Action Plan for Stabilizing and Optimizing Utilization of Foreign Investment

Ministry of Commerce National Development and Reform Commission Ministry of Finance

To stabilize and optimize the utilization of foreign investment through multiple measures, and to ensure effective work on stabilizing foreign investment, the following action plan is hereby formulated with the approval of the State Council.

I. Expanding Market Access

(1) Deepening the opening up of the services sector. We will steadily expand pilot programs for the opening up of vocational skills training institutions, vocational colleges, and high-level universities in science, engineering, agriculture, and medicine. We will support Beijing in elevating the development level of the National Comprehensive Demonstration Zone for Expanding Opening Up in the Services Sector, and promote the trial implementation of opening up measures in key areas of modern services such as the digital economy, as well as pharmaceuticals and health. We will promote the comprehensive upgrading of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and the Mainland and Macao CEPA, and expand opening up of the services sector to investors from Hong Kong and Macao on a priority basis.

(2) Steadily raising the level of financial sector opening up. On the premise of improving regulatory collaboration and risk prevention and control, we will support more foreign-invested institutions in utilizing risk management tools including government bond futures to strengthen financial risk management. We will support foreign-invested institutions in conducting fund investment advisory business in accordance with the law. We will optimize cross-border business management and provide cross-border financing facilitation quotas for key foreign-invested enterprises (FIEs). We will guide domestic banks in launching document preparation services for customers in international settlements for large FIEs. We will optimize pre-communication services for exchange listing applications and support eligible key foreign-invested enterprises in their listing and financing activities in China.

(3) Supporting foreign investment in the high-quality development of the pharmaceutical and

other industries. We will expedite the study and promulgation of implementation rules for segmented drug production to facilitate cross-border segmented production of biological products and chemical drugs by overseas drug marketing authorization holders. We will promptly study and submit for approval the plan to further expand the scope of pilot regions for opening up in biotechnology and wholly foreign-owned hospitals. We will support insurance companies in including more innovative drugs and medical devices in commercial insurance coverage, and continue to encourage high-quality innovative drugs and medical devices to enter the Chinese market. We will establish industry collaboration platforms to facilitate the entry of drugs produced by FIEs into retail channels.

II. Enhancing Foreign Investment Facilitation

(4) Improving the management system for foreign-invested mergers and acquisitions. We will accelerate the revision and promulgation of rules on mergers and acquisitions of domestic enterprises by foreign investors, optimize the merger and acquisition management process and consideration payment requirements, and strengthen inter-departmental regulatory coordination. We will allow eligible foreign equity investment institutions to participate, as strategic investors, in securities issuance by listed companies in non-related industries, thereby better leveraging the effectiveness of strategic investments.

(5) Optimizing the management of cross-border data flows. We will support pilot free trade zones and national pilot cities for expanding opening up in the services sector in exploring the formulation of scenario-based, field-level negative lists for outbound data transfers in more areas. We will promote the development of national standards for important data identification catalogs in sectors such as industry, telecommunications, geographic information, automotive, pharmaceuticals, seed industry, aerospace, and civil aviation.

(6) Promoting domestic reinvestment by foreign investors. We will implement the tax preferential policies for overseas investors making direct investments with distributed profits, ensuring the effective delivery of policy dividends as intended. We will include more reinvestment projects by FIEs in the lists of major and key foreign-invested projects, and broaden the scope of service guarantees.

(7) Vigorously attracting FIEs to establish R&D centers in China. We will improve support policies for foreign-invested R&D centers, facilitate the introduction of high-level foreign talent, support the establishment of open innovation platforms and practical training bases as

well as the development of new types of R&D institutions, strengthen support for the commercialization of innovations, and grant tax preferential policies for imported scientific research supplies in accordance with the law.

III. Improving the Level of Investment Promotion

(8) Strengthening the influence of the "Invest in China" brand. We will advance the "Invest in China" initiative, improve the mechanism for brand interaction, and ensure the smooth hosting of the China International Fair for Investment and Trade and other events. We will explore to establish a comprehensive digital service platform for foreign investment, and build an "Invest in China" portal website that integrates information aggregation, services consultation, professional support, and interactive feedback. We will also conduct dedicated domestic and overseas promotional campaigns under the "Invest in China" initiative, strengthen targeted policy interpretation and outreach for enterprises, and reinforce the narratives of "Opportunity China", "The World Believes in China", and "Global Win-Win Cooperation".

(9) Coordinating and standardizing the attraction of foreign-invested projects. We will move faster to issue the lists of items encouraged and prohibited in the investment promotion work by local governments. People's governments at the provincial level may, in accordance with regulations, provide supporting measures for foreign-invested projects in relevant areas. Guidance on carrying out such work will be strengthened to improve the consistency of policy implementation. Government departments must strictly honor policy commitments made in accordance with the law and keep their promises. We will make good use of special funds for foreign trade and economic development to promote foreign investment, summarize in a timely manner the experiences of provinces carrying out pilot initiatives to evaluate the effectiveness of foreign investment promotion, and extend these experiences nationwide when appropriate, so as to guide localities in rationally evaluating the effectiveness of foreign investment promotion and business attraction.

IV. Improving the System of Services and Support for Foreign Investment

(10) Fully implementing national treatment for FIEs. Efforts will be enhanced to ensure national treatment for FIEs. Unless otherwise explicitly required by laws and regulations or involving national security, enterprise-related support policies formulated in all fields shall

apply equally to FIEs. The fair competition review system will be strictly implemented in areas such as government procurement and bidding, and the fair competition review of relevant rules, normative documents, and policy measures will be strengthened. Procurement activities conducted by universities, research institutes and other institutions shall ensure the equal participation of FIEs.

(11) Supporting FIEs in participating in consumption-boosting initiatives. We will support FIEs' full participation in pro-consumption initiatives such as green consumption and the development of international consumption center cities. No eligible product or service shall be excluded from pro-consumption support policies on the grounds that it is from a foreign brand or an FIE.

(12) Optimizing the online business environment. We will establish and improve a coordinated mechanism for reporting cyber infringements against enterprises, optimize the reporting and handling process, publish guidelines for online reporting channels for enterprise-related cyber infringement information, and safeguard the legitimate rights and interests of FIEs in cyberspace.

(13) Strengthening services and support for major and key foreign-invested projects. We will step up support for foreign-invested projects in the central and western regions. In response to the operational difficulties of FIEs, we will reinforce the closed-loop management covering the whole process of "clue collection, issue handling, and result feedback", and release typical cases in a timely manner.

V. Optimizing Foreign Investment Management

(14) Promoting coordinated investment promotion efforts across different regions. Support will be given to the pairing of eastern regions with border regions to deepen cooperation in investment promotion, industrial transfer, and revenue sharing, so as to facilitate the regional distribution of FIEs in China. We will also support border (cross-border) economic cooperation zones and other zones in jointly building parks with other domestic regions and neighboring countries through capital and industrial ties, advancing planning and construction, investment cooperation, and investment promotion coordination.

(15) Enhancing the level of IT application in foreign investment management. We will comprehensively optimize the foreign investment information reporting system, improve direct reporting channels, and ensure the authenticity, accuracy and completeness of foreign

investment information. The foreign investment information sharing mechanism will be improved to support foreign investment management in areas such as foreign exchange registration, administrative licensing, and fixed-asset investment.

All local authorities and relevant departments shall resolutely implement the decisions and plans of the CPC Central Committee and the State Council, raise their political awareness, adopt comprehensive measures to form synergies, unswervingly expand high-standard opening up, ensure the effective implementation of various policies and measures, and make every effort to achieve the goal of stabilizing and optimizing the utilization of foreign investment. The Ministry of Commerce shall, together with the National Development and Reform Commission, the Ministry of Finance, and other relevant departments, strengthen overall coordination and publicity guidance, advance the implementation of various measures, and promptly evaluate progress and results. Major matters shall be reported in a timely manner in accordance with established procedures.