

China Implements Foreigner Work Permit Scheme Nationwide

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On 28th March 2017, the State Administration of Foreign Experts Affairs (Hereinafter 'SAFEA') promulgated "the notice to implement foreigner work permit scheme nationwide" (Waizhuanfa [2017] No.40, hereinafter 'the notice'), jointly with Ministry of Foreign Affairs, Ministry of Human Resource and Social Security as well as Public Security Bureau. Keeping in line with governmental service optimization, the notice sets up a standardized and specified regime so as to realize a tight connection with work permit, visa and residence permit, implementing a classification management.

BACKGROUND

On 27th September 2016, SAFEA promulgated "the notice about new pilot scheme on foreigner work permit" (Waizhuanfa [2016] No.151, hereinafter 'the pilot scheme')¹, confirming that from October 2016 to March 2017 the pilot scheme would be executed in selected areas include Beijing, Tianjin, Hebei, Shanghai, Anhui, Shandong, Guangdong, Sichuan, Yunan and Ningxia. Meanwhile the unselected areas shall draw up related working plans and work on preparation for nationwide implementation.

Based on the practice results of pilot scheme, the notice adjusts the classification standard and further clarifies some issues in practice.

HIGHLIGHTS

By integrating points-based system, catalogue for the guidance of foreigners working in China and labour market test as well as quota management, the notice carries out a three-tiered classification. Compared with pilot scheme, the notice further emphasizes the income aspect and relieves the restriction over age. Moreover, achieving the points is neither the prerequisites nor the only standard for tier classification. As shown in Graph 1, it is possible to be recognized as foreign top talents (Tier A) if foreigners satisfy one of the conditions shown as follows.

【Graph 1, Classification】

Classification	Conditions
Foreigner Top Talents (Tier A)	1) Selected into the talent introduction programme 2) Meets professional standards with international recognition For example: Experience as senior management position and technology research core member in headquarter of world top 500 companies, Vice president or above management position, technology research representative of second-class enterprises or regional headquarter. As well the experience as senior management

¹ For details, please refer to 'New Pilot Scheme on Foreigner Work Permit in China'.
http://rmb.bk.mufg.jp/files/topics/419_ext_02_en_0.pdf

	<p>position in international famous financial institutions, accounting firms.</p> <p>3) Meets market-oriented standards under encouraged category 'Foreigner talents whose annual income and individual income tax achieve standard' in pilot scheme is adjusted to 'Foreigner talents whose average income is not lower than 6 times as social average income last year in that region'.</p> <p>4) Highly innovative talents Senior management or technical staffs who are employed by institutions that are on innovation enterprise list or innovation occupation list made by provincial departments. (New definition)</p> <p>5) Superior youth talents Youth talents whose age is under 40 and works on postdoctoral research at high-level university in mainland or overseas. (Modified definition)</p> <p>6) Scoring 85 points or above</p>
Foreigner Professional Talents (Tier B)	<p>1) Foreigner professional talents who possess bachelor degree or above with 2 years above related working experience and satisfy one of the below conditions: Conditions included:</p> <ul style="list-style-type: none"> ➤ Management or professional technicians who works on research, teaching and management in areas of education, scientific research, media, publishing, culture, art, health and sports. ➤ Dispatched employees with intermediate grade or above of MNCs, chief representatives and representatives of Foreign institution's representative offices in China. ➤ Management or technicians employed by all types of enterprises, institutions and social organizations. <p>2) Technical talents who are in urgent demand or equipped with international professional certification on technique (New)</p> <p>3) Academic talents who teaches foreign languages</p> <p>4) Foreigner talents whose average income is not lower than 4 times as average income last year in that region (New)</p> <p>5) Professionals and project staffs who comply with relevant provisions</p> <p>6) Scoring 60 points or above</p>
Others (Tier C)	<p>1) Foreigners who comply with China's current working management rules</p> <p>2) Foreigners who provides temporary (within 90 days) or seasonal work</p> <p>3) Foreigners who are under quota management, including foreigner teenagers on internship under governmental agreements, foreigner students, overseas foreigner graduates and foreigner workers for ocean fishing</p>

※For related average income, please refer to the statistics or data of former fiscal year that released by the authority of statistics. The latest statistics shall be released around May this year.

Compared with classification standard of world famous artists or research professionals, it shall be better for MNCs employees to adopt points-based system as a break point to apply for work permit, even if the points-based system is not the only standard. On the other hand, the notice increases the weight of working experience (rose from 15 points to 20 points) and respectively reduces the proportion of Chinese language ability (reduced from 10 points to 5 points), as well added the new items such as 'held Chinese nationality once before', 'possessed with intellectual property such as patent' and 'working consecutively 5 years or above in China'. For details of points-based table please refer to Appendix.

COMMENTS

The Notice, which is put into practice nationwide, has brought out influence on foreigners who work in China especially for the ones who are to begin their working in China from April this year. The processing time for work permit may be extended as there are some practical issues still need to be resolved.

According to related authority, the notice is released to verify some practical problems on work permit issuing, neither raising the threshold nor restricting the foreigner employment. Plus, specific issues are suggested to directly consult authority at local level, who are delegated to make decision in practice. We will keep following the latest movement and transmit information in a timely manner.

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[Appendix]Points-based Table (Trial version)

Item	Criteria	Points
Directly qualified	Elected into talents introduction programme or recognized as professional deem meeting international standards	-
	Positions that are encouraged and meets market-oriented standards	-
	Highly innovative talents; Superior youth talents	-
Annual salary paid by employer in mainland China (Unit: RMB) (Maximum 20 points)	450K or above	20
	[350K, 450K)	17
	[250K, 350K)	14
	[150K, 250K)	11
	[70K, 150K)	8
	[50K, 70K)	5
	<50K	0
Academic level or international professional certification (Maximum 20 points)	PhD; Possess top level technical certification in international standard or senior technician or equivalent	20
	Master; Technician or equivalent	15
	Bachelor; Senior worker or equivalent	10
Related working experience (Maximum 20 points)	1 point added per year when over 2 years	Max 20
	2 years	5
	< 2 years	0
Working hours per year (Maximum 15 points) (Unit: Month)	9 months or above per year	15
	[6,9)	10
	[3,6)	5
	<3 months	0
Chinese language ability (Maximum 5 points)	Foreigner who possessed Chinese nationality once before	5
	Obtain Bachelor degree or above and Chinese is used as the teaching language	5
	HSK Level 5 or above	5
	HSK Level 4	4
	HSK Level 3	3
	HSK Level 2	2
Working area (Maximum 10 points)	Western region	10
	Old industrial bases as North-eastern region	10
	Counties in central region meeting state-level poverty standards	10
Age (Maximum 15 points)	[18,26)	10
	[26,46)	15
	[46,56)	10
	[56,60]	5
	>60	0
Graduation from world famous university out of boundary / Working experience in top 500 (Maximum 5 points)	Graduation of high-level university overseas	5
	Working experience in top 500	5
	Possess intellectual property such as patent	5
	Working consecutively in China for 5 years or above	5
Bonus points at local level (Maximum 10 points)	Talents in great demand at local level (Criteria in detail made by SAFEA at provincial level)	0-10