

Several Opinions on Better Leveraging Foreign Capital to Promote Investment, Secure and Stabilize Businesses by Jiangsu Provincial People's Government

The people's governments of all cities and counties (county-level cities, districts) in Jiangsu, the provincial committees, offices, departments, bureaus, and institutions directly affiliated to the provincial government:

The following opinions are proposed in a bid to implement the decision and deployment by the CPC Central Committee and the State Council on stabilizing foreign investment and follow through the gist of *Opinions of the State Council on Further Fulfilling the Work of Using Foreign Capital* (No. 23 [2019] of the State Council). Jiangsu is committed to stabilizing its scale of foreign investment and making better use of foreign capital by creating an international, market-oriented and law-based business environment to promote investment, secure and stabilize businesses.

1. Implementing the state opening up policies

(1) Opening up more sectors for foreign investment. Foreign investors will be given pre-establishment national treatment and evaluated by a negative list. Foreign investors will have access to any sector that is not on the negative list and will be treated equally as Chinese investors. We will build on the experience of Beijing city's pilot program on further opening up the service sector to fuel our effort to open up the service sector in Jiangsu with a focus on producer services. Further open up the financial sector with higher efficiency and implement the foreign investment policies in the automotive sector. Foreign investors are encouraged to explore the newly opened areas. (Responsible authorities: Jiangsu Provincial Department of Commerce, Jiangsu Provincial Commission of Development and Reform, Jiangsu Provincial Department of Industry and Information Technology, Nanjing Branch, the People's Bank of China, Jiangsu Office of China Banking and Insurance Regulatory Commission, Jiangsu Office of China Securities Regulatory Commission and other competent authorities. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(2) Facilitating the Pilot Free Trade Zone to be the trailblazer. Implement the *Master Plan of China (Jiangsu) Pilot Free Trade Zone*, support the Pilot Free Trade Zone to further open up, and work for greater liberalization and facilitation for investment. Step up the effort to assist the Pilot Free Trade Zone to equip a well-established service system for foreign investment, and improve the working mechanism for promoting foreign investment, following up projects and addressing complaints. The Pilot Free Trade Zone is encouraged to formulate, within its legal purview, measures for promoting foreign investment to forge greater attraction for investment projects and accelerate the clustering of foreign-invested headquarters and functional institutions in the Pilot Free Trade Zone. Work related to local legislation in the Pilot Free Trade Zone will be sped up to provide legal guarantee for intensified reform and innovation efforts. The Pilot Free Trade Zone will take over all the economic and social administrative powers that can be legitimately delegated from the provincial authorities. Exceptional cases would be very rare in this regard. Support will be given to Jiangsu Pilot Free Trade Zone to take the lead in rolling out its best practices and know-how in state-level development zones. (Responsible authorities: Jiangsu Provincial Department of Commerce as the major competent authority will work with Jiangsu Provincial Commission of Development and Reform, Jiangsu Provincial Department of Justice, and Administration Office for Government Affairs Service of Jiangsu Province. The people's governments of Nanjing, Suzhou and Lianyungang shall deliver in accordance with assignment of responsibility.)

2. Strengthening efforts to promote and serve foreign investment

(3) Delivering better services to enterprises as epidemic response becomes daily routine. Fully implement the state and provincial policies and measures including tax and fee reliefs, stabilizing employment, lowering factor cost and greater financial support to help enterprises out amidst the epidemic. Foreign enterprises will enjoy the same preferential policies as Chinese enterprises do. Assistance will be delivered to address the generic challenges such as recruitment, logistics, and fund-raising faced by foreign enterprises; meanwhile a case-by-case approach will be adopted to help foreign enterprises to deal with special problems. Facilitate the coordination between both upstream and downstream enterprises in resumption of work and production, and focus on

supporting the key foreign-funded enterprises and their major partners to resume production capacity at an early date to stabilize the industrial and supply chains. As control measures to prevent imported COVID-19 cases are intensified, guidelines and assistance are provided to help go through procedures concerning foreign employees working for key enterprises or projects coming to Jiangsu. Their resumption of work with personal protection against the epidemic is guaranteed. (Responsible authorities: member organizations of Jiangsu Coordination Mechanism for Foreign Trade and Investment. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(4) Giving full play to the special task force for foreign investment. Improve Jiangsu Coordination Mechanism for Foreign Trade and Investment, establish and improve the monitoring platform for key foreign enterprises and projects, step up study and evaluation of the situation and achieve greater efficiency in work scheduling, help enterprises address issues that require cross-regional coordination or support from the provincial authorities, and strengthen guarantee for production factors such as land, energy, and capital. Rewards may, after assessment of comprehensive contribution to the regional socioeconomic development, be granted by the local governments to new or reinvestment projects that are aligned with local industrial orientation for development. (Responsible authorities: member organizations of Jiangsu Coordination Mechanism for Foreign Trade and Investment. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(5) Optimizing the work system for investment promotion. Build on the experience of working mechanisms such as "Singapore-Jiangsu Cooperation Council" and explore the opportunity to establish cooperation mechanisms with other countries (regions) for dealing with routine work concerning business development and investment promotion. Functions of Jiangsu's overseas economic and trade representative offices will be intensified with the introduction of an annual KPI evaluation attached to greater incentives. Local authorities and development zones are encouraged to establish joint mechanisms for investment promotion with Jiangsu's overseas economic and trade representative offices to

integrate resources both home and abroad for business development. Local authorities shall adopt an integrated and holistic approach to work out a flexible and resilient organizational structure for business development that best fits in the local condition. Encourage the establishment of regional alliances for investment promotion and business development. (Responsible authorities: Jiangsu Provincial Department of Commerce and Jiangsu Provincial Commission of Development and Reform. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(6) Providing greater incentives for investment and business promotion efforts. Local authorities are encouraged to introduce measures to incentivize investment and business promotion work which will be evaluated by factors including business promotion results and effectiveness of services. More flexible incentive measures are allowed to be adopted to motivate business development teams. Multiple distribution mechanisms such as annual-salary or negotiated wage system can be explored in accordance with relevant state and provincial regulations. Professional social organizations and business promotion agencies are encouraged to introduce foreign-funded projects that are aligned with the local industrial development orientation. Rewards may be granted by the local authorities to projects based on their comprehensive contribution to the local socioeconomic development. Local authorities are encouraged to adopt moderately preferential policies in terms of numbers of overseas trips, numbers of travelling personnel and financial support for outbound teams to organize business promotion activities overseas. (Responsible authorities: Jiangsu Provincial Department of Commerce, Jiangsu Provincial Department of Human Resources and Social Security, and Foreign Affairs Office of Jiangsu Provincial People's Government. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(7) Developing new approaches to investment promotion. Continue to intensify efforts in investment promotion and business development by leveraging both vis-à-vis and online meetings empowered by the information technology. Further improve Jiangsu's databank of foreign-invested projects, amongst which some key projects will be

promoted to the world audience. Support will be given to foreign-funded enterprises to reinvest their undistributed profits and expand their production and operation, and local authorities may arrange certain rewards to those enterprises. Local authorities are supported to formulate their own guidelines for foreign investment and promptly publicize related laws, regulations, and guidelines to serve and facilitate foreign investors and foreign-funded enterprises. (Responsible authorities: Jiangsu Provincial Department of Commerce. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(8) Making good use of various platforms in development zones to promote investment. Assessment and evaluation on development zones' performance will be further improved with a heavier weight on indicators for foreign capital utilization. Support will be given to development zones at or above the provincial level to build innovation demonstration parks with distinct characteristics, international cooperation parks and intelligent parks to introduce, by pivoting the pillar industries in each park, a group of leading and flagship-type foreign investment projects from the developed economies, the Fortune 500 companies or the mid-to-high-end of the industrial and value chains. Deepen the institutional reforms at development zones and step up effort to put regional assessment mechanism in place to deliver good services to foreign-funded enterprises. Support will be given to some development zones that are capable of building international communities and schools for children of foreign nationals, and services for health care, elderly care, culture and education will be enhanced. Support will be given to development zones to make innovative use of foreign investment by introducing overseas innovative enterprises and venture capital companies. (Responsible authorities: Jiangsu Provincial Department of Commerce, Jiangsu Provincial Department of Education, Jiangsu Commission of Health and Jiangsu Provincial Department of Science and Technology. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(9) Establishing and improving a working mechanism for service coordination. A theme campaign will be carried out to serve flat out

foreign enterprises, investment promotion and business development, as well as implementation of projects through making fact-finding investigations, special interviews and follow-up trips to strengthen face-to-face communication with foreign enterprises. Make good use of the liaison mechanism to connect major foreign-funded projects with the designated competent government officials to deliver non-stop express services for major foreign investment. Establish and improve the working mechanism for addressing complaints of foreign investors. Put in place a joint conference mechanism to deal with those complaints, and set up or designate agencies to accept cases of complaint from foreign enterprises. Complaints of foreign enterprises will be addressed promptly in accordance with the level of the investment. Make good use of the coordinating mechanism between governments and foreign enterprises. Convene the Jiangsu International Consultative Conference for Opening-up and Innovation on a regular basis, and enhance inter-departmental coordination to address the practical difficulties confronted by the enterprises. (Responsible authorities: Jiangsu Provincial Department of Commerce as the major competent authority will work with other relevant authorities. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

3. Improving facilitation for foreign investment

(10) Reducing the cost of cross-border capital utilization. Launch pilot program of cross-border RMB business in areas where conditions permit, and work to implement measures that allow foreign enterprises to use RMB capital funds to issue entrusted loans to their affiliated companies within the Chinese territory. Fully launch the program on revenue/payment facilitation under the capital account. Work to facilitate the registration and management of external debts. A unified, macro prudential management policy will be adopted for cross-border financing. Support will be given to foreign-invested enterprises to decide their own form of external debts. Non-investment foreign enterprises are allowed to make equity investment within the Chinese territory under the premises that the authenticity of the investment is verified and in compliance of relevant laws and regulations including the foreign investment negative list. (Responsible authorities: Nanjing Branch, the People's Bank of

China. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(11) Providing greater convenience for foreigners to work in Jiangsu. For innovative, entrepreneurial and high-skilled talent, and other types of professionals whose expertise is urgently and highly needed in Jiangsu, restrictions can be relaxed in terms of age, education or work experience according to the work requirements and the personal situation of the applicants. Foreign graduates who are engaged in innovation and entrepreneurship in Jiangsu can apply for a residence permit for private affairs with a validity period of 2 to 5 years (with a note of "entrepreneurship" on the permit) with materials including a Chinese university diploma and innovation and entrepreneurship certification. Foreigners who have obtained a work-type residence permit with a validity period of more than 1 year for 2 consecutive times and are free of any violation of laws may obtain a work-type residence permit with a validity period of 5 years for the third time according to relevant regulations. Streamline the procedures for foreigners' work permits and work-type residence permits, establish an interdepartmental information sharing mechanism, and explore the integration of foreigners' work permits and work-type residence permits. (Responsible authorities: Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Public Security, Jiangsu Provincial Department of Education, and Jiangsu Provincial Department of Human Resources and Social Security. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(12) Streamlining the administrative approval system for land-use planning of foreign-funded projects. Based on the previous attempt to integrate regulations, reforms on land use approval will be advanced by unifying the review and licensing procedures and opinions on site selection and preliminary examination of land use. Those who have obtained the right of using state-owned land for construction projects by means of assignment can be granted a new construction land planning permit as a replacement of the old version of construction land planning permit and construction land approval letter. Those who have obtained the right of using state-owned land for construction projects by means of

allocation can be granted the construction land planning permit and the letter of decision on state-owned land allocation at the same time. (Responsible authorities: Jiangsu Provincial Department of Ecology and Environment as the major competent authority will work with other competent authorities. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

4. Protecting the legitimate rights and interests of foreign investors

(13) Fully implementing the regulations and policies on foreign investment. All cities and competent authorities shall implement, publicize and interpret the *Foreign Investment Law of the People's Republic of China* and *Regulations on Optimizing the Business Environment*. Process administrative licensing on foreign investment in accordance with the *Foreign Investment Law*, the *Administrative Licensing Law* and other laws and regulations. The scope, procedures and standards of administrative licensing shall not be changed without authorization. Administrative authorities and their employees must not use administrative licensing, administrative inspections, administrative coercion, or other administrative means to force or disguisedly force foreign investors and foreign-funded enterprises to transfer technologies. All cities and competent authorities shall formulate and issue administrative regulatory documents involving foreign investment, strengthen legitimacy audit, and seek the opinions and suggestions of representative foreign-funded enterprises, relevant industry associations, and chambers of commerce in advance, strictly enforce the requirement of setting an interval between the date of implementation and promulgation of administrative regulatory documents, and improve the predictability and transparency of policies. (Responsible authorities: competent authorities at provincial level. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(14) Maintaining the continuity and stability of foreign investment policies. All cities must fulfill their policy commitments to investors and foreign-funded enterprises and all kinds of contracts signed in investment promotion activities according to law. (Responsible authorities: The

people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(15) Implementing the fair competition review system. Discriminative regulations and practices concerning market access, qualification criteria and industrial subsidies against businesses on grounds of ownership structure will be further removed to level the playing field for domestic and foreign-funded enterprises. Unify the business scope of domestic and foreign-funded construction enterprises. Relax regulations for foreign-funded enterprises to run internet access businesses and entertainment venues. In accordance with the principle of equal treatment for domestic and foreign capital, relevant regulations for the qualification review and approval of China Compulsory Certification (CCC) organizations shall be implemented. (Responsible authorities: Jiangsu Provincial Administration for Market Regulation, Jiangsu Provincial Department of Housing and Urban-Rural Development, and Jiangsu Provincial Department of Culture and Tourism. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(16) Ensuring foreign-funded enterprises' participation in standard-setting and government procurement on an equal footing. Encourage domestic and foreign-funded enterprises to participate in standard-setting work on fair terms and foreign-funded enterprises to participate in the standard-setting work for medical devices, food and medicine, and information products. Refrain from implementing discriminatory treatment for foreign-funded enterprises. There must not be unreasonable requirements restricting suppliers' form of ownership, organizational form, stockholder structure, or investors' nationality in published information on government procurement, determination of supplier requirements, assessment standards, and other such areas. (Responsible authorities: Jiangsu Provincial Administration for Market Regulation. Jiangsu Provincial Department of Finance as the major competent authorities will work with other competent authorities. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(17) Strengthening judicial protection for intellectual property rights (IPRs). Give full play to the effectiveness of the system of litigation preservation, and apply the rules of obstruction of evidence and information disclosure system in accordance with law. The concept and methods of precision adjudication are adopted to make up for the loss of rights holders. Apply punitive damages according to law. Give better play to the role of technical experts, technical investigators, etc. in ascertaining technical facts to improve efficiency. Conduct trials of standard essential patent (SEP) cases according to law. Make good use of industry associations and professional mediation organizations to promote online mediation and encourage parties to resolve disputes through multiple channels and means. Publicize the status quo and typical cases on judicial protection of intellectual properties during the Publicity Week of World Intellectual Property Day. (Responsible authority: people's courts at provincial level)

(18) Strengthening IPR protection and application. Increase support for products of foreign-funded enterprises with proprietary IPRs in government procurement. Encourage well-known intellectual property service agencies to set up offices in Jiangsu. Local authorities may provide support in line with actual conditions. Improve the IPR administrative enforcement system at provincial, city and county levels, improve the transfer system of intellectual property criminal cases, strengthen IPR administrative enforcement, and advance the construction of IPR protection centers, fast rights-protection centers and IPR assistance centers. Promote IPR arbitration and mediation and explore diversified IPR dispute resolution mechanisms. Strengthen the protection and application of geographical indications. Enhance cooperation between government and e-commerce enterprises in intellectual property law enforcement, and guide e-commerce enterprises to establish and improve intellectual property protection mechanisms. Study and formulate local standards for intellectual property administration in the physical market. (Responsible authorities: Jiangsu Provincial Administration for Market Regulation and Jiangsu Provincial Department of Justice. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(19) Regulating supervision and law enforcement. Release a Guiding Catalogue for Integrated Administrative Law Enforcement in Ecological and Environmental Protection and formulate an annual law enforcement plan for workplace safety. Conduct inspections by randomly selecting inspectors on randomly selected entities and publicize the inspection results on a regular basis and reasonably set the frequency of supervision and law enforcement inspections. In accordance with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and other relevant laws and regulations, stipulate a contingency plan for heavily-polluted days, improve the *Heavy Air Pollution Contingency Plan* in Jiangsu, and take targeted emergency measures against air pollution. Implement the *Applicable Rules for Discretionary Administrative Penalty of Market Supervision and Administration in Jiangsu (Trial)*. (Responsible authorities: Jiangsu Provincial Department of Ecology and Environment, Jiangsu Provincial Department of Emergency Management, Jiangsu Provincial Administration for Market Regulation, and Jiangsu Provincial Department of Human Resources and Social Security. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

5. Improving the quality and efficiency of foreign capital utilization

(20) Supporting foreign-funded enterprises in R&D and innovation. Guide foreign-funded enterprises to strengthen independent R&D, accelerate the construction of high-level R&D institutions, and encourage multinational enterprises to establish joint R&D institutions and carry out R&D cooperation with local enterprises, scientific research institutions, and universities. By combining talent and investment promotion, introduce a number of global cutting-edge technologies and high-level innovative talent that meet the needs of industrial development. Provide policy training, guidance and services for the certification of high-tech enterprises and support qualified foreign-funded enterprises in applying to be high-tech enterprises. Formulate and introduce incentive policies for the development of R&D center by foreign-funded enterprises in Jiangsu. (Responsible authorities: Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Commerce, and Jiangsu Provincial Department of Education. The people's governments of cities

(with districts) shall deliver in accordance with assignment of responsibility.)

(21) Encouraging foreign-funded enterprises to participate in the development of advanced manufacturing clusters. Based on the provincial advanced manufacturing clusters and local industrial landmarks, encourage all cities to further sort out the industrial chain and a list of key links by strengthening the core industries, supplementing and extending the industrial chain, strengthen investment promotion and aggregation of factors to empower the industrial chain, with a focus on the development of advanced manufacturing clusters of foreign-funded enterprises in biomedicine and new medical devices, integrated circuits, high-end equipment, automobiles and spare parts. Support foreign-funded enterprises in integrating upstream and downstream industrial chains and expanding industrial layout. Encourage foreign investors to invest in the construction of new infrastructure such as artificial intelligence and industrial internet. (Responsible authorities: Jiangsu Provincial Department of Industry and Information Technology, and Jiangsu Provincial Department of Commerce. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(22) Promoting the development of regional headquarters of multinational enterprises. Strengthen the planning of regional headquarters of multinational enterprises and improve incentive policies. Study and formulate management measures for cluster areas of regional headquarters of multinational enterprises and establish cluster areas of regional headquarters of multinational enterprises in key areas. Encourage and support areas where conditions permit to establish service centers for regional headquarters of multinational enterprises to further optimize corporate services. (Responsible authorities: Jiangsu Provincial Department of Commerce. The people's governments of cities (with districts) shall deliver in accordance with assignment of responsibility.)

(23) Enhancing the coordinated development of export enterprises and foreign-funded enterprises. Support foreign-funded enterprises in

expanding domestic market with existing technologies and production capacities, create self-owned brands, and pursue diversified development by attaching equal importance to export and domestic trade. Expand the pilot general taxpayer qualification of enterprises' value added tax (VAT) to all comprehensive bonded zones and promote the pilot policy of selective tariffs on domestic sales to reduce the costs of foreign-funded enterprises' domestic sales. Encourage foreign-funded enterprises to increase imports of advanced technical equipment, key parts and components and upgrade their technologies and equipment. (Responsible authorities: Nanjing Customs District P. R. China, Jiangsu Provincial Tax Service of State Taxation Administration, and Jiangsu Provincial Department of Commerce)

All cities and competent authorities should fully recognize the significance of enhancing the utilization of foreign capital by paying greater attention, taking vigorous actions, strengthening accountability, and promoting policy publicity and interpretation. Supporting policies should be studied and formulated to make sure policies and measures are put into actual practice.

Jiangsu Provincial People's Government

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(This document is publicly available.)