

Regulations of Shenzhen Special Economic Zone on Foreign Investment

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Chapter I General Provisions

Article 1 In order to promote foreign investment, protect the legitimate rights and interests of foreign investors, regulate the administration of foreign investment, continuously improve the business environment for foreign investors, and advance the opening-up of the Shenzhen Special Economic Zone to a higher level, these Regulations are formulated in accordance with the basic principles set out in laws and administrative regulations

such as the *Foreign Investment Law of the People's Republic of China* and *Implementing Regulations for Foreign Investment Law of the People's Republic of China*, and in the light of the actual circumstances of the Shenzhen Special Economic Zone (hereinafter referred to as the "Special Zone").

Article 2 These Regulations shall apply to the foreign investment within the Special Zone as well as to the promotion, protection, administration, services and other activities of foreign investment.

Article 3 The principles of openness, cooperation, fair competition, stability, transparency, freedom and facilitation shall be upheld, the system for foreign investment management based on pre-establishment national treatment and negative list shall be implemented, and foreign investors shall be encouraged to increase their investment in the Special Zone to prompt the creation of a new landscape in all-around opening-up.

Article 4 The municipal and district people's governments shall enhance the organization and leadership over foreign investment, formulate measures for foreign investment promotion and facilitation, implement the national security review system for foreign investment, and make overall plans, coordinate and solve significant problems in the work concerning foreign investment.

The commerce departments and other relevant departments

shall, in accordance with the assignment of responsibilities, take charge of the promotion, protection, administration, services and other activities of foreign investment.

Article 5 The municipal and district people's governments shall establish and improve the service mechanism for the protection of the rights and interests of foreign-invested enterprises, and provide business guidelines, policy communications, investment consulting, complaint coordination and other services for foreign-invested enterprises.

Article 6 The municipal and district commerce departments and other departments shall innovate investment attraction methods and models, ramp up the publicity of the investment environment, and boost foreign investment by organizing investment fairs, trade fairs, etc.

All districts are encouraged to carry out foreign investment promotion activities based on their distinctive advantages and industry characteristics.

Article 7 The municipal department of commerce shall, together with the municipal foreign affairs authority and other departments, make overall plans, and provide guidance and services for foreign investment promotion activities carried out overseas by Shenzhen.

The Special Zone shall strengthen exchanges and cooperation in investment, economy and trade with international

friendship cities, friendship organizations and other cities and regions outside China, and ramp up communication and cooperation with overseas investment promotion organizations with an office in Shenzhen, etc.

Foreign-invested enterprises and overseas Chinese businessmen shall be encouraged to publicize and promote the business environment and industrial policies of Shenzhen overseas.

Article 8 Foreign-invested enterprises shall be encouraged to increase investment, expand production capacity, increase investment in research and development (R&D), and accelerate technical and industrial upgrades.

Chapter II Investment Access

Article 9 The municipal and district commerce departments shall, in line with the characteristics of Shenzhen (industrial layout, strategic positioning of districts, etc.), step up macro planning and guidance for foreign investment, expand the scale of utilization of foreign investment, and improve the quality of utilization of foreign investment.

Article 10 The management system of negative list for foreign investment access shall be implemented pursuant to the law. The formulation of restrictions or prohibitive measures for

foreign investment access beyond the negative list for foreign investment access released by the State is prohibited.

The negative list for pilot free trade zones released by the State shall apply to the Qianhai-Shekou Area of Shenzhen.

Article 11 The areas not included in the negative list for foreign investment access shall be administered under the principle of equality between domestic and foreign investment, and access by foreign investors and domestic-funded enterprises shall be granted on equal conditions.

With regard to items in need of access permission as set out in the negative list for market access released by the State, relevant departments shall, at the request of foreign investors, decide whether to grant access to foreign investors according to laws and regulations.

Article 12 Foreign investors shall be encouraged and guided to invest in the projects listed in the *Catalog of Encouraged Industries for Foreign Investment* released by the State as well as in the key development fields of Shenzhen. Foreign investors shall be encouraged and guided to invest in key development fields such as advanced manufacturing, emerging industries, high and new technologies, energy conservation and environmental protection.

Chapter III Investment Facilitation

Article 13 The municipal department of commerce shall, together with other relevant departments, encourage foreign investors to set up regional headquarters and functional organizations of multinational companies in the Special Zone, by optimizing measures regarding funding, talents, logistics, customs clearance, etc., and support them in aggregating business, expanding functions and upgrading such organizations to Asia-pacific headquarters and global headquarters.

The Special Zone shall encourage foreign investors to establish investment companies, support investment companies in carrying out investment activities in accordance with the law, and provide facilitations for their equity transactions and capital inflows and outflows.

Article 14 The municipal and district people's governments shall, within the statutory authority, formulate investment facilitation policies regarding fee reduction and exemption, land use, public service supply and other areas for foreign-invested projects that make significant contributions to employment promotion, economic development and technological innovation, and implement fiscal, tax, financial, land use and other preferential policies pursuant to the law.

Article 15 The municipal departments of commerce, planning & natural resources, housing & development, etc. shall

establish and improve the classified and graded management mechanism for industrial housing, step up the guidance and coordination for use of industrial housing by foreign-invested enterprises, and stabilize reasonable expectations for use of industrial housing by foreign-invested enterprises.

Article 16 The Special Zone shall support the construction of foreign-invested enterprise agglomeration parks focused on key industries and fields to attract significant foreign investment projects.

The departments of scientific and technological innovation, planning & natural resources, housing & development, etc. shall regulate the administration of industrial parks based on their respective functions and duties, timely discard the unreasonable provisions and practices connected with the nature of enterprises, and safeguard the equal access to preferential policies and convenient services by foreign-invested enterprises in the parks.

Article 17 Banking financial institutions shall be encouraged to increase the application of financial technology, provide foreign-invested enterprises with facilitations in foreign-related receipts and payments and electronic settlement services, explore the implementation of facilitation measures for foreign exchange purchase by foreign employees with local salaries, and promote the construction of the all-in-one domestic and foreign currency banking settlement account system.

Article 18 The Special Zone shall support financial institutions in providing facilitations for foreign-invested enterprises to carry out cross-border financing in domestic and foreign currencies in accordance with the national cross-border financing management policies. Foreign-invested enterprises may go through the formalities for registration, change and cancellation of basic information for domestic direct investment with banks in designated areas.

Article 19 For foreign investors or foreign-invested enterprises to handle matters relating to business activities, if the relevant person is unable to be present or unable to provide the original materials on site due to special circumstances, the relevant departments and agencies may provide services by adopting the following convenient methods:

(I) Where there is a need for on-site handling by the relevant overseas person, online handling or other alternative methods may be adopted;

(II) Where there is a need to use an overseas certificate, permit, license or other documentation, facilitation may be provided by accepting notarized or certified document, etc.

Chapter IV Protection of Rights and Interests

Article 20 The municipal and district people's governments

and their relevant departments shall give equal treatment to foreign-invested enterprises in accordance with the law in terms of land supply, tax reduction and exemption, qualification and licensing, project application, professional title evaluation, human resource management, government procurement, response to natural disasters and public health emergencies, etc.

Article 21 The Special Zone shall protect the intellectual properties of foreign investors and foreign-invested enterprises equally according to the law, establish and improve the rapid coordination mechanism for cross-regional and cross-sectoral protection of intellectual properties as well as the administrative law enforcement protection system for intellectual properties, and deal with the acts infringing upon the intellectual property rights owned by foreign investors and foreign-invested enterprises according to the law.

The municipal and district people's courts shall timely accept and examine the application for property preservation, evidence preservation, and act preservation involving intellectual property rights of foreign investors and foreign-invested enterprises. Where the infringement upon intellectual property rights is intentional and severe, punitive compensation shall be applied in accordance with the law.

Article 22 Foreign investors and foreign-invested enterprises shall be encouraged to carry out technical

cooperation with institutions of higher learning, scientific research institutions, industry associations and other organizations on the basis of voluntary participation and business rules. The conditions for technical cooperation such as liability for technical infringement and ownership of improved technology shall be determined by the parties to the cooperation through equal consultations pursuant to the law. Where the law provides otherwise, such provisions shall prevail.

Article 23 The Special Zone shall ensure the equal participation of foreign-invested enterprises in the formulation and amendment of local standards according to law. With regard to the formulation of local standards closely associated with the production and operation of foreign-invested enterprises, the Special Zone shall listen to the comments of foreign-invested enterprises and may, based on actual needs, provide an English (or other languages) translation or abstract of the draft standard to invite their comments.

Foreign-invested enterprises shall be encouraged to formulate enterprise standards higher than the relevant technical requirements as set out in recommended standards at the internationally advanced level, and shall be guided to transform scientific and technological innovation achievements into enterprise standards.

Foreign-invested enterprises may recommend their experts

in relevant fields to join municipal standardization technical committees. Experts of foreign-invested enterprises shall be encouraged and supported to participate in the national standardization technical committees or standardization technical committees of Guangdong Province.

Article 24 In formulating local regulations, rules and normative documents concerning foreign investment, the drafting department shall, in the light of the actual circumstances, listen to the comments and suggestions of foreign-invested enterprises as well as related chambers of commerce and industry associations, by means of inviting comments in writing or convening symposiums, etc., and establish and improve the feedback mechanism for the adoption of comments and suggestions.

In formulating normative documents closely related to the production and operation activities of foreign-invested enterprises, a necessary adaptation and adjustment period shall be provided for foreign-invested enterprises, except for those otherwise prescribed by the State or those that, without immediate enforcement, may hinder its later enforcement.

When issuing local regulations, rules and normative documents closely related to foreign investment, the relevant functional departments shall effectively carry out publicity and interpretation, and may provide corresponding translations in

English or other languages according to the actual circumstances.

Article 25 The municipal department of commerce shall, together with the relevant departments, review the prevailing laws, rules, and normative documents of Shenzhen involving foreign investment in light of the new circumstances and new requirements, and submit amendment suggestions to the relevant departments as to those not in line with the promotion of foreign investment and protection of the legitimate rights and interests of foreign investors according to the procedures.

Article 26 The municipal department of commerce shall be responsible for handling complaints from foreign-invested enterprises and their investors, accepting foreign investors' complaints involving municipal management powers, with great influence, forwarded by the superior departments and inter-district complaints, and circulating the complaint handling results on a regular basis.

The people's governments of all districts shall designate departments to accept the complaints lodged by foreign-invested enterprises within their respective jurisdictions and the complaints of foreign investment enterprises forwarded by the municipal department of commerce.

Where a foreign-invested enterprise or its investor holds that the administrative act of an administrative agency in

Shenzhen or the administrative agency's staff infringes upon its legitimate rights and interests, it may apply for coordination and settlement in accordance with the provisions of the State on the complaint handling mechanism for foreign-invested enterprises, and may also apply for administrative reconsideration or institute administrative litigation in accordance with the law.

Article 27 The departments in charge of handling foreign investors' complaints shall prompt the realization of whole-process online handling of complaints, and promote cross-district, cross-departmental and cross-level data sharing and business collaboration in handling complaints of foreign-invested enterprises.

A complainant shall submit written materials pursuant to the relevant provisions for a complaint raised by it. Where such materials are incomplete, the department in charge of handling foreign investors' complaints shall, within five working days from receipt of the materials, notify the complainant in writing once and for all to make supplementation or correction within 15 working days.

The department in charge of handling foreign investors' complaints shall, within five working days from the receipt of complete materials, decide whether to accept the complaint. Where it decides to accept the complaint, it shall make a handling decision within 20 working days from the date on

which the acceptance decision is made; where the matter is complicated and an extension of time is required, a handling decision shall be made within 50 working days from the date of acceptance decision and the complainant shall be notified of the reason for that. Where the complaint is not accepted, a notice of non-acceptance shall be issued to the complainant within five working days, with the reason (s) for non-acceptance stated.

Article 28 International diverse dispute resolution mechanisms such as reconciliation, mediation, arbitration, administrative adjudication, administrative reconsideration and litigation shall be established and improved to provide convenient and efficient dispute resolution channels for foreign investors and foreign-invested enterprises.

The joint mediation mechanism for commercial disputes shall be improved, and the mediatory role of mediators from foreign countries or Hong Kong SAR, Macao SAR and Taiwan Province in foreign-related disputes shall be used, so as to promote the efficient resolution of foreign-related commercial disputes.

The Special Zone shall support arbitration agencies in exploring mechanism innovation, drawing upon international commercial arbitration practices, improving arbitration rules suitable for foreign investment in accordance with the law, raising the levels of internationalization of arbitration of

commercial disputes, and providing independent, fair, professional and efficient arbitration services.

Chapter V Government Services

Article 29 The municipal and district people's governments shall establish a foreign investment promotion service system that is led by the government and joined by multiple parties such as professional agencies, chambers of commerce, associations and enterprises so as to provide all-round and precise investment promotion services to foreign investors and foreign-invested enterprises.

The municipal department of commerce shall, through the foreign investment promotion service information platform, ramp up the integration of foreign investment policies, set out in a centralized manner the laws, regulations, rules, normative documents, policies and measures and investment project information relating to foreign investment, and provide information consulting, project matchmaking and other services for foreign investors and foreign-invested enterprises.

Article 30 The municipal and district commerce departments shall, together with other relevant departments, regularly draw up and issue guidelines for foreign investment and update them in a timely manner.

The guidelines for foreign investment shall include basic economic and social conditions of Shenzhen, investment environment of key areas, advantageous fields, etc., as well as other elements such as service guides for foreign investors, information on investment promotion projects and relevant information.

Article 31 The municipal and district commerce departments shall advance standardized handling of government services pertaining to foreign investment, formulate and make public the municipal and district catalogs of government services pertaining to foreign investment and service guides.

A service guide shall specify the following information in respect of each government service item:

- (I) Conditions and procedures for handling;
- (II) A list of required materials;
- (III) Conditions for acceptance in absence of secondary materials;
- (IV) Steps and time limit for handling;
- (V) Charging standards;
- (VI) Contact information;
- (VII) Complaint channels.

Article 32 The municipal department of commerce may engage a third-party professional agency to conduct special assessment of Shenzhen's business environment for foreign

investors on a regular basis, and announce the assessment results to the public.

Article 33 The municipal department of commerce shall establish and improve the service system for significant foreign-invested projects, improve the follow-up service mechanism for significant foreign-invested projects, conduct ledger-based management, and provide whole-process follow-up services. For a project included in the list of significant foreign-invested projects, the municipal department of commerce shall, by establishing a green channel or otherwise, coordinate and promote matters such as access, planning, land use, environmental protection, energy use, construction, foreign exchange, etc. to support project construction and development.

Article 34 The municipal and district people's governments may introduce incentive measures for investment promotion and incorporate the results of investment promotion and service achievements into performance evaluation and incentives.

Social organizations, investment promotion agencies and foreign-invested enterprises of relevant categories shall be encouraged to introduce foreign investment projects in line with the municipal and district directions of industrial development. The districts concerned may grant rewards according to the actual situations of the introduced projects.

Article 35 Foreign investors shall be encouraged to

establish R&D and innovation centers, foreign-invested R&D headquarters, open innovation platforms and others, and foreign-invested enterprises shall be supported in stepping up independent R&D. Multinational companies shall be encouraged to establish joint R&D institutions with other enterprises, institutions of higher learning and scientific research institutions to carry out R&D cooperation. The Special Zone shall support world-renowned foreign enterprises, institutions of higher learning and scientific research institutions in creating branches in Shenzhen by providing them with relevant preferential policies to promote the realization and commercialization of significant scientific and technological achievements.

Large research equipment and facilities and significant scientific and technological infrastructure under unified administration of Shenzhen's research facilities and equipment sharing service platform shall be made equally available to and shared by foreign-invested enterprises according to the relevant municipal provisions on promoting the administration of sharing of large scientific equipment and facilities. Foreign-invested enterprises shall equally participate in the construction of municipal public R&D service platform, government science and technology projects and application for key laboratories, and shall be entitled to supporting policies.

The municipal and district departments of scientific and technological innovation shall provide foreign-invested enterprises with training, guidance and services concerning the policies on the identification of high and new technology enterprises, and support eligible foreign-invested enterprises in applying for being identified as such enterprises.

Article 36 The municipal and district commerce departments shall ramp up the training of foreign-related commercial talents, enhance the training in foreign investment promotion, periodically organize relevant training activities centered on the promotion, protection, administration, etc. of foreign investment, and improve the professionalism of foreign investment promotion personnel.

Article 37 The municipal and district people's governments and their relevant departments shall establish and improve the communication mechanism between government and foreign-invested enterprises, extensively invite comments and suggestions from foreign-invested enterprises through regular consultations, hotline services, etc., provide full-process services for significant projects and key enterprises, track the entire process throughout project negotiation, contract signing, registration and operation, and keep updated on and promptly help enterprises coordinate and solve problems encountered in their production and operation.

Article 38 The municipal departments of commerce and market regulation shall provide guidance for the submission of investment information by foreign investors or foreign-invested enterprises in accordance with the foreign investment information reporting system of the State, and shall not require foreign investors and foreign-invested enterprises to submit the investment information which is available through departmental information sharing; shall not require foreign investors and foreign-invested enterprises to submit information irrelevant to foreign investment; and shall not make the submission of investment information a precondition for foreign investors and foreign-invested enterprises to go through enterprise registration or other formalities.

Article 39 Judicial administrative departments at municipal and district levels shall encourage and guide professional legal service agencies to provide foreign investors and foreign-invested enterprises with legal services such as legal consultancy, contract review, protection of intellectual property rights, equity design, financing, taxation, employment and labor, foreign-related disputes, etc.

For foreign-invested enterprises established under the *Law of the People's Republic of China on Chinese-Foreign Equity Joint Ventures*, *Law of the People's Republic of China on Wholly Foreign-Owned Enterprises*, and *Law of the People's Republic*

of China on Chinese-Foreign Contractual Joint Ventures that retain their original organizational forms, the municipal and district departments of commerce may provide special legal consulting services during the transitional period and guide them through the transformation and transition of organizational forms, etc.

Article 40 The municipal people's government and its relevant departments shall leverage modern information technologies such as artificial intelligence, big data, mobile Internet, etc. to provide inclusive, intelligent and convenient legal risk self-assessment services for foreign investment enterprises, support and guide foreign-invested enterprises to improve their compliance management mechanisms.

Article 41 The customs shall, according to the relevant requirements of the State on the facilitation of cross-border trade, optimize comprehensive service process for customs clearance, and deepen the development of the single window system for international trade to enhance the efficiency of customs clearance; by providing credit building services, guide eligible foreign-invested enterprises to apply for becoming Authorized Economic Operators in accordance with the relevant international treaties and the provisions of the State on the administration of enterprise credit by the customs, and provide corresponding clearance facilitations.

Article 42 Foreign-invested enterprises shall be supported in introducing foreign high-caliber talents. Facilitations shall be provided for the entry and exit of foreign high-caliber talents in terms of investment, entrepreneurship, academic exchanges, and economic and trade activities.

The examination and approval process for work permit and work-type residence permit for foreigners working in China shall be optimized. Convenient services in respect of visa, settlement, medical care, social security, tax, housing, children's schooling, etc. shall be provided for eligible foreign talents introduced.

Article 43 In the fields that do not directly involve public security and people's life and health and where risks are controllable, exploratory efforts shall be made to establish a list of recognized international certificates of professional qualifications. For certain professions where post holders shall hold certificates, international talents who have obtained corresponding professional qualifications overseas or have been certified by recognized international professional organizations shall be allowed to practice professional activities after certification of competence level or filing with the relevant competent authorities and other authorities.

Chapter VI Supplementary Provisions

Article 44 These Regulations shall apply, mutatis mutandis, to investments in the Special Zone by Chinese citizens from the Hong Kong Special Administrative Region, Macao Special Administrative Region, and the Chinese citizens residing abroad.

The laws and administrative regulations of the State with respect to the protection of investments by Taiwan compatriots shall apply to investments made in the Special Zone by investors from Taiwan Province. These Regulations shall apply, mutatis mutandis, to matters not covered by the laws and administrative regulations of the State regarding the protection of investments by Taiwan compatriots.

Article 45 Where the State or Guangdong Province implements more convenient or preferential policies on business activities of foreign investors and foreign-invested enterprises, such policies shall apply.

Article 46 These Regulations shall come into force as of November 1, 2022.