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Session: I

Sustainably Promoting Investment Liberalization and Facilitation

Submitted by: China



**Workshop on Optimizing Investment Measures in
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Sustainably Promoting Investment liberalization and Facilitation

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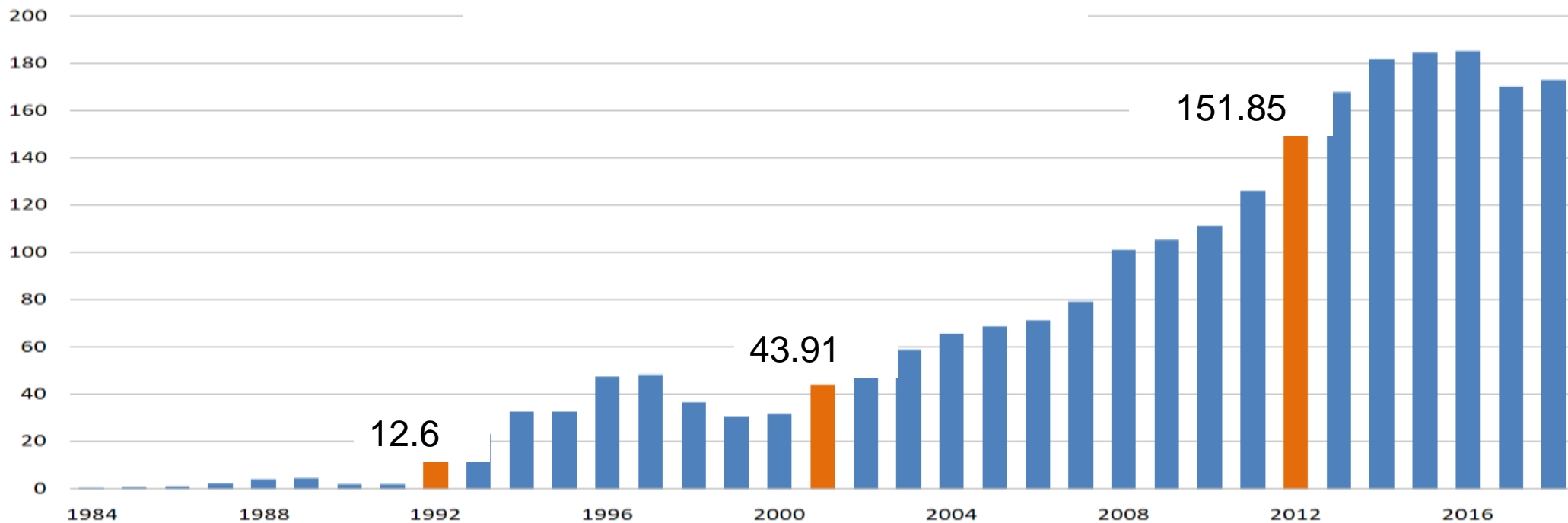


Major Measures

- Being the first to implement a foreign investment administrative system featuring the pre-establishment national treatment and negative list.
- Taking the lead in establishing negative list system of market access for all participants.
- Carrying out the procedure of “all in one net” and realizing the full process integration.
- Optimizing the investment lifecycle management to improve business environment

The History of Attracting Foreign Investment in Shanghai

Actual Foreign Investment of Shanghai (100 million dollars)



The Foreign Investment Administrative System Before The Reform of Shanghai PFTZ

- **Law of the People's Republic of China on Chinese-foreign Equity Joint Ventures (1979)**
- **Law of the People's Republic of China on Foreign-Capital (1986)**
- **Law of the People's Republic of China on Sino-foreign Cooperative Enterprises (1988)**
- **Provisions on Guiding the Orientation of Foreign Investment (2002)**
- **Decision of the State Council on Reforming the Investment System(2004)**
- **Interim Measures for the Administration of Examining and Approving Foreign Investment Projects (2004)**
- **Administrative Measures for the Establishment of Partnership Enterprises within China by Foreign Enterprises or Individuals (2010)**
- **Catalogue of Industries for Guiding Foreign Investment (2011)**

Being the first to implement a foreign investment administrative system featuring the pre-establishment national treatment and negative list

Releasing the first negative list of foreign investment

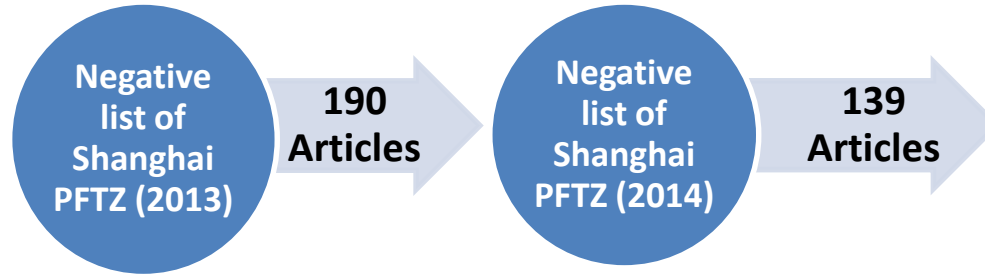
- Improving the transparency of special administrative measures for foreign investment access
- Carrying out the same standards for the domestic and foreign investors

Reform the administration of foreign investment

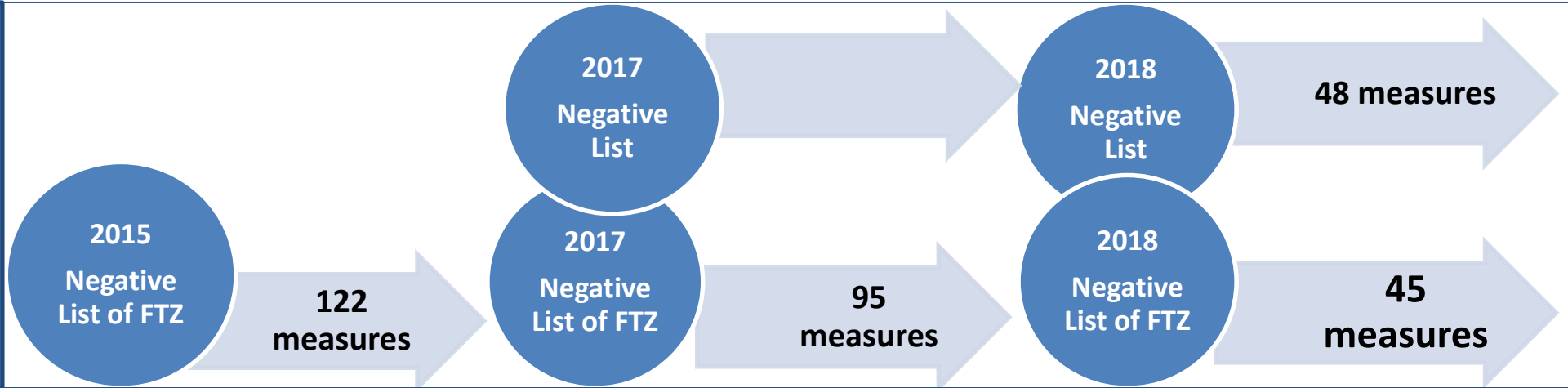
- Applying the principle of consistent management of domestic and foreign capital
- Reform the way of approving Foreign Investment

Being the first to cancel and release the restriction of foreign investment

shanghai



PRC



Laws and regulations adjustment concerning foreign investment

- **Decision of the Standing Committee of the NPC on Authorizing the State Council to Temporarily Adjust the Relevant Administrative Approval Items Prescribed in Laws in China (Shanghai) Pilot Free Trade Zone (2013, 11 articles)**
- **Decision of the State Council on Temporarily Adjusting the Implementation of the Special Access Management Measures in the Relevant Administrative Regulations and the Administrative Approval Items Approved by the State Council in the China (Shanghai) Pilot Free Trade Zone(2013, 32articles)**
- **Decision of the State Council on Temporarily Adjusting the Implementation of the Special Access Management Measures in the Relevant Administrative Regulations and the Departmental Rules Approved by the State Council in the China (Shanghai) Pilot Free Trade Zone (2014, 27articles)**
- **Decision of the NPC on Amending the Legislation Law of the People's Republic of China (2015, 1 article)**
- **Decision of the Standing Committee of the NPC on Amending Four Laws including the Law of the People's Republic of China on Wholly Foreign-Owned Enterprises (2016)**

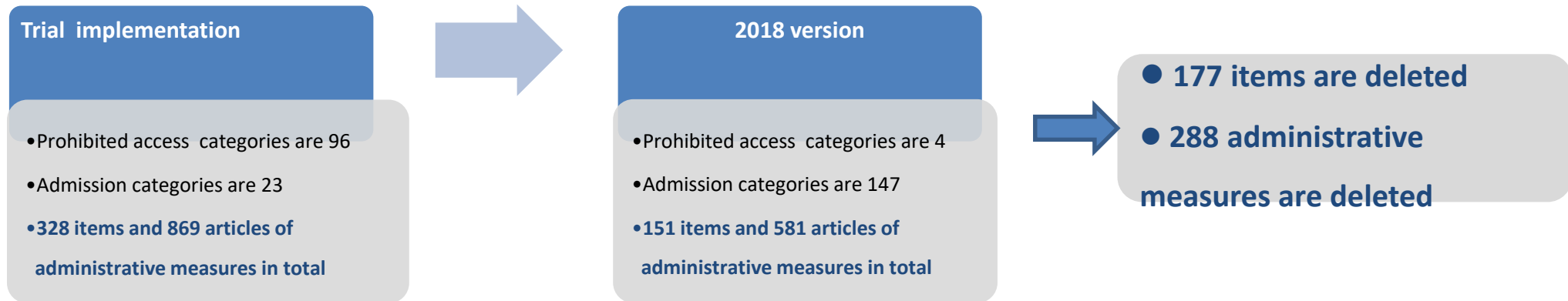
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Shanghai government adjusted and formulated relevant local laws and regulations

- **Adjust local laws and regulations**
 - **Decision of the Standing Committee of the Shanghai Municipal people's Congress on Temporarily Adjusting the Implementation of the Relevant Local Regulations of Shanghai in China (Shanghai) Pilot Free Trade Zone (2013)**
- **Relevant local laws and regulations of Shanghai**
 - **Measures for the Administration of China (Shanghai) Pilot Free Trade Zone (2013)**
 - **Notice of the Shanghai Municipal People's Government on Issuing the Measures for the Filing Administration of Foreign-Funded Projects in China (Shanghai) Pilot Free Trade Zone (2013)**
 - **Notice of the Shanghai Municipal People's Government on Issuing the Measures for the Filing Administration of Foreign-Funded Enterprises in China (Shanghai) Pilot Free Trade Zone (2013)**
 - **Special Management Measures (Negative List) for Access of Foreign Investment to China (Shanghai) Pilot Free Trade Zone (2014 Revision)**
 - **Regulation on China (Shanghai) Pilot Free Trade Zone (2014)**
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Being the first to establish market access negative list for all participants.

- **Shanghai launches pilot work on 1st Dec of 2015**
 - Formulate the General Pilot Plan of Negative List System on Market Access in Shanghai, which identifies 14 pilot missions and indicates that all the market participants share the equal right
 - Carry out the Draft of Negative List on Market Access (trial implementation)
- **Implement the Market Access Negative List (2018 version)**

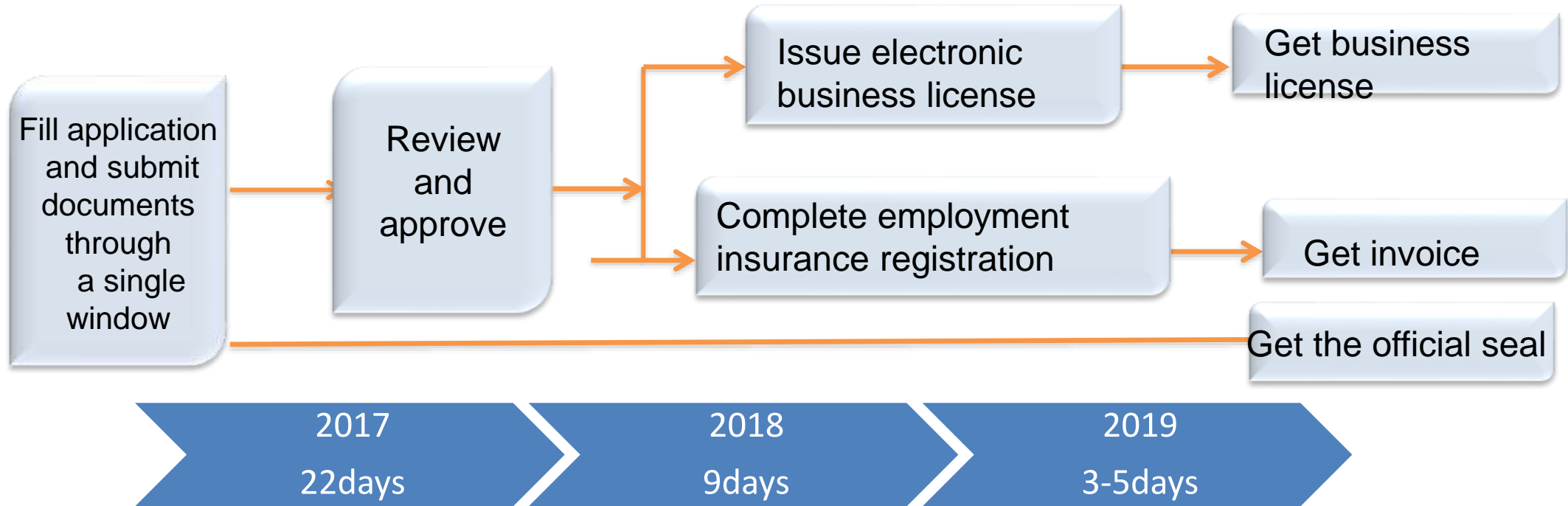


Providing online platform service to realize the full process integration.

- **Individuals can:**
 - Apply for the career certification online
 - Register the certification online
 - Apply for the passport online
 - Search the information of traffic on line
- **Enterprises can :**
 - Starting a business online
 - Get the qualification online
 - Acquire information about human resource online
 - Finding innovation resource online
- **Government service List includes :**
 - The entitled power of the government
 - Public services provides by the government
 - Charge list
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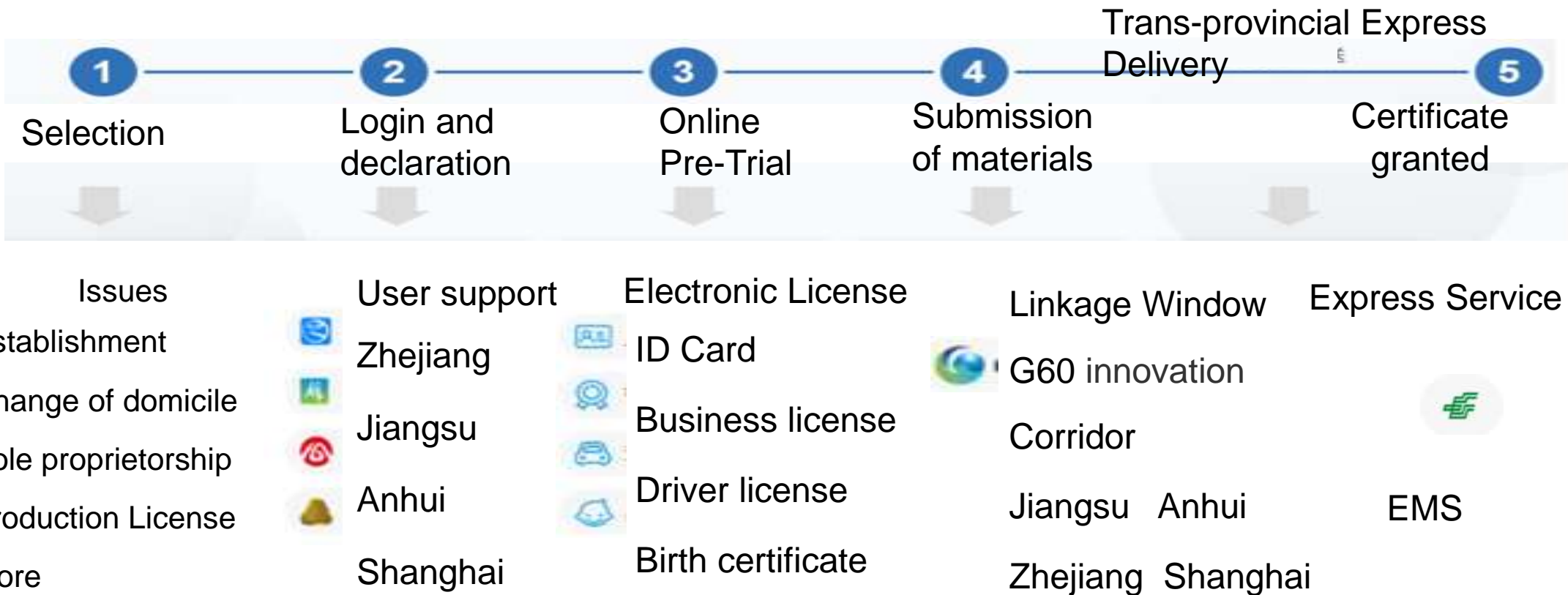
Starting a business via 'a single window'

Domestic and Foreign investors



You can start a business in 2 business days!

Perform 'all in one net' government service in the Yangzi River Delta Region



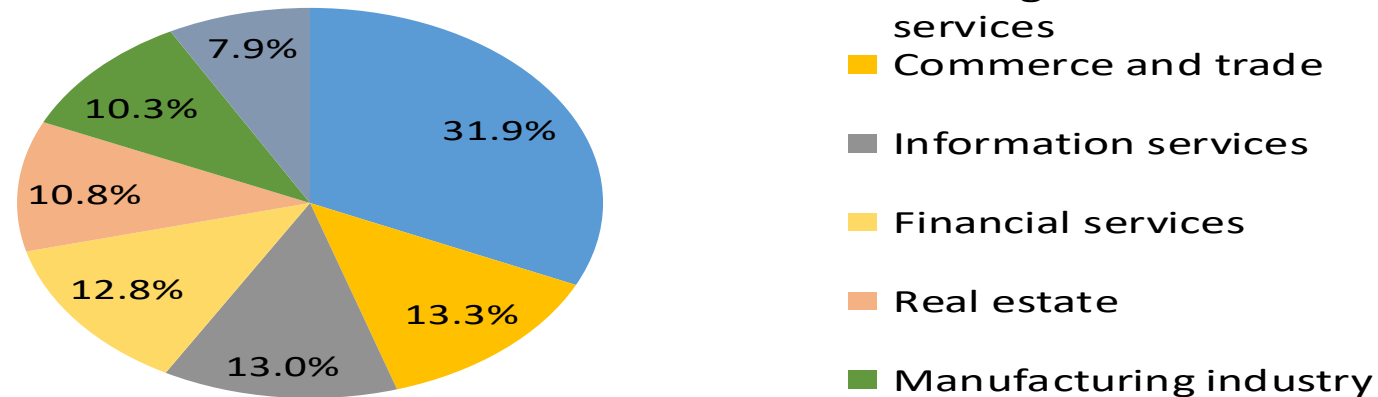
Optimizing the investment lifecycle management to improve business environment



•According to Doing Business 2019 of the World, China ranked 46, up 32 places from the previous year, and Shanghai occupied 55% in the index evaluation.

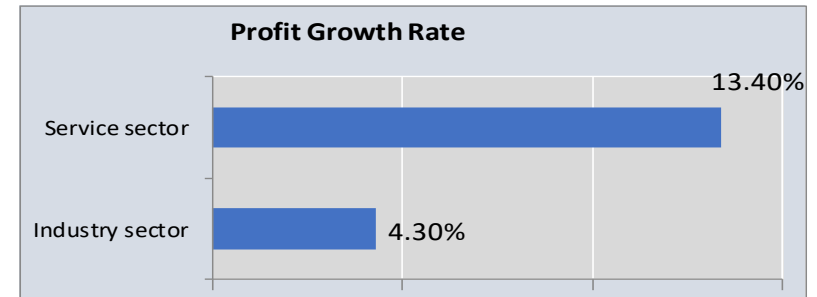
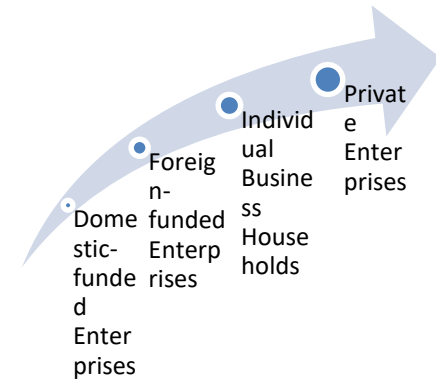
Shanghai continues to be a popular destination for foreign investment

- By the end of 2018, Shanghai had attracted 97,000 foreign-funded enterprises, with total actual capital of more than 240 billion US dollars.
- By the end of 2018, Shanghai had attracted 670 regional headquarters of multinational corporations (including 88 headquarters in Asia-Pacific region) and 441 R&D centers, accounting for more than half of the national wide.
- Business services have become the most concentrated area for attracting foreign investment



The growth of numbers of all market investors and the rise of the investment in Shanghai

- **In 2018, 399,900 new market entities were set up, with an increase of 13.2% over the previous year.**
 - 8742 foreign-invested enterprises, increasing 9.0%.
 - 312,800 private enterprises, increasing 12.3%.
 - 699,900 individual business households, increasing 15.2%.
- **In 2018, Total Investment in Fixed Assets increased by 5.2% over the previous year.**
- **Stable growth of corporate profits in 2018**
 - Operating profit of service sector increased by 13.4% over the previous year.
 - Total profits of industrial sector increased by 4.3% over the previous year.



The significance of issuing the Foreign Investment Law of the People's Republic of China

On March 15, 2019, after deliberation at the second session of the Thirteenth National People's Congress, The Foreign Investment Law was promulgated by Decree No. 26 of the President of the People's Republic of China and will come into effect on January 1, 2020

- Implementing the overall decision of expanding opening-up, and promoting foreign investment
- The objective requirement of keeping pace with the times and improving the development of China's foreign investment legal system
- The objective requirement of promoting the healthy development of Socialist Market Economy and achieving high-quality economic development

The main characters the Foreign Investment Law of the People's Republic of China

- Highlighting the main keynote of actively expanding opening-up and promoting foreign investment
- Adhering to the basic Law position on Foreign Investment
- Adhering to the convergence of Chinese characteristics and international rules
- Adhering to the consistency of domestic and foreign investment

Six Chapters and 42 Articles

Chapter I General Provisions

Chapter II Investment Promotion

Chapter III Investment Protection

Chapter IV Investment Administration

Chapter V Legal Liability

Chapter VI Supplemental Provisions

THANK YOU

