

# The People's Republic of China

## Executive Summary

The People's Republic of China ("PRC") is the number one destination for multinational companies. From business trips to negotiate customer contracts to employment assignments to manage subsidiary manufacturing operations, most human resource managers must eventually, if not frequently, deal with PRC visa and immigration issues.

To encourage economic growth and firmly establish its role in international markets, the PRC has comprehensive laws and regulations to deal with foreign nationals coming to do business. While the laws are generally national in scope, the practices and procedures are often dictated by local government offices, giving rise to significant variation within the country.

The Special Administrative Regions (e.g., Hong Kong and Macao) have retained their own immigration systems. Hong Kong is discussed in a separate chapter.

## Key Government Agencies

The Ministry of Foreign Affairs operates the PRC diplomatic missions, consular posts, and other agencies abroad, which are responsible for processing visa applications.

The Divisions of Exit and Entry Administration of local Public Security Bureaus ("PSB"), which are under the Ministry of Public Security, are responsible for processing extension or change of visa applications domestically. The PSB is also responsible for processing foreigners' Residence Permit applications.

The local labor administrative authorities, which are under the Ministry of Labor and Social Security, are responsible for the

administration of the employment of foreigners, as well as Hong Kong, Macau, and Taiwan (“HMT”) residents and overseas Chinese (i.e., PRC nationals with permanent residency in foreign countries), in the PRC.

The State Administration Bureau of Foreign Experts Affairs and its local counterparts are responsible for processing Foreign Expert Certificates, which give qualified foreigners the authorization to work in the PRC in lieu of Employment Permits.

### Current Trends

The local rules and policies governing foreigners’ Employment Permit and Residence Permit applications vary from city to city and are constantly changing. Foreigners are typically required to enter the PRC with a Z work visa in order to apply for Employment Permits and Residence Permits. However, some cities provide exceptions to foreigners working in senior management positions and allow them to apply for Employment and Resident Permits even if they have entered the PRC on a different visa.

Some major cities, notably Beijing and Shanghai, have implemented local rules providing immigration incentives, such as longer-term Employment and Residence Permits, to attract multinational companies to set up regional headquarters in those cities.

### Business Travel

#### *F Business Visa*

Foreigners who travel to the PRC for business visits, for speaking engagements, or to exchange knowledge on scientific and cultural topics, for a period of no longer than 6 months should apply for an F visa.

Foreigners should generally apply for an F visa at PRC consular posts, many of which now require an original visa notification letter issued from an authorized government unit in the city where the foreigners will visit. Normally, there are three types of F visas which can be obtained through an overseas visa post or travel agency in Hong Kong.

<b>Type (or number) of Entry</b>	<b>Validity</b>	<b>Duration of Stay Per Visit</b>
Single	30 or 90 days	30 or 90 days
Double	90 days	30 days
Multiple	180 or 365 days	30 days

*Visa Waiver*

Currently, nationals of Brunei, Japan and Singapore may enter and stay in the PRC for a period of not more than 15 days without applying for a visa for the purpose of tourism, business, visiting relatives or friends, or transit.

Training

*F Business Visa*

There is no specific visa designed exclusively for training. Foreigners coming to the PRC for training of less than six months may apply for an F visa. They cannot be compensated locally and are not authorized to engage in productive, on-the-job training.

## Employment Assignments

### *Z Employment Visa*

Foreigners who wish to work in the PRC should apply for a Z work visa. In addition, they need to secure an Employment Permit (or a Foreign Expert Certificate) and Residence Permit after entering the PRC.

Before a foreigner may apply for a Z visa, the PRC host entity (typically, the employer) should first sponsor the foreigner for an Employment License or, under certain circumstances, a Foreign Expert License. Either the Employment License or the Foreign Expert License will be submitted to a relevant authority for the issuance of a Visa Notification Letter to support a single-entry Z visa application, as described below.

### *The Employment License*

According to the relevant regulations, foreigners seeking employment in China should meet the following conditions:

- Be 18 years of age or older and in good health;
- Have professional skills and job experience required for the intended employment;
- Have no criminal record;
- Have a clearly-defined employer; and
- Have a valid passport or other international travel document in lieu of the passport.

In principle, foreigners who meet the above conditions are eligible to apply for an Employment License. However, the local labor

authorities may interpret the above conditions according to their own practice. For example, employment applications from foreigners over the age of 60 are in general not entertained. In many cities, a university degree plus two years relevant work experience are deemed to be the minimum requirement for a foreigner applying for an Employment License. In some locations, the foreigner even has to assume a managerial-level position or a post requiring special knowledge to be qualified for an Employment License.

The applicant is also required to undergo a medical examination. If the examination is completed at an approved hospital overseas, the medical report can be forwarded to the relevant health center in the PRC for verification. However, health centers in the PRC sometimes refuse to verify overseas medical reports. In such cases, the applicant must complete the medical examination in the PRC. Accompanying dependents 18 years and over also must complete medical examinations.

It is not necessary for a Resident Representative Office of an enterprise from a foreign country to apply for an Employment License when appointing a foreigner as its Chief Representative or Representative in the PRC. The Representative Office must, however, seek authorization from the appropriate “approval authority” and register such approval. Such approval is generally registered with the Local Administration for Industry and Commerce (“AIC”). Upon registration, a Working Card (also known as a “Representative Certificate”) will be issued to the Chief Representative and each of the other Representatives.

Upon the issuance of an Employment License or a Representative Certificate, the PRC host entity may then apply for a Z Visa Notification Letter from the relevant authority - usually the local commerce bureau or the local commission of commerce. If the foreigner will be accompanied by family members (e.g., spouse,

parents or children under 18), Z Visa Notification Letters should be obtained for them as well.

### The Foreign Expert License

The Foreign Expert License is issued by the PRC National Foreign Expert Bureau or its local counterparts. Foreigners who apply for the license must be in good health, with no criminal record and meet the definition of one of the following categories:

- Foreign professional technical or administrative personnel who work in China to implement agreements between governments or international organizations;
- Foreign professional personnel in the areas of education, scientific research, news, publishing, culture, art, or health or sport. The foreigner should also have a degree higher than a bachelor's degree and more than five years of working experience;
- Foreigners who hold a position higher than Deputy General Manager, or foreign senior professional technical or management personnel who enjoy the same treatment in enterprises in the PRC. The foreigner should also have a degree higher than a bachelor's degree and more than five years of working experience;
- Foreign representatives of overseas expert organizations or agencies for talented people; or
- Foreign professional technical or management personnel in the areas of economics, technology, engineering, trade, finance, accounting, taxation or tourism, who have special skills that are urgently needed in the PRC.

Once the Foreign Expert License has been obtained, the PRC host entity may then apply for a Z Visa Notification Letter from the relevant authority. If the foreigner will be accompanied by family members, Z Visa Notification Letters should be obtained for them.

### Issuance of a Single Entry Z Visa

Upon receipt of the Employment License/Representative Certificate/Foreign Expert License and the Z Visa Notification Letter, the foreigner should apply for a Z visa from the appropriate PRC consular post.

### Post Visa Formalities

A Z visa is typically valid for 90 days, during which time the foreigner must enter the PRC. Within 15 days of arrival, the foreigner holding an Employment License or a Representative Certificate must apply for an Employment Permit from the local labour bureau. The foreigner holding a Foreign Expert License should apply for a Foreign Expert Certificate instead.

Within 30 days of arrival and upon issuance of the Employment Permit or Expert Certificate, the foreigner and accompanying family members must apply for Residence Permits with the local PSB.

Employment Permits and Residence Permits are employer and location specific. A foreigner may not work for other employers or reside in a location outside the area where the Permits are issued. If there are any changes in the registration items shown in the Employment Permit or Residence Permit, both Permits must be amended promptly. If a foreigner no longer works for the employer, the Employment Permit must be de-registered with the local labour bureau while the Residence Permit should be cancelled with the local PSB.

## Other Comments

### *HMT Residents and Overseas Chinese*

HMT Residents who wish to travel to the PRC need not apply for a visa. Instead, they may use their Mainland Travel Permit for Hong Kong and Macau Residents or their Mainland Travel Permit for Taiwan Residents.

HMT residents and overseas Chinese are required to obtain Employment Permits to work in the PRC. In some locations such as Shanghai, overseas Chinese are required to obtain a type of Residence Permit from the PSB, while Taiwan residents are required to obtain a Residence Endorsement to reside in the PRC.

### *Temporary Residence Registration*

Foreigners, HMT residents and overseas Chinese are required to carry out temporary residence registration at the local police station in the district where they reside within 24 hours after they arrive in the PRC. If they move to a new place or change their visas during their stay in the PRC, they are required to re-register with the local police station.

## Further Information

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