseas investment promotion work. Support investment promotion groups from various

regions to carry out activities such as attracting investment and participating in exhibitions overseas on a regular basis, and invite foreign investors to invest and negotiate in China. For major and key foreign-funded projects, multiple round-trip business visas shall be issued to foreign personnel related to the project according to work needs.

23. Expand channels for promoting foreign investment. Strengthen the connection between our embassy and consulate and key enterprises stationed in countries or regions, and promote investment opportunities in China. Support various regions to strengthen communication with the Ministry of Commerce and the China Council for the Promotion of International Trade's foreign economic, trade and investment promotion agencies, better leverage the role of investment promotion agencies (representative offices) established overseas in this region, and strengthen contact and cooperation with overseas economic, trade and investment promotion agencies.

24. Optimize the evaluation of foreign investment promotion. Establish a sound evaluation system for the effectiveness of foreign investment promotion, pay attention to the actual contribution of attracting investment to economic and social development, prevent using statistical data on the scale of attracting investment and the actual amount of investment as the basis for assessment and rewards and punishments for relevant enterprises and personnel, and effectively prevent foreign investment promotion from "water injection" fraud and vicious competition behavior.

VIII. Strengthen organizational implementation

All provinces, autonomous regions, municipalities, departments, and relevant units should resolutely implement the decisions and deployments of the Party Central Committee and the State Council, improve their political standing, effectively optimize the foreign investment environment, increase efforts to attract foreign investment, and fully achieve the goal of using foreign investment to promote stability and quality. Encourage various regions to introduce supporting measures tailored to local conditions and enhance policy synergy. The Ministry of Commerce should strengthen guidance and coordination with relevant departments and units, promote policies, timely implement policy measures, create a more optimized investment environment for foreign investors, and effectively boost foreign investment confidence.

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