

# **Practical Guide for Hong Kong People Living in the Mainland- Tianjin**

**For Hong Kong people who are working, living  
and doing business in the Mainland**

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## Preface

With increasingly close cooperation and frequent communications between Hong Kong and the Mainland, a growing number of Hong Kong people are living in the Mainland or commuting between Hong Kong and the Mainland. The Office of the Government of the Hong Kong Special Administrative Region in Beijing (BJO) has compiled this booklet with a view to providing Hong Kong people with useful information in relation to working, living, doing business, investing and studying in Tianjin.

The booklet consists of ten chapters. Chapters 1 through 3 cover topics including an introduction to Tianjin, transportation and dealing with emergency and accidents in Tianjin; Chapters 4 and 5 provide an overview with respect to working, doing business and investments in the Mainland / Tianjin. Chapters 6 through 10 provide information on housing, education, medical and legal services, marriage and giving birth.

BJO has engaged Ernst & Young to collect information and compile this booklet. Despite our best efforts to ensure that the information contained in this booklet is accurate, BJO makes no guarantees of the accuracy, completeness and timeliness of the information contained herein. Readers should verify the information and pay attention to the latest announcements from the relevant organizations and government authorities.

We would also like to thank the Hong Kong Chamber of Commerce in China, Hong Kong Association of China Business and Hong Kong Professionals (Beijing) Association for their input to certain chapters of the booklet.

## **Introduction of the Office of the Government of the Hong Kong Special Administrative Region in Beijing (BJO)**

The BJO was formally set up under the Basic Law of the Hong Kong Special Administrative Region (HKSAR) on March 4, 1999. Its main functions include further enhancing the HKSAR Government's liaison and communication with the Central People's Government, Mainland authorities, and provinces, municipalities, autonomous regions under the purview of the BJO; facilitating exchange and co-operation in business and other aspects between Hong Kong and the Mainland; promoting Hong Kong to residents of the Mainland; processing applications for entry to Hong Kong; and providing practical assistance to Hong Kong people in distress in the Mainland.

The BJO is organized into five divisions, including Economic Affairs, Trade and Liaison Division, Immigration Division, Information Division, Office Administration Division and the Liaoning Liaison Unit.

### Contacts

Office of the Government of the HKSAR in Beijing

Office hours: Monday to Friday: 8:30 am – 12:00 pm; 1:00 pm -5:30 pm (not available during Mainland public holidays)

Tel: (8610) 6657 2880

Fax: (8610) 6657 2821

Address: No.71, Di'anmenXidajie, Xicheng District, Beijing(Zip code: 100009)

Immigration Division, BJO(Office Hours)

Tel: (8610) 6657 2880 Ext. 032

Fax: (8610) 6657 2830

Liaoning Liaison Unit

Tel: (8624) 3125 5575

Fax: (8624) 3125 5545

Address: Office 3107-1, CR Building, 286 Qingnian Street, Heping District,

Shenyang, Liaoning Province (Zip code: 110004)

Other contacts

Immigration Department, the Government of the HKSAR

Assistance to Hong Kong People Unit (24-hours hotline)

Tel: (852) 1868

Fax: (852) 2519 3536

Address: 9/F, Immigration Tower, 7 Gloucester Road, Wan Chai, Hong Kong

Immigration Division, Economic and Trade Office of the Government of the HKSAR in Chengdu (Office Hours)

Tel: (8628) 8676 8310 Ext. 330

Fax: (8628) 8676 8300

Address: 38/F, Tower 1, Plaza Central, 8 Shuncheng Street, Yan Shi Kou, Chengdu (Zip code: 610016)

Immigration Division, Economic and Trade Office of the Government of the HKSAR in Guangdong(Office Hours)

Tel: (8620) 3891 1220 Ext. 608

Fax: (8620) 3877 0466

Address: Flat 7101, Citic Plaza, 233 Tian He North Road, Guangzhou (Zip Code: 510613)

# 1. An Overview of Tianjin

China covers a land area of 9.6 million square kilometers and currently consists of four municipalities (Beijing, Shanghai, Tianjin and Chongqing), 23 provinces, five autonomous regions (Tibet, Xinjiang, Inner Mongolia, Ningxia, and Guangxi) directly under the Central Government, and two special administrative regions (Hong Kong and Macau).

Tianjin is one of the four municipalities of China. It is at the center of the Bohai Economic Rim at the west coast of the Pacific Ocean. Tianjin serves as an important passageway for provinces and cities in northern China to interact with foreign countries. It is also the biggest port city in northern China and plays a significant role in Beijing-Tianjin-Hebei Coordinated Development Program.

## 1. About Tianjin

### ► Population

At the end of 2015, the population of Tianjin stood at approximately 154,695,000.

### ► Administrative districts

Tianjin covers a land area of 11,800 square kilometers, which is divided into 13 districts (including Heping, Nankai, Binhai New Area, Wuqing, Xiqing, Hebei, Hedong, Hexi, Hongqiao, Jinnan, Dongli, Beichen, Baodi) and 3 counties (including Jixian, Ninghe, Jinghai). Amongst the above districts:

- Nankai District: Located in the southwest of Tianjin's urban area, Nankai District is the most well-known cultural and educational district in Tianjin where Nankai University and Tianjin University are located. With an



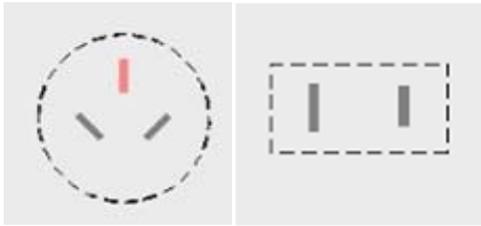
abundant pool of educated human resources, Nankai District focuses in the development of high-tech industries, supported by the Nankai Hi-tech Park established in the district. Anshanxi Road, Baidi South Road Technical Commercial Street, Nankai Industrial Park, and University Technical Park are all located inside the Nankai Hi-tech Park.

- **Binhai New Area:** Located in the eastern coast of Tianjin and at the center of the Bohai Economic Rim, Binhai New Area has a land area of about 2,270 square kilometers, covering the former administrative districts of Tanggu, Hangu, Dagang; Tianjin Economic-Technological Development Area, Tianjin Port Free Trade Zone, Tianjin Port; and certain areas formerly under the Dongli District and Jinnan District. A number of the global top 500 companies and foreign invested companies are found in the area, spreading over important industrial parks including Tianjin Economic-Technological Development Area (TEDA), Tianjin Port Free Trade Zone, Tianjin Port (an integrated trading port whose throughput ranks No.4 in the world), Tianjin Binhai Hi-tech Industrial Development Area and Sino-Singapore Tianjin Eco-City.
- **Wuqing District:** Known as the “corridor” between Beijing and Tianjin, Wuqing District strives to develop into a new and high technology industrial base -a base for modern services industry and an eco-city. Beijing-Tianjin Inter-city Railway has an intermediate stop at Wuqing District, which makes it convenient to commute between Beijing and Tianjin. Being a state-level economic and technological development zone and a new high technological industrial park, Wuqing District consists of economic zones including Wuqing business district, Tianjin demonstration industrial parks and township industrial zones.

## ▶ **Voltage**

As in many other countries around the world, the Mainland adopts the metric system of measurement.

In the Mainland, household voltage is 220 volts which is the same as that of Hong Kong. No voltage conversion is needed for using electrical appliances purchased from Hong Kong. However, the shape of the power plug used in the Mainland is different from that of Hong Kong and thus a plug adapter is required. Typical shapes of power plugs used in the Mainland are shown in the pictures below.



#### ► **Currency**

In the Mainland, the official currency is Renminbi(RMB),commonly known as Yuan. Currently, paper bill in circulation includes 1, 5, 10, 20, 50,100 Yuan and 1, 2, 5 Jiao whereas coins include 1 Jiao, 5 Jiao and 1 Yuan. Foreign exchange services are available at Tianjin Binhai International Airport and most of the hotels. Companies licensed to provide foreign exchange services to individuals and branches of major banks also offer foreign exchange services.

Hong Kong people living in the Mainland can apply for opening bank accounts and online banking services in the Mainland. Generally, identification documents (e.g. passport, Mainland Travel Permit for Hong Kong and Macau Residents or commonly known as “Home Visit Permit”) are required for opening individual bank accounts.

Please check with specific banks for detailed application process and related information, if necessary.

#### ► **Public holidays**

<b>Holiday</b>	<b>Date and No. of Days</b>	<b>General Holiday Arrangement</b>
<b>New Year</b>	<ul style="list-style-type: none"> <li>▶ 1 day</li> <li>▶ January 1of each year.</li> </ul>	Normally by rearranging the closest weekend to before or after January 1 <sup>st</sup> to make up a 3-day holiday.
<b>Spring Festival</b>	<ul style="list-style-type: none"> <li>▶ 3 days</li> <li>▶ First three days in Lunar calendar, which normally falls in January or February in Georgian Calendar.</li> </ul>	Normally by rearranging the closest two weekends to before or after Spring Festival to make up a 7-day holiday.
<b>Qingming Festival</b>	<ul style="list-style-type: none"> <li>▶ 1 day</li> <li>▶ Qingming festival in Lunar calendar, which normally falls in April in Georgian Calendar.</li> </ul>	Normally by rearranging the closest weekend to before or after Qingming Festival to make up a 3-day holiday.
<b>Labor Day</b>	<ul style="list-style-type: none"> <li>▶ 1 day</li> <li>▶ May 1of each year.</li> </ul>	Normally by rearranging the closest weekend to before or after May 1 to make up a 3-day holiday.
<b>Dragon Boat Festival</b>	<ul style="list-style-type: none"> <li>▶ 1 day</li> <li>▶ May 5 in Lunar calendar, which normally falls in June in Georgian Calendar.</li> </ul>	Normally by rearranging the closest weekend to before or after Dragon Boat Festival to make up a 3-day holiday.
<b>Mid-Autumn Festival</b>	<ul style="list-style-type: none"> <li>▶ 1 day</li> <li>▶ August 15 in Lunar calendar, which normally falls in September in Georgian Calendar.</li> </ul>	Normally by rearranging the closest weekend to before or after Mid-Autumn Festival to make up a 3-day holiday.
<b>National Day</b>	<ul style="list-style-type: none"> <li>▶ 3 days</li> <li>▶ October 1 - 3of each year.</li> </ul>	Normally by rearranging the closest two weekends to before or after October 1 to make up a 7-day holiday.

The State Council would generally publish holiday arrangement for the following year in December of every year. For more information, please visit the website of the Central People's Government of the People's Republic of China: <http://english.gov.cn/>.

### ► **Climate**

Tianjin is a city with continental climate characterized by moderate temperature and distinctive seasons, for instance, spring is windy and dry; summer is hot and rainy; autumn is crisp and moderate; and winter is cold and dry. Summer is usually hot with an annual precipitation of about 485.8mm, concentrated in the three months of June, July, and August. Tianjin has low humidity which is around 54% on average (annual). Winter can be very cold and dry where the average daily temperature can fall below 0°C. Visitors to Tianjin are advised to bring proper moisturizing products such as shower gel and lotions; and appropriate warm clothing such as hat, scarf, gloves, thick trousers, warm shoes, etc. Generally, there will be adequate indoor heating but this will also lead to dryness.

### ► **Air Quality**

Tianjin had been affected by smog frequently. The concentration of PM 2.5 particulates is an important indicator of air quality. Monitoring agencies convert the concentration of PM 2.5 particulates into an air quality index (AQI) to reflect the air quality. According to the Technical Regulation on Ambient Air Quality Index (on trial) released by the Ministry of Environmental Protection (MoEP) of the People's Republic of China (Announcement [2012] No.8), AQI in the range from 0-50 indicates good air quality; AQI in the range from 51-100 indicates moderate air quality; AQI in the range from 101-150 indicates light air pollution; AQI in the range from 151-200 indicates medium air pollution; and AQI in the range from 201-300 indicates heavy air pollution; while AQI in the range from 301-500 indicates serious air pollution. MoEP suggests that if AQI exceeds 200, people with heart or lung diseases, the elderly and children should consider refraining from outdoor activities and taking precautionary measures such as

wearing face masks when going out and installing air purifiers indoors.

Tianjin Environment Monitoring Center forecasts the air quality in Tianjin on a daily basis and issues alerts in case of heavy air pollution. In terms of level and duration of pollution, there are four levels of alerts: Blue (Level 4), Yellow (Level 3), Orange (Level 2) and Red (Level 1), with Red being the highest level of alert. People travelling and living in Tianjin should pay attention to announcements on air quality in Tianjin and the related precautionary measures by other relevant institutions or organizations.

Emergency Plan for Heavy Polluted Weather in Tianjin(Chinese Version Only):

[http://www.tj.gov.cn/zwgk/wjgz/szfbgtwj/201406/t20140617\\_239911.htm](http://www.tj.gov.cn/zwgk/wjgz/szfbgtwj/201406/t20140617_239911.htm)

Tianjin Environment Monitoring Center (Chinese Version Only):

<http://www.tjemc.org.cn/html/Pageindex.aspx>.

## **2. Travel documents for visiting Tianjin**

### **▶ Valid identification documents for travelling to Tianjin**

Mainland Travel Permit for Hong Kong and Macau Residents (commonly known as “Home Visit Permit”) is the valid travelling document used by Hong Kong people who are Chinese citizens for traveling to the Mainland. With valid Home Visit Permit, the holders can make multiple entries into or exits from the Mainland. Hong Kong people can apply for the Home Visit Permit in Hong Kong with China Travel Service (Hong Kong) Limited (CTSHK). For more information, please visit: <http://www.ctshk.com/english/index.htm>.

For Hong Kong people who are not qualified to apply for Home Visit Permit, they can travel to the Mainland with a valid foreign passport or travel documents together with a China visa. For more information, please visit the website of the Bureau of Exit and Entry Administration of the Ministry of Public Security (Chinese Version Only): <http://www.mps.gov.cn/>.

If the Home Visit Permit is damaged or there are changes in personal information, the holder of the Permit should apply for a new one with CTSHK by showing the original Permit and his/her Hong Kong identity card.

If the Home Visit Permit is lost in Hong Kong, the holder should apply with CTSHK for a new one with his/her own Hong Kong identity card. If the Home Visit Permit is lost in the Mainland, the individual should report it immediately to the local police station and obtain a documentary proof of the report of loss. With the documentary proof of the report of loss, proper identification document and local residency documents, the individual can then apply with the local Bureau of Exit and Entry Administration of the Ministry of Public Security for an Entry and Exit Permit, which will allow him/her to return to Hong Kong/Macau.

► **Temporary residence registration in Tianjin**

Hong Kong people should make a temporary residence registration for short-term stay in Tianjin in accordance with the regulations stipulated by the Tianjin Public Security Bureau. Hong Kong people should bring along documents including a valid Hong Kong Identity Card and Home Visit Permit to the police station or household registration department of the area of their stay for the registration.

For more detailed information, please visit the website of the Ministry of Public Security (Chinese Version Only):

<http://www.mps.gov.cn/>.

### **3. Leisure and travel**

In the recent history of China, Tianjin is one of the first cities in the Mainland to interact with the Western Civilization. Many famous politicians and celebrities had chosen to settle in Tianjin, such as Liang Qichao, Zhang Xueliang, GuWeijun, Zhang Zizhong, Zhang Boling, Li Shutong, HuoYuanjia, etc. There

are a number of well-preserved former residences of these prominent figures and western-styled buildings for tourists to visit, including the Five Great Avenues, the Mansion of Prince Zhuang, Jingyuan Garden, Yin-bing Room, the former residence of Zhang Xueliang, the Astor Hotel, Tianjin Association of the Compatriots from Hong Kong, Macao, Taiwan and Overseas Chinese, Italian Styled Town and Kiessling Restaurant. There are also numerous spots of folk culture in the downtown area. When taking a walk at the Ancient Culture Street and Nanshi Food Street, visitors, apart from having a glimpse of folk culture, can enjoy crosstalk shows and Tianjin delicacies. In addition, visitors may make sightseeing trips to Binhai New Area Tanggu, Hangu and Dagang to experience the marine culture.

For more information about tourism in Tianjin, please visit the websites below:

<http://www.tjtour.cn/>(Chinese Version Only),

<http://www.tianjinplus.com/tjplus/>.

Overseas tourists as well as residents of Hong Kong, Macau and Taiwan who have stayed in Mainland China for no more than 183 consecutive days can claim 11% Value Added Tax (VAT) refund on purchases made at designated stores when they depart the country through port of departure (including airports, seaports or land borders). For further details, please refer to the “Notice regarding the implementation of tax refund on goods purchased by foreign tourists” (MOF Announcement [2015] No. 3) promulgated by the Ministry of Finance on 6 January 2015 or the website of China National Tourism Bureau: <http://www.cnta.gov.cn/>.

Since 1 January 2016, Tianjin has implemented the departure tax refund policy for overseas tourists shopping in Tianjin. For the store list that the tax refund policy is applicable, please refer the website of Tianjin State Administration of Taxation: <http://www.tjsat.gov.cn/>.

Currently, Beijing and Tianjin take the lead nationwide in implementing departure tax refunds. Overseas tourist who purchases items subject to tax

refunds in these two municipalities can apply for tax refunds at departure ports either in Beijing or Tianjin.

#### **4. Life and Social Networking**

With the advancement of information technology, online shopping in the Mainland has gained popularity amongst consumers due to its convenience and reasonable prices. Consumers can purchase a wide range of products from various shopping websites.

The use of instant messaging applications is very popular in the Mainland. Instead of calling on mobile phones, people would keep in touch using mobile applications.

## 2. Transportation

### 1. Overview

All automotive vehicles, non-automotive vehicles and pedestrians should keep to the right side of the road in the Mainland, which differs from the practice of keeping to the left in Hong Kong.

Traffic rules in Hong Kong differ from those in the Mainland. In Hong Kong, vehicles are not allowed to make the right turn when the red light is on. In the Mainland, on the other hand, vehicles can turn right even when the red light is on provided that other vehicles or pedestrians are not disturbed (however, when the red light signaling right turn is an arrow shape instead of a round shape, vehicles would be prohibited from taking the right turn until the traffic light turns green).

Pedestrians and drivers of automotive vehicles and non-automotive vehicles should observe traffic rules in the Mainland. Besides, Tianjin has also promulgated and implemented specific local rules. For detailed information, please visit the website of Tianjin Public Security Policing Platform for People's Livelihood (Chinese Version Only):

<http://www.tjgaj.gov.cn/>.

### 2. Public transportation in Tianjin

#### ▶ Subway

Currently, Tianjin metro system consists of 4 operating lines, which are Lines 1 to 3 (Metro) and Line 9 (BMT). Lines 1 to 3 mainly cover the downtown area of Tianjin and Line 9 connects the downtown area with Binhai New Area Tanggu. The fare per ride is charged based on the sections and distance travelled. The fares range from RMB 2 yuan to RMB 5 yuan for Lines 1-3 while the maximum

fare for Line 9 is RMB 9 yuan. Passengers can enjoy a 10% discount when travelling with stored-value metro cards and City Cards (YiKatong), which can be purchased at metro stations.

For detailed information, please visit the website of Tianjin Metro Group (Chinese Version Only): <http://www.tjgdjt.com/>.

#### ► **Taxi**

Taxi stands are often found in public areas such as hotels, business centers, hospitals and residential areas. Passengers may book taxis by calling the service hotline of Tianjin Public Transport Call Center at 8622-96880 or through mobile applications. For detailed information about Tianjin Public Transport Call Center, please visit the website (Chinese Version Only) <http://www.tj96880.com>.

Tianjin taxis implement a unified fare charge policy, i.e. RMB 8 yuan for the first 3 kilometers and RMB 1.7 yuan per kilometer thereafter. An additional 50% fare based on the tax fare shown in the meter is also collected for the return trip if the travelling distance exceeds 10 kilometers. There are also surcharges for fuel, waiting, etc. Passengers can pay the taxi fare by using City Cards.

#### ► **Bus**

The bus network of Tianjin basically covers the whole city. The starting fare is RMB 2 yuan (paid by cash) and RMB 6 yuan for travelling to the outskirts of the city. Passengers travelling with City Cards can enjoy a 10% discount per ride. For detailed information, please visit the website of the Tianjin Public Transportation Group (Chinese Version Only):

<http://www.tjbus.com/frontpage/>.

Other bus services in Tianjin include:

- Airport shuttle: Passengers may choose to travel between the Tianjin

Binhai International Airport and other locations within the region of Beijing-Tianjin-Hebei with airport shuttle. For more detailed information, please visit the website of Tianjin Binhai International Airport (Chinese Version Only):

<http://www.tbia.cn/cn/index.do>.

- Inter-province shuttle: Tianjin has inter-province shuttle services reaching different locations in the Mainland. For more detailed information, please visit the website of Road and Transportation Department of Tianjin (Chinese Version Only):

<http://www.tjsdlysglc.cn/>.

## ► **Railway**

Tianjin is the center of railway network in the Mainland which spans across the whole country. There are four railway stations located in the downtown area of Tianjin, namely Tianjin Railway Station, Tianjin West Railway Station, Tianjin North Railway Station and Tianjin South Railway Station. The city is connected to Beijing and numerous cities through various intercity routes (with high speed train services for certain routes).

For purchase of railway tickets, passengers are required to provide valid identification documents (Home Visit Permit, passports, etc.). Passengers are free to choose their travel date, time and seats. Passengers can purchase train tickets at the ticketing offices at railway stations, via ticketing hotlines {Beijing Railway Bureau (Tianjin) telephone booking number – the only official channel for telephone bookings, Booking Tel: 95105105, Customer Service Tel: 12306} or through website (please refer to the website of China Railway Customer Service Center below).

For detailed information, please visit the website of the China Railway's Customer Service Center (Chinese Version Only):

<http://www.12306.cn/mormhweb/>.

► **Air**

Tianjin Binhai International Airport (TBIA) is located in the Dongli District which is approximately 13 kilometers away from the downtown area, 20 kilometers away from the Tianjin Port and 134 kilometers away from Beijing. The majority of the domestic and international flights to and from Tianjin land in or depart from TBIA. Passengers from Tianjin downtown area can take Line 2 of the Tianjin metro system to TBIA. The whole journey generally takes about 1 hour. In addition, TBIA has opened a waiting terminal at the Beijing South Railway Station since May 2014. With the seamless connection of the Beijing–Tianjin Intercity High speed Railway and the subway system, passengers can now choose to fly from TBIA to Hong Kong. The schedule of direct flights departing from TBIA to Hong Kong is outlined in the table below:

	Monday/Tuesday/Wednesday /Friday/ Saturday/Sunday	Thursday
Flight departure	07:25/08:35/15:10	07:25/08:35

The schedule of direct flights departing from TBIA to Macau is outlined in the table below:

Flight departure	From Monday to Sunday	16:45
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Please visit the website of Tianjin Binhai International Airport for updates on flight information (Chinese Version Only):

<http://www.tbia.cn/cn/index.do>

Travelers can purchase air tickets through the websites and telephone hotlines of airlines. They can also make the purchases online through the websites of booking agents, which usually provide airfare discounts

### ▶ **Public bicycle rental**

Tianjin provides public bicycle rental services. Currently, there are public bicycle rental service stations in TEDA and Tanggu District. Individuals who are aged between 18 and 60 years old and have good cycling skills can rent and return bicycles at public bicycle rental service stations by using City Cards. Bicycles are generally rented to users for free within the first hour, while a RMB 1 yuan would be charged for the second hour and RMB 2 yuan for the third hour of use. An hourly rental of RMB 3 yuan is charged after three hours.

For detailed information, please visit the website of Tianjin Metropolitan Card Company Limited (Chinese Version Only): <http://www.tjykt.com/index.html>.

## **3. Self-driving**

### ▶ **Driving license**

Hong Kong people are required to obtain valid driving licenses if they wish to drive in the Mainland. Drivers should carry their driving licenses while driving. Hong Kong people who meet relevant requirements promulgated by the Ministry of Public Security (including requirements in age, physical and other conditions, etc.) can apply for driving licenses from traffic management departments.

Hong Kong people holding driving licenses issued in Hong Kong can apply for driving licenses in the Mainland after passing the required examination on traffic regulations. Moreover, Hong Kong people holding driving licenses issued in Hong Kong can apply for temporary driving permit from traffic management departments if they need to drive in the Mainland for a period not exceeding three months.

For detailed information, please visit the website of Tianjin Public Security Policing Platform for People's Livelihood and Online Office of the Tianjin

Government (Chinese Version Only):

<http://www.tjgaj.gov.cn/>

<http://111.161.76.162/>

Contact number of the Tianjin Motor Vehicle and Drivers Management Bureau is: 86-22-26023001.

### ► **Buying vehicles**

According to the guidelines issued in Tianjin, Hong Kong people who, wish to apply for a quota to purchase small passenger vehicles in Tianjin, should meet the requirements below:

- (1) the Hong Kong people have not registered a small passenger vehicle in Tianjin or the small passenger vehicle is registered as compulsory de-registration in Tianjin; have not obtained a quota to purchase or upgrade their small passenger vehicles; have not failed to use the quota obtained via lottery within 2 years; hold a valid driving license issued by the Public Security department;; and
- (2) Hold a valid Home Visit Permit; have lived in Tianjin for two years or more consecutively, with valid proof of residence which showed that the Hong Kong people have lived in Tianjin for a consecutive period of 9 months per year.

For more detailed information, please visit the Legal Information Web of the Tianjin Control System Administration Center for Small Vehicles (Chinese Version Only): <http://www.tjttk.gov.cn/> or contact the centre:

Telephone: 8622-59612345

Address: No.169 Weiguo Road, Hedong District, Tianjin, China.

### ► **Traffic management measure for automotive vehicles**

In order to alleviate traffic congestion, reduce consumption of energy and improve air quality, Tianjin has adopted traffic management measures on automotive vehicles since March 2014. According to the measures, vehicles with car plate number ending with a specific number would be prohibited on the roads between 7:00 and 19:00 on a certain day during weekdays; restricted areas include any roads within Tianjin Outer Ring Expressway.

For detailed information on relevant measures and road traffic, please visit the Tianjin Online Administration Services for Vehicles : (Chinese Version Only):<http://www.tjcg.gov.cn> or contact the Tianjin Traffic Management Bureau, Telephone: 8622-23394637, Address: No.8 Hubei Road, Heping District, Tianjin, China.

#### ▶ **Renting cars**

If Hong Kong people would like to drive in Tianjin, they can rent a car from the local car leasing companies. Generally, Hong Kong people are required to provide their photocopies of Home Visit Permit and driving license as well as intended leasing period to the car leasing companies when entering into car rental contracts. For more information, please visit the website of the car leasing companies.

## **3. Emergency and Accidents**

### **1. Dealing with emergency and accidents**

If Hong Kong people have accidents (e.g., traffic accident, fire etc.), other emergencies (e.g., robbery, attack etc.), or casualties in the Mainland, the parties concerned should immediately report to the local Public Security Bureau. They can dial 110 for assistance from the police; 120 for medical assistance (fees are generally charged for medical services, including charges for using ambulance services and receiving emergency treatments); 119 for fire services; and 122 for reporting of traffic accidents.

For further assistance, please contact the Immigration Department of the Government of the Hong Kong Special Administrative Region (Immigration Department), BJO, the Economic and Trade Office of the Government of the Hong Kong Special Administrative Region in Chengdu (CDETO) or the Economic and Trade Office of the Government of the Hong Kong Special Administrative Region in Guangdong (GDETO). For their contact means, please refer to Pages 3 and 4 of this booklet.

For Hong Kong people in the Mainland, the HKSAR Government can provide the following assistance in case of emergency and accidents:

- To issue an Entry Permit for returning to Hong Kong if identification document is lost;
- To notify relatives of the concerned parties in Hong Kong and advise on procedural matters in case of serious accident or casualty;
- To contact relatives or friends of the concerned parties in Hong Kong for financial assistance on request;
- To notify relatives of the parties concerned in Hong Kong regarding their detention or arrest upon receipt of notification from the law enforcement agencies in the Mainland;
- To inquire, upon request from the relatives and friends of the concerned

parties, about the situation of the detention or arrest;

- To provide on request from the concerned parties or their relatives and friends, information on lawyers in the Mainland; and
- To provide any other relevant advisory services.

Assistance that cannot be provided by HKSAR Government includes:

- To intervene in the judicial system or administrative operations of the Mainland when providing assistance to Hong Kong people, under the principle of 'One Country, Two Systems';
- To shield unlawful act of Hong Kong people or absolve them from criminal liability;
- To get better treatment for Hong Kong people in hospital, under detention or in prison than that provided for Mainland people; and
- To pay the hotel, legal, medical or travelling expenses or any other bills for the parties concerned.

## **2. Involvement in administrative or criminal cases - rights, procedures and assistance**

If Hong Kong people are detained, arrested, tried, penalized or subject to other mandatory measures due to acts or suspected acts in violation of criminal laws, the parties concerned shall be subject to the same legal proceedings and are entitled to the same legal rights as local residents in the Mainland.

If Hong Kong people have violated laws or regulations issued by the Administration for Industry and Commerce or Tax authorities (such as operating without a valid business license, tax evasions, etc), but such violations do not constitute crimes, the parties concerned may be subject to administrative penalties (such as warning, detention, revocation of business licenses, fines, etc.). If Hong Kong people violate public security regulations, such as involvement in fights, drug abuse, prostitution etc., the parties concerned would be subject to penalties which may include warnings, fines, administrative detentions, etc. provided that such acts do not constitute criminal crimes.

### **3. Under arrest or detention**

Hong Kong people who are arrested or detained for criminal cases in the Mainland may contact the BJO, CDETO, GDETO or the Assistance to Hong Kong People Unit of the Immigration Department of Hong Kong for assistance. The HKSAR Government can provide the following assistance to the individuals or their families:

- To inform relatives of the parties concerned in Hong Kong upon receipt of notification from the law enforcement agencies of the Mainland;
- To inquire, on request from the relatives and friends of the parties concerned, about the situation of the case for which the parties concerned are arrested or detained by the law enforcement agencies;
- To provide, on request from the parties concerned or their relatives and friends, information on lawyers in the Mainland;
- To provide any other relevant advisory services.

Hong Kong people, who are arrested or detained for any charge of criminal offence in the Mainland, can request the public security authorities to notify their families and appoint lawyers for legal services. Lawyers can meet or communicate with their clients as well as to review, copy, make photocopy of materials related to the case, collect evidence, participate in court's inquiries and defend their clients, and request for terminating or altering mandatory measures imposed on their clients who have been detained longer than the stipulated period. According to the laws and regulations of the Mainland, lawyers practicing in Hong Kong are not allowed to provide legal services to the parties concerned in the capacity of a solicitor.

Where necessary, the parties concerned or their families may reflect their requests or views to the relevant authorities through the HKSAR Government.

### **4. Other emergencies**

▶ **Loss of identification documents**

Hong Kong people who have lost their Hong Kong Identity Cards and Home Visit Permits in Mainland should first report it to the public security authorities to obtain a documentary proof of the report of loss before applying to the local exit and entry administration authorities or the China Travel Service office in Shenzhen {Address: Shop B5, 2/F, Shenzhen Railway Station; Telephone No.: (86 755) 8234 7136} for the issue of an Entry and Exit Permit. If assistance for returning to Hong Kong is needed, the parties concerned may contact BJO, CDETO, GDETO or the Assistance to Hong Kong People Unit of the Immigration Department. The HKSAR Government will provide necessary assistance and relevant information on a case by case basis. BJO can issue an entry permit to Hong Kong people who have lost their Hong Kong identity documents to facilitate their return to Hong Kong.

For detailed information, please visit the website of Tianjin Public Security Policing Platform for People's Livelihood and the website of the Entry and Exit Services of the Tianjin Public Security Bureau (Chinese Version Only):

<http://www.tjgaj.gov.cn/>

<http://60.28.61.198/Page/Index.aspx>

▶ **Property loss**

Hong Kong people who have lost money in the Tianjin should report it to a nearby public security authority. If the parties concerned need to return to Hong Kong urgently, they may contact BJO, CDETO, GDETO or the Assistance to Hong Kong People Unit of the Immigration Department for assistance. The HKSAR Government can assist the individuals to contact their relatives and friends in Hong Kong for financial assistance. If their relatives and friends cannot provide immediate assistance, BJO, CDETO or GDETO may consider allocating an appropriate amount of disbursement to help them return to Hong Kong as soon as possible. However, they must undertake in writing to repay the disbursed amount as early as they can.

## ► Traffic accidents

If Hong Kong people are involved in traffic accidents in Tianjin, minor incidents can generally be resolved through negotiation between/amongst the parties or through mediation by traffic police. In Tianjin, service centers are established to provide one-stop services with a view to handling traffic accidents in a speedy manner and surveying the damages for insurance claims.

Under the following circumstances, the parties concerned should keep the scene where the accident happens intact and report to the police immediately:

- (1) Casualties and injuries were caused due to the traffic accident;
- (2) The drivers involved do not possess a valid driving license;
- (3) The drivers have consumed alcohol; or have taken psychiatric or anesthetic drugs restricted by the State;
- (4) The vehicles cannot be removed by the individuals;
- (5) The vehicles are without car plates, marks of having passed examinations and insurance;
- (6) There are disagreements over the facts pertaining to or the causes of traffic accidents;
- (7) The vehicles have hit buildings, public facilities or other facilities; and
- (8) Only one vehicle is liable in the accident.

For further details, please refer to the Measures for Handling Damages to Vehicles in Traffic Accidents through Voluntary Negotiation and Voluntary Leaving the Scene {<http://www.tjits.cn/> (Chinese Version Only)} and the website of Tianjin Insurance Association (Chinese Version Only):

<http://www.tjia.org.cn/>.

## 5. Death and other related issues

Hong Kong people must report to the local Public Security Bureau immediately if their companions or relatives have suffered serious injuries or have died.

Please contact the Immigration Department of HKSAR, BJO, CDETO, GDETO for assistance.

HKSAR Government can also inform the relatives of the deceased in Hong Kong about the death, and provide information on the relevant procedures (application for death certificates, identification and claim of remains, etc.).

## 4. Working

### 1. Overview

#### ► Forms of employment for Hong Kong people in the Mainland

In general, there are three types of employment arrangements for Hong Kong people working in the Mainland:

- (a) Hong Kong people directly employed by the Mainland employers under employment contracts with the Mainland employers;
- (b) Hong Kong people running self-employed businesses in the Mainland; and
- (c) Hong Kong people assigned by foreign entities or entities incorporated in Taiwan, Macau or Hong Kong to work in the Mainland. In such cases, the individual is not required to establish labor relationship with the receiving entity in the Mainland but the foreign entity shall issue the proof of assignment and sign secondment agreement with the Mainland receiving entity.

Hong Kong people, who are employed by foreign entities (including entities established in Taiwan, Hong Kong and Macau) and are assigned to work in the Mainland for less than three months, are not required to apply for Taiwan, Hong Kong and Macau Expatriates Work Permits (Work Permit). Hong Kong people, who are assigned to work in the Mainland for a period or periods exceeding three months in aggregate within one year, are required to apply for Work Permit as in the case of direct employment.

#### ► Things to note when working in the Mainland

Hong Kong people can look for job opportunities through different channels, including personal referral, job placements in recruitment website or

employment agency.

Hong Kong people working in Tianjin should take note of the following:

- Pursuant to the Regulations on Employment of Taiwan, Hong Kong and Macau Residents in the Mainland (Employment Regulations), Mainland employers can hire or accept assignees from Hong Kong who meet the following requirements:
  - (1) Aged between 18 and 60 (investors participating directly in business operations or persons with specific technical expertise needed in the Mainland may be aged 60 or above);
  - (2) In good health;
  - (3) Have valid travel documents (such as the Home Visit Permit);
  - (4) Possess the required qualifications if the person is engaged in a particular profession (technical nature) in accordance with the relevant regulations.
- **Work Permit:** According to the Employment Regulations and the Regulations on Promoting Tianjin Employment, Hong Kong people should apply for Work Permits when working in the Mainland.
- **Terms of employment contract:** When signing employment contracts with employers in Tianjin, Hong Kong people should clearly understand the contractual terms, including contract period; scope and location of work; composition and standards of remuneration as well as method and timing of remuneration payments; bonus system (if applicable); working hours and leave arrangement; conditions for contract termination, period of probation, etc. so as to protect their rights and interests. Calculation of salary, overtime payment and other kinds of living allowance (if applicable) should be clearly stated in the contract as opposed to verbal communication.
- **Social security and commercial insurance:** When working in Tianjin, Hong Kong people should know whether employers will bear the cost of enrolling them in social security and purchasing commercial insurance.
- **Housing welfare:** Hong Kong people should take into consideration whether the employer will provide accommodation or rental subsidy and in the case of the former, the environment, transportation and security condition of the surrounding area of the accommodation.

## ► Application for Work Permits

Mainland employers who intend to hire or accept assigned Hong Kong people should be responsible for applying for Work Permits for them. Hong Kong people who are self-employed should apply for Work Permits on their own.

To apply for a Work Permit, the employer shall submit application documents to the Tianjin Municipal Human Resources and Social Security Bureau, including the Application Form for Employment of Taiwan, Hong Kong and Macau Residents in the Mainland, duplicate of the business license, the individuals' original physical examination certificate (medical health certificate issued or certified by the Tianjin Entry-Exit Inspection and Quarantine Bureau), certificate of no criminal conviction, Home Visit Permit and labor contract, etc.

Hong Kong people who wish or intend to run a self-employed business in the Mainland shall submit application documents to the Tianjin Municipal Human Resources and Social Security Bureau, including the Application Form for Employment of Taiwan, Hong Kong and Macau Residents in the Mainland, Individual Proprietorship Business License, the individuals' original physical examination certificate (medical health certificate issued or certified by the Tianjin Entry-Exit Inspection and Quarantine Bureau), certificate of no criminal conviction and Home Visit Permit.

For detailed information, please visit the websites below:

Tianjin Municipal Human Resources and Social Security Bureau (Chinese Version Only): <http://www.tj.lss.gov.cn/>.

Tianjin Service Portal for Administrative Approval (Chinese Version Only): <http://www.tjxzk.gov.cn/>.

## ► Penalty for failure to comply with Work Permits requirements

According to the Employment Regulations, if the employers fail to apply for

Work Permits for Hong Kong employees, the relevant labor and social security authorities shall order them to remedy the situation within a specified time and a penalty in the amount of RMB 1,000 may be imposed. According to the Regulations on Promoting Employment in Tianjin, if the employers employ Hong Kong employees without permission, the relevant labor authorities will impose a penalty in the amount of RMB 1,000 per person. In addition, the labor contract between the employer and Hong Kong employee will become invalid and the rights and obligations of the two parties shall no longer be protected by the law.

Further, employers shall cancel Work Permits after termination, dissolution or expiration of the employment with Hong Kong people. If employers fail to do so, the relevant labor and social security authorities shall order them to remedy the situation, and a penalty in the amount of RMB 1,000 may be imposed.

## **2. Social Securities and Individual Income Tax**

According to the Employment Regulations, Mainland employers should enter into labor contracts with their Hong Kong employees and contribute social securities in accordance with the Interim Regulations on the Collection and Payment of Social Security Insurance. However, detailed implementation rules may vary from one region to another.

Enrollment in social security may fall into three categories as follows:

- (1) Hong Kong people, who are employed in the Mainland and have entered into labor contracts with employers, should enroll in the social security of the region where the employers are located;
- (2) Hong Kong people, who run a self-employed business in the Mainland, should pay social security for their employees; and
- (3) Hong Kong people, who have established employment relationship with foreign employers (including Hong Kong, Macau and Taiwan employers) and are assigned to work in the Mainland, may not be required to enroll in social security if they have not entered into any direct employment contract with Mainland employers.

As Tianjin has not issued any detailed regulations, employers have the discretion to decide whether to enroll their Hong Kong employees belonging to the first category in the social security scheme. Hong Kong people and employers should keep abreast of the development of the relevant regulations to ensure compliance with the relevant requirements.

Social security includes pension, unemployment insurance, medical insurance, work-related injury insurance and maternity insurance. For further details with respect to the contribution ratios of social securities stipulated by the Tianjin authorities, please refer to Chapter 5 “Doing Business in Tianjin.”

For detailed information, please visit the website below:

Tianjin Human Resources and Social Security Bureau (Chinese Version Only):

<http://www.tj.lss.gov.cn/>.

Phone Number: 8622-12333.

#### ► **Individual Income Tax on salaries**

Wages and salaries earned by Hong Kong people from the Mainland should be subject to Individual Income Tax in accordance with the PRC Individual Income Tax Law (Order of the President of the People’s Republic of China [2011] No. 48) and relevant regulations. Hong Kong people, who have a domicile in the Mainland; or do not have a domicile but have lived in the Mainland for over one year, shall pay Individual Income Tax on the income derived inside and outside the Mainland in accordance with the prevailing tax regulations.

##### **a. Hong Kong people who sign labor contracts in Hong Kong and the Mainland respectively**

According to the Arrangement between the Government of the People’s Republic of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (PRC-Hong Kong Tax Arrangement), provided that

the Hong Kong people are not employed by a Mainland company; their total period of stay in the Mainland do not exceed 183 days within any 12-month period; and their salaries are not borne or paid by any company or permanent establishment in the Mainland, then their salaries should not be subject to Individual Income Tax in the Mainland.

Firstly, salaries earned by Hong Kong people shall be distinguished as domestic- and foreign-sourced income:

- Salaries arising from duties performed or carried out in the Mainland, whether or not such amount is paid to the individuals by the employer in the Mainland, shall still be deemed as Mainland-sourced income; and
- Salaries arising from duties performed outside the Mainland, whether or not such amount is paid to the individuals by the employer in the Mainland, shall be deemed as foreign-sourced income.

Then, the Individual Income Tax (IIT) liability shall be determined based on the period of residence in the Mainland (please see the table below):

Period of residence in the Mainland		Mainland payment		Offshore payment		Formula (IIT payable)
		Mainland-sourced income and paid in Mainland	Foreign-sourced income and paid in Mainland	Mainland-sourced income and paid outside Mainland	Foreign-sourced income and paid outside Mainland	
Employees / Senior Executive	Not more than 90/183 days under the relevant DTA*	Taxable	Exempt; senior executives subject to IIT pursuant to the Directors' Fee Article of the relevant DTA (Note 1)	Exempt	Exempt	(Total monthly salary paid inside and outside Mainland x IIT rate - quick deduction) x (Monthly salary paid inside Mainland / Total monthly salary) x (No. of days in the Mainland in the month / No. of days in the month)
	More than 90/183 days	Taxable	Exempt; senior executives	Taxable	Exempt	(Total monthly salary paid inside and outside Mainland x IIT rate - quick deduction) x

	under the DTA but less than 1 year		subject to IIT pursuant to the Directors' Fee Article of the DTA (Note 2)			(No. of days in Mainland in the month / No. of days in the month)
	1 year but less than 5 years	Taxable	Taxable	Taxable	Exempt	(Total monthly salary paid inside and outside Mainland x IIT rate - quick deduction) x [1 - (Monthly salary paid outside Mainland / Total monthly salary) x (No. of days outside Mainland in the month / No. of days in the month)]
	Over 5 years	Taxable	Taxable	Taxable	Taxable	Total monthly salary paid inside and outside Mainland x IIT rate - quick deduction)

*DTA refers to the relevant double taxation agreement / arrangement*

*Note 1: (Total monthly salary paid inside and outside the Mainland x IIT rate - quick deduction) x (No. of days in the Mainland in the month / No. of days in the month)*

*Note 2: (Total monthly salary paid inside and outside the Mainland x IIT rate - quick deduction) x [1 - (Monthly salary paid outside the Mainland / Total monthly salary) x (No. of days outside the Mainland in the month / No. of days in the month)]*

## **b. Hong Kong people who are employed directly by the Mainland employer and work in the Mainland only**

For Hong Kong people directly employed by Mainland employers which bear their salaries, they are subject to Individual Income Tax, which will be withheld by the Mainland employers.

Applicable Individual Income Tax rates range from 3% to 45%, which span across seven income bands on progressive basis. Individual Income Tax on salaries earned by Hong Kong people are calculated on monthly basis, with a monthly standard deduction in the amount of RMB 4,800. In addition, some non-cash benefits or allowances received by Hong Kong people on a reimbursement basis may be exempt from Individual Income Tax under certain

conditions. Such tax-exempt items include housing allowance, meal allowance, laundry expenses, relocation allowance, home leave allowance, language training expenses, and children's education subsidies.

According to the Circular of the State Administration of Taxation on Issues Concerning the Implementation of Several Policies on Individual Income Tax (Guoshuifa [2009] No. 121), a Hong Kong people who run a factory in the Mainland and takes up the role of directors as well as performs managerial duties, his / her income and directors' fees arising from such duties should also be subject to Individual Income Tax.

For more information on Individual Income Tax, please refer to the website of the Tianjin Finance Bureau & Local Tax Bureau (Chinese Version Only):  
<http://www.tjcs.gov.cn/> or call the Tianjin Local Taxation Bureau's service hotline: 8622-12366.

For more information about the PRC-Hong Kong Tax Arrangement, please visit the website of the State Administration of Taxation:  
<http://www.chinatax.gov.cn/2013/n2925/index.html>.

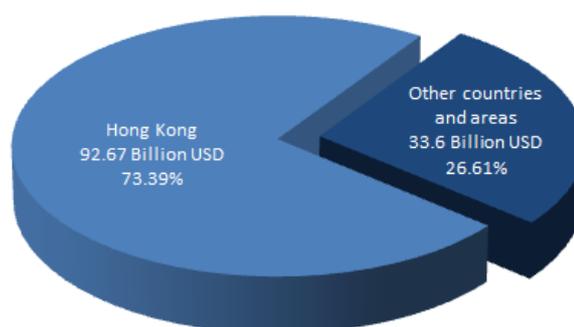
## 5. Doing Business in Tianjin

### 1. Foreign investment environment

#### ► Investment environment

Since 1978, the Mainland government has carried out economic reforms and adopted opening policies to attract foreign investments. The policies were first implemented in the coastal areas and gradually expanded to the inland. Special Economic Zones, such as Shenzhen and Zhuhai, were the first to open to foreign investment, followed by inland cities. Foreign investment incentives were initially geographically oriented.

**2015 Foreign Investment in the Mainland**



*Source of data: Foreign investment statistics, Ministry of Commerce of the PRC*

After the Mainland joined the World Trade Organization in 2001, the geographically-oriented incentives policy for foreign investment gradually expanded to cover the central and western parts of the Mainland. To create a fair business environment, the Mainland gradually phased out differential treatment of domestic and foreign investments and introduced industry-oriented incentive policy to encourage the development of specific sectors.

Foreign investments in the Mainland are subject to an approval system. Not all business sectors are open to foreign investors. In a bid to improve investment environment, the Mainland attempted to further simplify the approval procedures for foreign investments in recent years by delegating approval authority to lower-level government authorities.

## ► **Key incentives for foreign investments**

- A series of taxation, customs, financial and land development preferential treatments would be granted to Qianhai, Hengqin and Nansha of Guangdong province under the Mainland's 12<sup>th</sup> Five-Year Plan (2011-2015);
- Preferential Customs Duty and Corporate Income Tax (CIT) policies with respect to the development of the western part of the Mainland;
- Preferential Value Added Tax (VAT) treatment with respect to qualified income derived from offshore outsourcing services;
- High and new technology enterprises and small-scale enterprises with small profits are subject to a lower CIT rate. Since 1 January 2016, the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation have jointly revised the Administrative Measures for the Accreditation of HNTE, which have further relaxed the accreditation conditions in order to strengthen the tax incentives;
- Public infrastructure projects, environmental projects, energy and water conservancy projects, agriculture, forestry, animal husbandry and fisheries projects encouraged by the state are eligible for preferential CIT treatments;
- Qualified software enterprises and integrated circuit enterprises may enjoy CIT and VAT preferential treatments;
- During the period between 1 October 2014 and the end of 2017, small business enterprises which generate monthly income of less than RMB 30,000 and are recognized as small-scaled VAT payers/ Business Tax (BT) payers are temporarily exempt from VAT and BT. Small business enterprises engaged in industries encouraged by the state are exempt from import duties when they import advanced equipment for their own use and such advanced equipment cannot be produced in the Mainland;
- From 1 January 2015 to 31 December 2017, qualified small and micro-sized enterprises that derive annual taxable income not exceeding RMB200,000 (RMB200,000 inclusive) are eligible for both the 50% reduction of taxable income and CIT rate of 20%;
- Fixed assets acquired on or after 1 January 2014 by entities engaging in the following industries are eligible for accelerated depreciation methods to promote technology innovation and economy development:

- Biopharmaceutical industry;
- Manufacturing of special machineries;
- Manufacturing of transportation equipment for railway, shipping, aviation, aerospace and other conveying units;
- Manufacturing of computers, telecommunication or other electronic devices;
- Manufacturing of instruments and meters;
- Information transmission, software and information technology.

The instruments and equipment purchased by small low-profit enterprises in the six industries after 1 January 2014 for research and development as well as for production and operation, if their unit value is no more than RMB 1 million, they may be included in the current cost and expenses on a one-off basis and deducted before the calculation of taxable income and there is no need to annually calculate depreciation; if their unit value is more than RMB 1 million, their depreciation years are allowed to be shortened or the accelerated depreciation method may be adopted. For fixed assets newly procured by enterprises in the four key industries, namely light industry, textile, machinery and automobile after 1 January 2015, the enterprise may enjoy the preferential treatment of adopting an accelerated depreciation method;

- Aiming to promote investment and international trade, also endeavoring to carry out the institutional reform and innovation in areas of investment, international trade, finance and post-filing supervision, the Mainland government formally established the China (Shanghai) Free Trade Zone (SHPFTZ) in September 2013, to further open the service industry and promote financial sector innovation. In the free trade zone, a Pre-establishment National Treatment (PENT) is adopted towards foreign investment, and a "Negative List" was worked out to lay out foreign invested activities to which national treatments do not apply. Foreign investment projects beyond this "Negative List" will be changed into filing system from approval system. In April 2015, in order to strengthen and expand the pilot reform of the SHPFTZ, the Mainland government expanded the scope of the SHPFTZ and established three new pilot free trade zones (PFTZs) in Guangdong, Tianjin and Fujian.

- From 1 January 2016, the verifying process of CIT policies related to super deduction of research and development (R&D) expenses has been streamlined to adopt the post record filing management method. Meanwhile, the scope of R&D activities and related expenses eligible for super deduction will be expanded, and it is retrospectively applicable to the relevant R&D expenses occurred in the past three years.

In addition to the above state-level preferential policies, local governments may grant incentive policies, such as financial subsidies and tax rebates, to attract foreign investment in their local jurisdictions.

### ► **Preferential policies in Tianjin**

Tianjin has a number of economic zones, which offers preferential policies to enterprises with a view to promoting their development in Tianjin. Major economic zones include:

#### ■ **Tianjin Pilot Free Trade Zone**

The Tianjin Pilot Free Trade Zone has a primary focus on developing finance leasing, aviation, equipment manufacturing and financial innovation-oriented modern service industries, while allowing foreign capital to enter the performance and entertainment industry.

For detailed information on Tianjin Pilot Free Trade Zone's preferential policies, please visit the website of Tianjin Pilot Free Trade Zone:

<http://www.china-tjftz.gov.cn/html/cntjzmyq/yysy/List/index.htm>.

#### ■ **Tianjin Economic-Technological Development Area - TEDA**

The TEDA Customs Authority has signed Formal Transfer Agreement with Tianjin Airport Customs Authority and Beijing Airport, respectively, to facilitate customs declaration on import and export of goods.

For detailed information on TEDA's preferential policies, please visit the website of TEDA Investment Promotion Bureau:

<http://en.teda.gov.cn/html/ewwz/portal/index/index.htm>.

#### ■ Tianjin Port Free Trade Zone

Goods entering the Tianjin Port Free Trade Zone are not subject to Customs Duties, Import VAT and Consumption Tax, provided that they meet certain conditions. The quota system and licensing requirement applicable to the zone are relatively more relaxed comparing to the requirements outside the zone.

For detailed information on Tianjin Port Free Trade Zone's preferential policies, please visit the website of Tianjin Port Free Trade Zone:

<http://eng.tjftz.gov.cn/index.html>.

#### ■ Tianjin Binhai High-tech Industrial Development Area

Tianjin Binhai High-tech Industrial Development Area has been continuing to improve its investment environment. It has attracted a number of companies with solid performance and competitive advantage in the green energy, software and information processing, biotechnology and modern medicine, advanced manufacturing and modern services to set up business in the area.

For detailed information on Tianjin Binhai High-tech Industrial Development Area's preferential policies, please visit the website of Tianjin Binhai High-tech Industrial Development Zone (Chinese Version Only):<http://www.thip.gov.cn/>.

#### ■ Central Business District of Binhai New Area

The Central Business District located in the center of Binhai New Area has been set to serve as a new cluster for the development of international financing, international trading and high-end service industry for the Tianjin Binhai New Area.

For detailed information on preferential policies, please visit the website of Central Business District of Binhai New Area (Chinese Version Only):

<http://www.tjbhcbd.gov.cn/>.

► **Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) , its supplements and Agreement on Trade in Services.**

The Mainland government and the Hong Kong government signed the Closer Economic Partnership Arrangement (CEPA) on June 29, 2003 with a view to enhancing economic cooperation and integration between the Mainland and Hong Kong. In order to further strengthen the bilateral economic and trade cooperation between the Mainland and Hong Kong, ten supplements were signed during the period from 2004 to August 2013. The supplements aimed to gradually expand the scope of industries and regions covered under CEPA and enhance the eligibility of Hong Kong investors for preferential policies.

In November 2015, the Mainland government and the Hong Kong government signed the new Agreements on Trade in Services under the framework of CEPA (hereinafter referred to as the "New Agreements"). The New Agreements further opens up the services market, thereby basically achieves liberalization of trade in services between the Mainland and Hong Kong.

CEPA primarily covers three areas, namely trade in goods, trade in services as well as trading and investment facilitation.

The policies under CEPA for Hong Kong investors include the following:

- **Trade in goods:** Imported goods of Hong Kong origin (excluding those that are prohibited from importation according to rules and regulations of the Mainland) would be eligible for zero tariff treatment. In order to claim / enjoy the preferential tariff treatment, Hong Kong manufacturers will be required to make application accordingly, and prove that relevant consignment of goods being imported into the Mainland meets relevant conditions under the CEPA with respect to their origins. As of now, the Mainland and Hong Kong have agreed upon CEPA provisions with respect

to manufacturing origins for approximately 1,700 types of goods.

- **Trade in service:** Under CEPA, Hong Kong service suppliers<sup>1</sup> may enjoy preferential treatment when setting up businesses in various service sectors in the Mainland. Such preferential treatment may take different forms, and would include wholly-owned operations, relaxing restrictions on equity shareholding, reducing registered capital requirements, relaxing restrictions over geographical location and business scope, etc. As of the tenth CEPA supplements in August 2013, the Mainland and Hong Kong have announced 403 opening-up measures covering 73 service sectors. Meanwhile, a vast number of agreements and/or arrangements regarding mutual recognition of professional qualifications have been signed between the competent agencies (or authorities) of the Mainland and Hong Kong professional bodies/ organizations. According to the New Agreements, from 1 June 2016, the Mainland shall open up 153 sectors to Hong Kong services providers with national treatment applied to Hong Kong in 62 sectors.
  
- **Trading and investment facilitation:** Agreements have been made to promote greater co-operations within the areas of trading and investment facilitation to improve the overall business environment. Detailed measures include Customs Clearance Facilitation, Inspection and Quarantine Standardization, Transparency in Laws and Regulations, and greater co-operation and communication with respect to electronic business, trade and investment promotion, intellectual property and education. Starting from 1 May 2016, the Mainland General Administration of Customs accepts electronic certificates of origin under CEPA which are issued by the signing authorities in Hong Kong and Macao.

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<sup>1</sup>Hong Kong service suppliers: natural persons of Hong Kong refer to Hong Kong permanent residents; legal persons of Hong Kong refer to any legal entities (corporation, partnership, sole proprietorship) that were established under the applicable laws of Hong Kong and have engaged in substantive business operations in Hong Kong for at least 3 to 5 years. Hong Kong service suppliers as legal persons must apply for <Certificate of Hong Kong Service Suppliers> from Department of Trade and Industry before applying for CEPA treatments from Mainland related authorities. < Certificate of Hong Kong Service Suppliers > is not necessary for service suppliers as natural persons.

For detailed information on CEPA, please visit the website of the Hong Kong Trade and Industry Department: <http://www.tid.gov.hk/english/cepa/index.html>

## **2. Forms for business establishment in Mainland**

The main forms of business establishments established by foreign investors (including Hong Kong investors) in the Mainland include the following:

### **▶ Representative office (RO)**

An RO can engage in non-profit generating activities which are related to its foreign parent company's business and business liaison activities, but cannot directly participate in profit-generating activities. An RO does not have legal person status.

To set up ROs in Tianjin, applicants (except for the establishment of ROs in Binhai New Area) should submit the application documents required by the various approval authorities to the counter of Joint Approval and Comprehensive Services for Establishment of Enterprise of the Tianjin Municipal Administrative Service Center which provides one-stop service for registrations (except for tax registration and foreign exchange registration) and approvals. After the Tianjin Administration for Industry and Commerce and other approval authorities have approved the application, the applicant can collect the registration certificate and other certificates from the above mentioned counter.

To set up ROs in Binhai New Area, applicants would follow the same application process by submitting their applications to the Binhai New Area Administrative Service Center.

Applications for tax and foreign exchange registrations are handled separately by the relevant registration authorities in the county/district where the projects concerned will be established.

For more information, please visit the websites of the Tianjin Municipal Administrative Service Center and the Binhai New Area Administrative Service Center:

<http://www.tjzxzk.gov.cn/index.jsp>.

<http://www.tjbhxyzsp.gov.cn/index.do>

#### ► **Individual sole proprietorship**

One of the preferential treatments under the CEPA provides that Hong Kong permanent residents with Chinese nationality may establish individual sole proprietorship in any provinces, municipalities, or autonomous regions in the Mainland pursuant to the relevant laws, regulations or administrative rules of the Mainland without being subject to foreign investment approval process and any limitation with respect to the number of employees and size of the business area. The permissible business scope of sole proprietorship of Hong Kong people covers retail, restaurants, computer services, advertising, clinic, economic, trade and management consulting services, etc.

For more information, please refer to the website of the Tianjin Market and Quality Supervision Administration (TMQSA) (Chinese Version Only):

<http://www.tjaic.gov.cn/index.html>.

#### ► **Foreign invested enterprises (FIEs)**

Foreign invested enterprises established by foreign investors in the Mainland generally take the following legal forms:

- Sino-foreign equity joint-venture (EJV)
- Sino-foreign cooperation joint venture (CJV)
- Wholly foreign-owned enterprise (WFOE)
- Foreign-invested partnership

### 3. Approval for setting up FIEs

The Mainland adopts an approval system for foreign investments. To streamline the approval process, the Ministry of Commerce (MOC) has delegated most approval authority of foreign investments to the commerce departments of local governments. According to the Notice of MOC Delegating Approval Authority over Foreign Investment to Local Counterparts (Shangzifa [2010] No. 209), the delegation of the approval authority on foreign investments is set out below:

■ Conditions for delegating approving authority	■ Approval authority
1. Foreign investment in encouraged and permitted industries with total investment below USD 300 million	Commerce department of local governments
2. Foreign investment in restricted industries with total investment below USD 50 million	
3. Foreign invested Chinese holding companies with registered capital below USD 300 million	
4. <b>Establishment and alteration of foreign investment in services sector (excepting those requiring approval from MOC as stipulated in the relevant laws and regulations)</b>	
5. <b>Other foreign investments do not belong to the above categories</b>	MOC

The Foreign Investment Industrial Guidance Catalogue (the Catalogue) issued by the National Development and Reform Commission (NDRC) and MOC is an important document that classified foreign investment projects into three categories: encouraged industries; restricted industries and prohibited industries. Industries that are not listed in the above three categories are

treated as permitted industries. The Catalogue also imposes specific conditions on foreign investments in certain industries. For more information about the Catalogue, please refer to the website of the State Council: <http://www.gov.cn/>.

▶ **Considerations when signing EJV/CJV contracts with Mainland partners**

When entering into EJV/CJV contracts with Mainland partners, investors should pay attention to whether the mainland partner is a legal entity; whether it has valid business registration; its financial strength and capability to perform the contractual duties, etc. In addition, there are provisions under the Law of Sino-Foreign Equity Joint Ventures and Law of Sino-Foreign Cooperative Joint Ventures regarding the rights and obligations of the joint venture partners, the joint venture's organization structure, business scope, schedule of capital injection, appointment of management, profit distribution, dissolution and liquidation, etc. Investors should take note of the above when signing the EJV / CJV contracts.

TMQSA provides samples of joint venture contracts and Articles of Association for reference. For more information, please visit TMQSA's website (Chinese Version Only): <http://www.tjaic.gov.cn/index.html>.

▶ **General approval process for setting up FIEs**

After obtaining the approval from the relevant commerce department, FIEs can then apply for business registration with the local administration for industry and commerce; engrave company seals; open bank account; perform registration formalities with the relevant government authorities, including tax bureaus, the administration of foreign exchange, quality and technical supervision bureau, customs, statistical bureau, finance bureau and other related government authorities. From 1 October 2015, newly established enterprises are no longer required to perform tax registration or obtain tax registration certificates after obtaining business licenses with unified social credit code issued by

administrative authorities for industry and commerce. At present, some counties/districts in Tianjin have established local administrative service centers which adopt one-stop examination and approval system in the handling of the above mentioned applications and registrations (except for the tax and foreign exchange registrations). Foreign investors applying for investment projects in restricted industry (e.g. banking, insurance, direct selling and etc.) should submit their applications to the Tianjin Municipal Administrative Service Center for joint examination, review and approval (except for projects to be established in Binhai New Area). Foreign investors applying for foreign investments in non-restricted projects can submit their applications to the administrative service center of the district/county where the projects will be established. Applications with respect to projects to be established in Binhai New Area should be submitted to the Administration for Industry and Commerce of Binhai New Area.

Applications for tax and foreign exchange registrations are handled separately by the relevant registration authorities in the county/district where the projects concerned will be established.

For more information about procedures at each county/district, please visit the website of the administrative service center (Chinese Version Only):

[http://www.tjzxzk.gov.cn/page/qx/shenp\\_new.jsp](http://www.tjzxzk.gov.cn/page/qx/shenp_new.jsp).

For county/district which has not adopted one-stop examination and approval system, please refer to the websites of relevant government authorities listed below for detailed information.

- Tianjin Municipal Commission of Commerce:  
<http://english.tjcoc.gov.cn/index.php>;
- Tianjin Administration for Industry and Commerce (Chinese Version Only):  
<http://www.tjaic.gov.cn/>;
- Tianjin Public Security Policing Platform for People's Livelihood (Chinese Version Only): <http://www.tjgai.gov.cn/>

- Tianjin Municipal State Taxation Bureau (Chinese Version Only):<http://www.tjsat.gov.cn/>;
- Tianjin Municipal Finance Bureau (Chinese Version Only):  
<http://www.tjcs.gov.cn>;
- Tianjin Customs Office: <http://english.customs.gov.cn/publish/portal191/>;
- Tianjin Statistical Bureau(Chinese Version Only):  
<http://www.stats-tj.gov.cn/>

For certain industries, foreign investors should apply for required certificates/licenses from relevant authorities before applying for foreign investment approval with the commerce department.

Please note that the information above is only a general introduction on the procedures for the establishment of FIEs in Tianjin and is solely for reference only. The information above should not constitute legal or professional advice. For detailed information and local practice, please visit the website of the Tianjin Municipal Administrative Service Center (Chinese Version Only):<http://www.tjxzxk.gov.cn/index.jsp> or seek advice from qualified law firms or other professional consulting agencies. Normally, professional consulting companies can provide FIE formation services, including drafting of Articles of Association, preparation of application documents and communication with local government authorities, etc.

#### ► **Requirements on registered capital and total investment of FIEs**

Pursuant to the Decision of the Standing Committee of the National People's Congress on Amending Seven Laws Including the Law of the People's Republic of China on the Protection of the Marine Environment announced on December 28, 2013, certain provisions / clauses of the prevailing Company Law have been amended. These amendments include the removal of the minimum threshold with respect to registered capital (except for those specified in other laws, administrative regulations, and decisions of the State Council), cancellation of timeframe with respect to capital injections, and allowing shareholders to autonomously decide the amount, method and timeframe of capital contribution.

The amended Company Law came into effect on March 1, 2014.

A FIE's total investment refers to the total amount of funds needed to run the company, i.e. the total amount of the capital required for setting up the basic infrastructure and the working capital requirement based on the FIE's scale of operation. A FIE's registered capital refers to the total amount of capital registered with the local administration for industry and commerce for the purpose of establishing the FIE, i.e. the total amount of capital contributed by foreign investors. Investors' liability is limited to their capital contribution. To determine the amounts of total investment and registered capital of an FIE, the debt-equity ratios stipulated in Gongshangqizi [1987] No. 38 issued by State Administration for Industry and Commerce in February 1987, which are set out below, should be followed:

<b>Total Investment (USD)</b>	<b>Minimum Registered Capital(USD)</b>
<b>Less than 3 million (inclusive)</b>	70% of total investment
<b>Between 3 and 10 million (inclusive)</b>	50% of total investment, or not lower than 2.1 million if the total investment is below 4.2 million
<b>Between 10 and 30 million (inclusive)</b>	40% of total investment, or not lower than 5 million if the total investment is below 12.5 million
<b>More than 30 million</b>	1/3 of total investment, or not lower than 12 million if the total investment is below 36 million

Despite the above requirements, the commerce authority has the discretion to determine whether or not to approve the establishment of a FIE having regard to the registered capital of the FIE and its scale of operation. For specific requirements of debt-equity ratios in EJV and CJV, investors can seek advice from qualified law firms or professional consulting agencies or consult the local commerce authority. Besides, the amended Company Law would also lead to

changes in current business registration procedures and workflow with the relevant authorities. Hong Kong investors who intend to set up business in Tianjin should pay close attention to the detailed implementation of the amended Company Law.

#### ► **Requirements on leasing business premises**

When leasing business premises, investors should pay attention to the followings:

- (1) Lease contract should be signed by the FIE's legal representative;
- (2) In case of the lease contract is signed by the investor, it should be stated in the lease contract that the premises will be used by the proposed FIE as its business premises after its establishment;
- (3) The landlord should provide a valid property ownership certificate for the leasing premises. In addition, individual property ownership should provide identification document while corporate owner should provide a photocopy of the business license affixed with the company chop; and
- (4) The scope of property usage stated in the property ownership certificate should generally be "for commercial purpose/usage". If investors lease residential property and use it as business premises, such change of use should comply with the relevant laws or related regulations.

For specific requirements concerning the operation of premises by FIE, please refer to the website of the TMQSA (Chinese Version Only):

<http://www.tjaic.gov.cn>.

## **4. Labor**

#### ► **Labor laws and regulations in the Mainland**

The PRC Labor Contract Law came into effect on January 1, 2008, and

regulates all employment relationships including the conclusion, execution, revision, dissolution or termination of labor contracts within the Mainland. In 2012, the Standing Committee of the National People's Congress passed revision of the original Labor Contract Law. The revision came into effect on July 1, 2013.

The Labor Contract Law requires employers to enter into written labor contracts with employees when establishing an employment relationship. In case where the employer fails to enter into a written labor contract with the employee within one year after commencement of the employment, an employment contract with indefinite terms would be deemed to have been established with the employee. In such case, the employer should pay the employee double salary on a monthly basis for the one year period since the first month of the employment.

► **Things to note when hiring Chinese employees**

- Recruitment methods differ between FIEs and ROs. FIEs can, based on their operating needs, determine their own organization structures and hire local employees. FIEs can engage recruitment agencies recognized by labor authorities and posting job vacancies in media for recruitment purpose.

ROs have to engage authorized labor agencies for hiring local employees. ROs must enter into service contracts with the labor agency, which shall establish employment relationship with the local employees.

- Hong Kong, Macau and Taiwan residents need a Work Permit to work in the Mainland. If a Mainland company plans to hire persons or accept assignees from Hong Kong, Macau and Taiwan, it shall apply for the Work Permit for the individuals. Hong Kong people engaging in sole proprietorship in the Mainland should be responsible for applying for Work Permits by themselves.

Hong Kong people seeking employment in the Mainland should meet the following requirements:

- (1) Aged between 18 and 60 (investors participating directly in business operations or persons with specific technical expertise needed in the Mainland may be aged 60 or above);
- (2) In good health;
- (3) Have valid travel documents (such as the Home Visit Permit);
- (4) Possess the required qualifications if the person is engaged in a prescribed profession (technical nature) in accordance with the relevant regulations; and
- (5) Meeting other requirements as prescribed by relevant laws and regulations.

- According to the Regulations of Individual Business which came into effect from November 2011, there is no limit to the number of employees that can be hired by a sole proprietor. The sole proprietor should establish employment contract with employees, and should discharge all obligations prescribed under relevant laws and regulations.

#### ▶ **Salary and welfare**

##### ■ **Working hours and salary**

Companies can determine remuneration package for their employees. However, salaries paid to employees should not be lower than the minimum wage set by the state and local governments. Companies can establish employee incentive plans, such as performance bonus and stock options, to attract capable employees. Salaries should be paid on monthly basis in local currency, with payment date specified in the employment contract.

In the Mainland, the standard working hours for employees is not more than 8 hours for a day; and not more than 40 hours for a week.

Companies have the obligation to withhold Individual Income Tax from salaries before making salary payments to employees. Companies should perform the withholding Individual Income Tax filings with their in-charge tax authorities in the following month after salary payment. For more information about Individual Income Tax, please refer to *Chapter 4 “Working”*.

## ■ Social securities

The PRC Social Security Law, which came into effect in July 2011, has established a basic social security system, including basic pension, basic medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance, etc. Mainland companies should contribute to social security funds for their local and expatriate employees according to the regulations, which together with the contribution from employees; form the social security benefits for the employees. Companies shall also enroll their Hong Kong employees into social security scheme. However, since Tianjin has not issued detailed implementation rules with respect to social security contribution for Hong Kong employees, it is at the discretion of the companies in Tianjin whether to enroll their Hong Kong employees in the social security scheme.

The standard for social security contribution varies with different locations. The social security contribution applicable to Tianjin for the year 2016 is set out below:

Social Security	Contribution Rate		Contribution Basis (Tianjin)
	Employer	Employee	
Pension	19%	8%	■ Average monthly salary of the previous year as the contribution basis, with the upper limit of contribution capped at
Medical insurance	8%	2%	
Work-related injury insurance	0.54%	NA	

Unemployment insurance	1%	0.5%	RMB14,058yuan and lower limit of the contribution set at RMB2,812 yuan; <ul style="list-style-type: none"> <li>■ The employees also have the option to join the Large Medical Benefits. The standard levy amount of 2016 is 260RMB/year; and</li> <li>■ Contribution ratio for housing fund is at the company's discretion, not exceeding 12%.</li> </ul>
Maternity insurance	0.5%	NA	
Housing Fund	12%	12%	

For more information, please visit the website of the Tianjin Municipal Human Resources and Social Security Bureau (Chinese Version Only): <http://www.tj.lss.gov.cn/>.

■ **Maternity benefit for female employees**

According to the Special Provisions on Labor Protection for Female Employees issued by the State Council which took effect in April 2012, female employees are entitled to maternity leave of no less than 98 days, including 15 days before delivery. Maternity allowances, medical expenses incurred for delivery or miscarriage are paid out from the maternity insurance funds for female employees who have participated in maternity insurance schemes whereas employers should be responsible for such expenses in case for their female employees without maternity insurance.

**5. Taxation**

FIEs and ROs established by foreign investors (including Hong Kong investors)

would generally be subject to the following types of taxes in the Mainland: Corporate Income Tax, Withholding Income Tax, Value Added Tax, Consumption Tax, Local Surcharges, Stamp Duty, Urban Land Use Tax, Real Estate Tax, Deed Tax, Land Appreciation Tax, Customs Duties, and etc. For enquiries on taxation issues, please call the hotline of the Tianjin State Taxation Bureau and Tianjin Local Taxation Bureau: (8622) 12366.

## ▶ **Corporate Income Tax (CIT)**

### ■ **Overview**

Enterprises incorporated in the Mainland (such as FIEs) or foreign enterprises incorporated according to the laws of other jurisdiction but have effective management located in the Mainland should pay CIT in the Mainland on their world-wide income. The applicable CIT rate is 25%. With respect to foreign enterprises that have no permanent establishment or fixed place of business in the Mainland; or have permanent establishment or fixed place of business in the Mainland but the income derived from the Mainland is not effectively connected with the permanent establishment or fixed place of business, they shall be subject to a Withholding Income Tax (WHT) on their PRC-sourced income. The statutory WHT rate is 10%, which may be reduced by applicable tax treaties between the Mainland and other countries.

An enterprise's annual taxable income refers to its total income less non-taxable and tax-exempt income after deductions of allowable costs and expenses and offsetting tax loss carried forward.

CIT is calculated on an annual basis, with provisional CIT payments made on monthly or quarterly basis and final settlement on annual basis. The tax year is from January 1 to December 31. Companies should perform provisional CIT filings and make provisional CIT payments within 15 days after the end of each month/quarter. Companies should perform annual CIT settlement by submitting the annual CIT returns and settle the CIT due/apply for CIT refund within five months following the end of the year.

## ■ Total income

The total income subject to CIT includes operating income from sales of goods and provision of services, capital gains from transfer of property, dividends, profits distribution, interest, rental income, royalties and non-operating income such as donations. Interest income from government bonds, qualified dividend income from other PRC resident enterprise and income derived by qualified non-profit-making organizations are exempt from CIT.

The following items are CIT non-taxable income:

- (1) Qualified financial subsidies;
- (2) Administrative charges and government funds collected according to the relevant regulations and administered as part of government revenue; and
- (3) Other non-taxable income stipulated by the State Council.

## ■ Deductions

Expenditure actually incurred by the enterprises, which is related to the generation of gross income and is of reasonable amount, is generally deductible when calculating CIT taxable income. Certain expense items are subject to a deduction limit, such as entertainment expenses, promotion expenses, charitable donations, employee welfare, commission expenses, etc.

## ■ Tax loss

Net operating losses (NOL) of a tax year can be carried forward for five consecutive years but it is not allowed to be carried back.

## ■ Transfer pricing rules

Transactions conducted between related parties should comply with the arm's length principle. In case the related party transactions do not comply with the arm's length principle which results in the reduction of taxable income of the

company or its related parties; or the enterprise enters into an arrangement which does not have reasonable commercial purpose but solely to reduce its taxable income in the Mainland, then the tax authorities in the Mainland may make special tax adjustments on the transactions by adopting reasonable methodology.

When submitting annual CIT returns, enterprises are required to submit annual related party transaction forms to report their related party transactions. Enterprises meeting the following criteria are not required to prepare contemporaneous documentation:

- (1) Related party purchases and sales (processing business should use the annual importing declare prices at customs) amounting to less than RMB 200 million and other related party transactions amounting to less than RMB 40 million;
- (2) Related transactions that are subject to and within the scope of advanced pricing arrangement; and
- (3) Companies with less than 50% foreign participation and that are only engaged in transactions with domestic related parties.

▶ **Value-added Tax (VAT), Consumption Tax (CT) and local surcharges**

■ **VAT**

Entities and individuals shall pay VAT under the regulations if they are engaged in sales of goods, provision of processing, repairs or replacement services, import of goods, sales of services, intangible assets or real estate property in the Mainland. The relevant regulations are set out below:

VAT	
<b>Taxpayers</b>	<ul style="list-style-type: none"> <li>▶ Enterprises or individuals having income generated from sales of tangible goods and repair and replacement services within China;</li> <li>▶ Enterprises or individuals importing goods into China;</li> </ul>

	<ul style="list-style-type: none"> <li>▶ Enterprises or individuals having income generated from provision of services to Chinese service recipients;</li> <li>▶ Enterprises or individuals transferring intangible assets or real property within China territory;</li> </ul>
<b>Tax Payable</b>	<p><b>General VAT payer</b></p> <ul style="list-style-type: none"> <li>■ VAT payable = Output VAT-Input VAT</li> <li>■ Output VAT = Sales income * VAT rate</li> <li>■ Input VAT is the VAT paid on purchases of goods or receiving taxable services.</li> </ul> <p><b>Small-scaled VAT payer</b></p> <ul style="list-style-type: none"> <li>■ VAT payable = Sales income * VAT rate</li> </ul>
<b>Tax Rate</b>	<p>The prevailing VAT rates include 17%, 13%, 11%, 6% and 0%. Certain goods and taxable services could be eligible for VAT exemption;</p> <p>Small-scaled enterprises shall be subject to VAT at levy rate of 3% or 5%;</p>
<b>Tax Period</b>	<p>Respectively on the 1st, 3rd, 5th, 10th, 15th, monthly or quarterly;</p>
<b>Tax Reporting</b>	<p>Taxpayers subject to monthly and quarterly VAT reporting shall pay VAT within 15 days after the end of each month/quarter;</p> <p>Taxpayers subject to 1 day, 3 days, 5 days, 10 days and 15 days VAT reporting shall make advanced VAT payment within 5 days after the period ends and settle the due amount within 15 days in the following month.</p>

■ **Pilot VAT reform covers all industries**

Following the objectives of tax reform stipulated in the Mainland's 12<sup>th</sup> Five Year Plan, the Standing Committee of the State Council decided to further the VAT reform in October 2012. Since January 1, 2012, some locations were selected to implement VAT reforms under which certain industries would be subject to VAT instead of BT (VAT Pilot). Shanghai is the first trial location to implement

VAT Pilot and the industries selected for VAT Pilot include transportation industry and 6 modern services industries (including research & development (R&D) and technical services, information technology (IT) services, cultural and creative services, logistics auxiliary services, leasing of movable property, and certification and consultation services).

Since August 1, 2012, VAT Pilot was gradually rolled out to eight other provinces / cities including Beijing. Tianjin started to implement the VAT Pilot on December 1, 2012. On August 1, 2013, the VAT Pilot is implemented nationwide and the scope of VAT Pilot has expanded to cover broadcasting, film and television industry. Effective from January 1, 2014, the VAT Pilot expands to cover railway transportation and postal services. From June 1, 2014, the Pilot VAT Reform has been expanded to include telecommunications industry.

From 1 May 2016, the VAT reform for all industries has been launched. Scope of the VAT pilot reform has been expanded to the construction industry, real estate industry, finance industry and life-style service industry. This last phase of the VAT pilot reform is an important new chapter of Chinese VAT history and the existing Business Tax (BT) will be phased out.

The following sets out the VAT calculation for general VAT payers and small-scaled VAT payers under the VAT Pilot:

<b>General VAT Taxpayer</b>	VAT Payable = Output VAT - Input VAT	Tangible property leasing services;	<b>17%</b>
		Transportation services, postal services, basic telecommunication services, construction services, immovable property leasing services, sales of immovable property, transfer of land use right;	<b>11%</b>
		Value-added	<b>6%</b>

		telecommunication services, financial services, modern services other than tangible property leasing services, life-style services, sales of intangible assets;	
		VATable supplies regulated by the Ministry of Finance and the State Administration of Taxation;	<b>0%</b>
<b>Small-scale Taxpayer</b>	VAT Payable = Sales income x VAT rate	All taxable services	<b>3%or 5%</b>
<b>CT</b>			

CT is imposed on the sale of 14 specific types of consumer products. According to the PRC Provisional Regulations on CT (amended in 2008 and came into effect on January 1, 2009), the 14 types of consumer products subject to CT include: tobacco, alcoholic drinks and alcohol, cosmetics, gasoline, small vehicles, golf balls and golfing equipment, yachts, luxury watches, etc. CT is calculated either based on the sales amount or sales quantity, depending on the type of the product. From December 1<sup>st</sup>2014, CT is no longer imposed on small-displacement motorcycles with a cylinder capacity of less than 250ml (exclusive), automobile tires, leaded gasoline for cars and alcohol.

Starting from 1 February 2015, battery and coatings shall be subject to CT in order to promote energy conservation and environmental protection. CT of 4% will be levied on the sale price (before VAT) at the point of production, processing and import of battery and coatings.

From 10 May 2015, the ad valorem rate for wholesale of cigarette is increased from 5% to 11% plus unit rate of RMB 0.005 per cigarette.

## ■ **Local surcharges**

City Construction Tax (CCT), Education Surcharge (ES) and Local Education Surcharge (LES) are calculated based on the VAT and CT paid (turnover taxes). Tianjin also imposes Flood Prevention Fee (FPF) which is based on the turnover taxes paid.

In Tianjin, the applicable CCT rates are 7% or 5% (depending on the locations); the applicable ES, LES and FPF rates are 3%, 2% and 1%, respectively.

## ▶ **Customs Duties (CD)**

Consignee of imported goods, consignor of export goods and owner of imports are the payers of CD. According to The PRC Regulations of Customs Duties for Imports and Exports, effective from January 2004, the PRC Customs Authority shall impose CD on goods permitted to be imported and exported and articles allowed to enter into the Mainland unless otherwise specified by the relevant laws and regulations. The Regulations on Import and Export Duties, the Import Duty Rate for the Importation of Goods are compiled by the State Council to stipulate the taxable items, tariff code and tax rate for CD purpose.

To comply with the World Trade Organization's requirements, the Customs Authority in the Mainland has gradually reduced the import duty rates of imported goods since 2002. CD is computed based on the customs value assessed by the Customs Authority taking into account of the pricing or quantity of imports.

With State Council's approval, the import tariff for daily consumables, such as skin care products, suits, short boots and diapers, will be lowered through provisional tariff starting from 1 June 2015. Please refer to "Notice from the Customs Tariff Committee of the State Council in regard to adjusting the import tariff for certain daily consumables" issued on 21 May 2015 by State Council for details.

► **Stamp Duty (SD)**

According to the PRC SD Provisional Regulations (which came into effect in October 1988), entities or individuals which conclude or receive the dutiable documents prescribed in the SD Regulations in the Mainland are subject to SD. In order to support small-scaled and micro-scaled business enterprises, during the period between 1 November 2014 and 31 December 2017, small-scaled and micro-scaled business enterprises which enter into loan contracts with financial institutions are temporarily exempt from SD.

**Table of SD rates**

<b>Dutiable documents</b>	<b>Scope</b>	<b>Tax Rate</b>
<b>1 Trading contract</b>	Including contracts in respect of supply, subscription, purchase, purchase and sales, cooperation, relief, compensation, barter, etc.	0.03% of the contracted amount
<b>2 Processing Contract</b>	Including contracts in respect of processing, special orders, repair, printing, advertising, mapping, testing, etc.	0.05% of the contracted amount
<b>3 Survey and design contract in construction work</b>	Including survey contracts and design contracts	0.05% of the fees charged
<b>4 Construction &amp; installation contract</b>	Including construction contracts and installation contracts	0.03% of the contracted amount
<b>5 Property lease contract</b>	Including lease contract in respect of real estate, vessel, aircraft, automobile, machine, appliance, equipment, etc.	0.1% of the contracted amount
<b>6 Cargo transport contract</b>	Including contracts in respect of civil aviation, railway transport, marine transport, inland transport, road transport and joint transport	0.05% of the transportation fees

<b>7 Warehousing and storage contract</b>	Including warehousing contracts and storage contracts	0.1% of the warehousing/ storage fees
<b>8 Loan contract</b>	Loan contracts executed by and between banks or other financial institutions and borrowers (excluding inter-bank borrowing)	0.005% of the loan amount
<b>9 Property insurance contract</b>	Insurance contracts in respect of property, liability, guarantee, credit, etc.	0.1% of the insured amount
<b>10 Technology contract</b>	Contracts in respect of technical development, transfer, consultation, service	0.03% of the contracted amount
<b>11 Documents of transfer of titles</b>	Documents for transfer of property ownership, copyright, trademark proprietary right, patent, know-how, etc.	0.05% of the contracted amount
<b>12 Business accounting book</b>	Accounting books	0.05% of the sum of the original value of the fixed assets and the self-owned current funds for accounting book recording capital; RMB5 yuan each for other accounting books
<b>13 Certificate of rights and licenses</b>	Including real estate ownership certificate, business license, trademark registration certificate, patent certificate, land use right certificate which are issued by government departments	RMB5 yuan for each certificate

► **Tax Policies for Cross-border E-commerce Retail Imports and Exports**

To build a fair market for competition and to promote healthy development of cross-border e-commerce retail imports, the imported commodities from cross-border e-commerce retail (Business to Customer, i.e., B2C) shall be subject to Customs Duty (CD), import-level VAT and Consumption Tax (CT). The taxpayers shall be the individuals purchasing the imported B2C commodities. The dutiable values of imported commodities shall be their actual transaction prices including the retail prices of the goods and accompanying freight and

insurance expenses. E-commerce enterprises, enterprises engaging in e-commerce trading platform or logistics enterprises may act as the withholding agents.

■ **Applicable tax treatments**

Amount of the B2C import transaction (threshold: RMB2,000 per transaction and RMB 20,000 per year individually)	Applicable tax treatments
Not exceeding the threshold	<ul style="list-style-type: none"> <li>▶ CD rate is 0% on a provisional basis;</li> <li>▶ Import-level VAT and CT shall be imposed with a 30% reduction on a provisional basis, i.e., import-level VAT and CT exemption will no longer be available;</li> </ul>
Exceeding the threshold (including single inseparable commodity with a dutiable value exceeding RMB 2,000)	Taxes shall be imposed in full amount according to the general trade mode.

▶ **Application for tax treaty relief under the PRC-Hong Kong Tax Arrangement**

The Arrangement between the Government of the People’s Republic of China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (PRC-Hong Kong Tax Arrangement) and its first Protocol came into effect in December 2006. Subsequently, the two parties agreed and signed the second, third and fourth protocol of the PRC-Hong Kong Tax Arrangement in June 2008, May 2010 and April 2015. Qualified Hong Kong tax residents which are eligible for treaty relief with respect to PRC-sourced dividends, interest, royalties and capital gains derived from the transfer of property pursuant to the PRC-Hong Kong Tax Arrangement should submit applications for treaty relief to the tax authorities in the Mainland for approval.

	<b>Dividends</b>	<b>Interests</b>	<b>Royalties</b>	<b>Capitalgains</b>
<b>Applicable WHT rates under PRC-Hong Kong Tax Arrangement (Note)</b>	5%	7%	7%(Royalties derived from aircraft and ship leasing businesses shall be subject to the preferential rate at 5%)	0%

*Note: the lower rates would be applicable if the recipient of relevant passive income qualifies necessary requirements, and is entitled to the preferential tax treatments under the PRC-Hong Kong Tax Arrangement.*

To simplify the implementation of PRC-Hong Kong Tax Arrangement, the competent tax authorities of the Mainland and Hong Kong have negotiated and reached an agreement. The Certificate of Hong Kong Tax Resident Status issued by the Hong Kong competent authority to a Hong Kong tax resident for a particular calendar year may serve as proof for its Hong Kong tax residency for that calendar year and the two succeeding calendar years for claiming the benefits under the Mainland-Hong Kong DTA. If there have been any changes resulting in failure to meet any condition of the residency status, the resident would no longer be entitled to the benefits under the Mainland-Hong Kong DTA since the date of the change.

► **Filing for record requirement for outward remittance**

FIEs are required to perform WHT filings with the in-charge state and local tax authorities in accordance with the tax regulations when arranging outward remittance. In addition, FIEs are required to perform filings for records with the in-charge state tax authority if the outward remittance in a single payment of service fee, dividends or interest exceeds USD50,000 (exclusive of USD50,000).

Upon the completion of the filing for records, FIEs can present the record form (with the in-charge state tax authority's stamp affixed) to the designated bank for arranging outward remittance. The in-charge state tax authority may conduct subsequent verifications on the record form and supporting materials filed by the FIEs.

## **6. Accounting system and annual reporting**

### **▶ Accounting system and accounting standards**

The Ministry of Finance published the New Generally Accepted Accounting Principles (New GAAPs) in 2006, which came into effect on January 1, 2007. Generally, FIEs should prepare its financial statements in accordance with the New GAAPs. According to the general principles of the New GAAPs, Law of Accounting (Amended in 1999 which came into effect in July 2000) and the relevant regulations governing FIEs, the accounting system of FIEs should meet the following requirements:

- The accounting year should be from January 1 to December 31;
- Renminbi (RMB) should be used as the currency for the preparation of accounting books. Enterprises with business income and expenditure denominated in foreign currency can choose one foreign currency for accounting purpose. However, the financial statements should be prepared using RMB as the currency;
- Enterprises should record and account for actual economic transactions for accounting purpose; complete accounting vouchers; prepare accounting books; and prepare financial statements (the balance sheet, income statement, statement of cash flow, footnotes to financial statements, etc);
- Enterprises should recognize, measure and report the transactions on accrual basis; and
- Enterprises should set aside a portion of after-tax profits as reserve fund, employees' incentive and welfare fund, and enterprise development fund. The ratio of reserve fund should not be less than 10% of after-tax profits.

The company can cease to provide for the reserve until the amount of reserve attained 50% of the registered capital. FIEs can determine the ratio for employees' incentive and welfare fund. For Sino-Foreign EJV, the ratio of reserve fund, employees' incentives and welfare fund, enterprise development fund are determined by their board of directors.

▶ **Statutory audit requirement**

FIEs and ROs are subject to statutory audits and should engage public accountants in the Mainland to issue audit reports.

▶ **Annual Reporting**

According to the Notice on the Proposed Reforms for the Registration System of Registered Capital (Guofa [2014] No. 7), an annual reporting system shall be implemented in the Mainland. Under the proposed reforms, enterprises are required to submit annual reports to local administration for industry and commerce via the Market Entities Credit Information Public Disclosure System on an annual basis which are accessible by any entities and individuals for enquiry.

▶ **Foreign exchange control**

Currently, the Mainland still imposes foreign exchange control on cross-border money flow. The State Administration of Foreign Exchange (SAFE) and its local counterparts are responsible for verifying the authenticity and legality of foreign exchange transactions executed by enterprises. In addition, certain foreign exchange transactions of FIEs are subject to approval by the local SAFE. According to the current foreign exchange regulations, foreign exchange transactions conducted by FIEs are categorized by SAFE as current account items and capital account items.

From 1 June 2015, the State Administration of Foreign Exchange will remove

the approval requirements for foreign exchange registration of domestic and overseas direct investments, and simplify the handling procedure of capital contributions made by foreign investors for domestic direct investments.

## **7. Hong Kong people investing in PRC securities**

Hong Kong people can invest directly in A-Shares, B-Shares and listed securities investment funds.

### **▶ Invest in A-Shares**

A-Shares (i.e. RMB ordinary shares) are ordinary shares issued by the Mainland companies. A-Shares are subscribed and traded in RMB.

To allow Hong Kong, Macau and Taiwan people living and working in the Mainland to participate in the A-Share market, the China Securities Depository and Clearing Corporation Limited (CSDCC) issued the Amended Circular on the Administrative Measures of CSDCC Security Accounts on March 9, 2013 which lifted the restriction imposed on Hong Kong, Macau and Taiwan people living and working in the Mainland with respect to the opening of A-Share security account and thus Hong Kong people living and working in the Mainland can invest in A-Shares starting from April 1, 2013.

Hong Kong people can open natural person security accounts directly with the securities companies. There are two types of securities accounts: Shanghai securities accounts and Shenzhen securities accounts. Shanghai security accounts are used for trading securities listed in the Shanghai Stock Exchange and other securities recognized by CSDCC, while Shenzhen security accounts are for securities listed in the Shenzhen Stock Exchange and other securities recognized by CSDCC.

Hong Kong people should bring Home Visit Permit, Hong Kong Identity Card and Registration Form of Temporary Residence issued by the local Public Security Bureau for the opening of A-Share security account and capital

account.

### ▶ **Invest in B-Shares**

B-Shares (i.e. RMB special shares) are denominated in RMB but subscribed and traded in foreign currency in the Mainland stock exchanges.

Hong Kong people can invest in B-Shares in the Mainland. Hong Kong people can open B-Share security account and capital account through securities companies.

### ▶ **Shanghai – Hong Kong Stock Connect**

The Shanghai-Hong Kong Stock Connect refers to a mechanism where the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited establish technical connections to enable mainland and Hong Kong investors trade stocks to be listed in the other stock exchange within the specified scope through local securities companies or brokers. The Shanghai-Hong Kong Stock Connect comprises the interconnection with Shanghai stocks and the interconnection with Hong Kong stocks. This Pilot Program was launched on 17 November 2014:

- The interconnection with Shanghai stocks means that Hong Kong investors entrust Hong Kong brokers to trade stocks listed in the SSE within the specified scope after reporting to the SSE through securities trading service companies established by the SEHK.
- The interconnection with Hong Kong stocks means that mainland investors entrust mainland securities companies to trade stocks listed in SEHK within the specified scope after reporting to the SEHK through securities trading service companies established by the SSE.

For more detailed information and relevant tax policies, please refer to the website of China Securities Regulatory Commission:

▶ **Securities Investment Funds**

According to the Notice on the Opening of Securities Investment Fund Accounts for Foreigners and Residents from Hong Kong, Macau and Taiwan Working and Living in the Mainland issued by the Department of Fund Supervision of the China Securities Regulatory Commission, foreigners and people from Hong Kong, Macau and Taiwan living and working in the Mainland can open securities investment fund accounts and trading accounts effective from April 2013.

Hong Kong people can apply for securities investment fund accounts and trading accounts through fund management companies or securities companies.

Pursuant to the Notice regarding Tax Policies related to Mainland-Hong Kong Mutual Recognition of Funds (MRF) (Caishui [2015] No. 125), the following tax treatments shall apply to Hong Kong investors (including corporates and individuals):

- Gains realized from trading of Mainland securities investment funds via the MRF scheme are temporarily exempt from China Income Taxes.
- Distributions received by Hong Kong investors (including corporates and individuals) from securities investment funds via the MRF scheme are subject to withholding tax:
  - For dividends and distributions from shares of Mainland listed companies, Hong Kong investors shall be subject to withholding tax at 10%;
  - For interests from bonds, Hong Kong investors shall be subject to withholding tax at 7%.
- Gains realized from trading of Mainland securities investment funds via the MRF scheme are temporarily exempt from VAT.
- Trading, inheritance and donation of Mainland securities investment funds via the MRF scheme by Hong Kong investors are temporarily exempt from SD according to the prevailing tax rules.

### ► **Invest in other securities**

After the opening of the A-Share security account, Hong Kong people can directly trade securities listed in the Shanghai Stock Exchange and Shenzhen Stock Exchange, including bonds (government bonds, bonds issued by the local governments and corporate bonds) and warrants.

The above information in relation to investments is for your reference only. BJO makes no guarantee, expressed or implied, as to the accuracy, completeness, content, and timeliness of the information contained herein, nor will it be liable for any damage and legal responsibilities that may arise from use of such information. You are responsible for checking the accuracy, completeness, content, and timeliness of all information. Accordingly, you should seek professional advice based on the particular facts and circumstances of your case. This booklet is not intended to be an advertisement or solicitation of business. BJO does not endorse any of the products, services or information referenced therein.

## **8. Business dispute settlement**

In case where Hong Kong investors are involved in civil and commercial disputes arising from their investments in the Mainland, they may settle the disputes through arbitration via an arbitration agreement in advance or by filing civil lawsuits in the people's courts.

### ► **Arbitration**

Arbitration is the resolution of disputes outside the courts, where the parties to a dispute refer it to the arbitration tribunal they choose, by whose decision (known as the "arbitration award") they agree to be bound. To settle future disputes through arbitration, the parties involved should voluntarily enter into an arbitration agreement in advance, in which the parties are free to set forth

the arbitration commission, the appointment of arbitrators, the venue and language of the arbitration and the applicable laws. The parties may also design the arbitration proceedings to meet special needs by agreeing on the organization of hearings, submissions of proof, and presentations of arguments and so on. Arbitration offers more flexibility to parties in dispute settlement instead of following the often rigid procedures and timetables of the courts. On the other hand, arbitration is regulated by relevant laws regarding the legality of the arbitration agreements, the formulation of arbitration procedure, and execution of the arbitration awards and so on. If one party fails to execute the arbitration award, the other party may apply to a court for enforcement.

- **Party Autonomy.** To settle future disputes by arbitration, all contractual parties must voluntarily enter into an arbitration agreement. Entering into an arbitration agreement would exclude the option of filing a lawsuit in courts when disputes arise and the only judicial remedy is to settle through arbitration. However, without an effective arbitration agreement, arbitration agencies will not accept arbitration applications.
- **Confidentiality.** Arbitration procedures are not open to the public to protect business confidentiality along with the goodwill/reputation of contractual parties.
- **Multi-locations.** Arbitration committees should be established in the local municipalities, the capital cities of provinces and autonomous regions. The China International Economic and Trade Arbitration Commission (CIETAC) would accept foreign investment disputes related to various industries with offices in most first-tier and second-tier cities of the country. For more information, please visit the CIETAC website: <http://cn.cietac.org/>.
- **Final and Binding.** Arbitration awards become final and binding on the parties as soon as they are rendered. If any party fails to enforce the arbitration awards, it can no longer file a lawsuit in courts towards

the same dispute or apply for review of the arbitration. Parties may apply to courts for enforcement of the arbitration award.

### ► **Civil Lawsuits**

The People's Courts hear civil lawsuits and make binding and enforceable judgments on civil disputes. The Civil Procedure Law of the People's Republic of China, which took effect in 1991 (second-amendment in 2012), is the basis for the civil lawsuit system.

- According to Civil Lawsuit Law of the People's Republic of China, economic and commercial cases are subject to the two-tier trial system. In normal cases, the first trial of the civil lawsuit will be heard by the local court where the alleged violation had occurred. If one party disagrees with the judgment of the first trial, it can appeal for a second trial with the higher level court. The judgment of the second trial will be final. However, the first trial judgment of the Supreme People's Court is also treated as a final judgment.
- Statute of limitations: Generally, relevant parties should file lawsuits within two years after damages to civil rights and interests were made known. If a party disagrees with the judgment for the first instance, it has the right to appeal to the immediate superior people's court within 15 days from the date on which the judgment for the first instance was served. If a party disagrees with a ruling made by a local court of first instance, it has the right to file an appeal with the immediate superior people's court within 10 days from the date on which the written ruling was served.

## **9. Intellectual property (IP) protection**

Types of intellectual property in the Mainland include trademark, patent, copyright, and business secrets. There are relevant laws and regulations for the protection of IP rights, sanction of IP rights infringement and settlement of IP rights dispute.

## ► Remedies on IP right infringement

When infringement on IP rights occurs, the patent rights' holder or other affected parties may request an administrative remedy from relevant administrative authorities or file lawsuit with a people's court. The main administrative punishments on IP right infringement include : ordering the assailant to stop IP infringement activity and to compensate the IP right holder for any losses incurred and cash fines; in case of severe IP rights violation, the assailant might be subject to criminal punishment.

For more information about applying for a patent, trademark and copyright in the Mainland, please seek professional advice or visit the websites of relevant government authorities listed below:

- (1) State Intellectual Property Office of the People's Republic of China: <http://english.sipo.gov.cn/>;
- (2) National Copyright Administration of the People's Republic of China (Chinese Version Only): <http://www.ncac.gov.cn/>;
- (3) Trademark Office of The State Administration For Industry & Commerce of the People's Republic of China: <http://www.saic.gov.cn/sbjEnglish/>;
- (4) Intellectual Property Protection in China: <http://www.chinaipr.gov.cn/>.

## 6. Housing

Various options are available to Hong Kong people when finding accommodation in Tianjin. Hong Kong people can stay in hotels or serviced apartments, as well as to rent or purchase residential properties.

According to the Law of the People's Republic of China on the Control of Exit and Entry, Hong Kong people should perform residence registration with the local police station. If they stay in hotels and serviced apartments, the operators of hotels and serviced apartments would generally complete such registrations for them.

### 1. Leasing residential properties

Hong Kong people can rent residential properties in the Mainland through real estate agents or directly with the owner of the property.

The lessee should enter into a property lease contract with the lessor in writing. Contents of the property lease contract are subject to negotiation with the lessor. Contractual parties can refer to the sample of the Tianjin Property Lease Contract published by the Tianjin Market and Quality Supervision Administration for guidance.

For further details, please refer to the website of the Tianjin Market and Quality Supervision Administration: <http://www.tjaic.gov.cn/>.

Hong Kong people should avoid contracting with persons who are not the owner of the property. The following should be noted when entering into a property lease contract:

- (1) Personal information and address of the lessor;
- (2) Location, area, decoration and facilities of the property; whether the description of the property in the contract is consistent with reality; reading

on water, electricity and gas meter; safety check of gas stove and elevator;  
property management service ;

- (3) Purpose of the lease (i.e. self-use);
- (4) Lease period and terms of rental payment (e.g. monthly, quarterly or annually);
- (5) Amount of rental and associated tax; method of payment (cash or wire transfer);
- (6) Party responsible for property management fee;
- (7) Party responsible for property maintenance (undertaken by the lessor or lessee);
- (8) Conditions on sub-letting;
- (9) Conditions on handing over upon moving out and disposal of additional inventories;
- (10) Conditions on change or termination of lease contract;
- (11) Liability for breach of lease terms and dispute settlement methods;
- (12) Tax clause and invoicing arrangement; and
- (13) Specify in the photocopies of personal identification documents that they are “solely for the purpose of entering into property lease contract”.

Based on the Administrative Measures for the Leasing of Commodity Property (Order of the Ministry of Housing and Urban-rural Development of the People’s Republic of China [2010] No. 6) and the Amendment for Administrative Measures for the Leasing of Property in Tianjin (Order of the Tianjin Municipal People's Government [2004] No. 70), the following properties cannot be leased out:

- (1) Properties which are considered illegal structures;
- (2) Properties which do not meet the mandatory safety, disaster prevention standards;
- (3) Properties with altered usage which is in violation of the relevant regulations;
- (4) Properties without proper certificates of ownership or other legal ownership certificates;
- (5) Jointly owned properties without the consent of the co-owners;

- (6) Properties which are considered unsafe;
- (7) Properties which do not meet the stipulations prescribed in regulations;  
and
- (8) Other categories of properties which are prohibited by laws and regulations.

For latest updates on administrative guidelines of property leasing in Tianjin, please visit the website of the Tianjin Municipal Bureau of Land Resources and Housing Administration: <http://www2.tjfdc.gov.cn>.

## **2. Purchasing residential properties**

According to the Notice of Amendments on the Notice of the Tianjin Municipal Bureau of Land Resources and Housing Administration with respect to the Purchase of Commercial Property by Foreign Institutions, Foreign Individuals, Hong Kong, Macao and Taiwan Residents and Overseas Chinese in Tianjin (Jinguotufangshi [2012] No.352), Hong Kong people can purchase one residential property (including newly-built property or second-hand property) for self-use purpose. The restrictions on Hong Kong residents to buy houses in Tianjin have been abolished since October 2014. As a result, Hong Kong residents are no longer subject to quantity restrictions for the purchase of housing.

In accordance with the Urban Real Estate Administration Law of People's Republic of China (Order of the President of the People's Republic of China [2007] No. 72), the following types of properties cannot be transferred:

- (1) Properties on granted land use right which do not meet the conditions prescribed in Article 39 of the above regulation;
- (2) Property seized by judicial or administrative authorities or properties with restricted property rights;
- (3) Requisition of land in accordance with the law;
- (4) Jointly owned properties without the consent of the co-owners;
- (5) Properties under ownership dispute;

- (6) Properties without proper legal ownership certificates; and
- (7) Other categories of properties in which an assignment is prohibited under relevant laws or administrative regulations.

▶ **Purchase of newly constructed residential properties**

When purchasing property in Tianjin, Hong Kong people should first confirm their history of property purchase in Tianjin with the local housing authorities where the properties are located. After confirming that they have not purchased any property in Tianjin, they will be issued the Enquiry Form for No Property Purchase Record by Foreign individual, Hong Kong, Macao and Taiwan Residents in Tianjin (the Enquiry Form), which is a requisite document for property purchase. When performing record filing of property purchase and sale contracts and property ownership registration, Hong Kong people should provide the Enquiry Form, a letter of undertaking stating that the individual has no property purchase record in the Mainland (sample provided by local housing authority) and relevant certificates issued by the employer, school or residential community of the Hong Kong people in Tianjin and other documents required. Given that Tianjin authorities have yet to release the detailed implementation rules specifying the documents required for purchasing a house after the quantity restriction on house purchase is rescinded, Hong Kong residents are advised to consult the in-charge local real estate administration authorities for detailed requirements prior to making a house purchase.

When signing the property purchase contract, the parties should use the contract templates issued by the local housing administrative authorities. Should the contractual parties desire to change the articles of the standard contract template, they should apply to the local housing authorities for approval and then sign the contract approved and printed by the relevant authority. Property purchase contracts not approved and printed by the local housing administrative authorities are invalid.

When purchasing properties, Hong Kong people should pay attention to the following:

- Request the property developer and vendors to provide the “Five Permits” and “Two documents”. The “Five Permits” includes: (1) Certificate of State-Owned Land Use Right; (2) Planning Permit for the Construction Project; (3) Land-use Permit for the Construction Project; (4) Building Permit for the Construction Project; and (5) Permit for the Pre-sale of Commodity Property. “Two documents” refer to the Quality Assurance Certificate for Commodity Property and the Illustration for the Usage of the Commodity Property;
- Sign the contract with the real estate developers instead of the realtor;
- Check whether the housing subscription contract and the property purchase contract follow the sample issued by the Tianjin Market and Quality Supervision Administration and the Tianjin Municipal Bureau of Land Resources and Housing Administration;
- Pay attention to the common area, specification of decoration, the dates of handing over the property and application for property ownership certificate;
- Ensure that supporting documents such as building and facilities plans are attached to the property purchase contract affixed with the company seal of the developer;
- Agree upon the arrangement in case of breach of contract;
- Distinguish between “prepayment” and “down payment”. “Prepayment” indicates the intention to purchase and if the agreement doesn’t materialize, the prepayment is refundable; however “down payment” is an undertaking for agreeing to purchase and even if the purchase does not materialize, the amount cannot be refunded and the party which breaks the contract will bear the liability;
- Ensure that the payment is deposited to the account stated in the Permit for the Pre-sale of Commodity Property. If the developer requests the buyer to deposit the payment to another account, the buyer should refuse and report to the relevant department of the Tianjin Municipal Bureau of Land Resources and Housing Administration;
- Invoice and other documentary proofs for payment should be obtained and maintained; and
- Inspect the property carefully before handing over; in case of substantial quality issues, the buyer may request the developer to fix the problem in accordance with the provisions on property maintenance.

## ► Purchase of second-hand properties

If Hong Kong people opt to purchase second-hand residential properties, it is recommended that a professional real estate agent with proper business license be engaged. The purchaser should first confirm his/her history of property purchase in Tianjin with the local housing administrative authorities where the properties are located. After confirming that the individual has not purchased any property in Tianjin, he/she will be issued the Enquiry Form, which is a requisite document for property ownership registration. When performing record filing of property purchase and sale contracts and property ownership registration, Hong Kong people should provide the Enquiry Form, a letter of undertaking and relevant certificates issued by the employer, school or residential community in Tianjin and other relevant documents required. For detailed information, please refer to the above section related to the purchase of newly constructed residential properties.

The purchaser should pay attention to the following:

- (1) The purchaser and the seller should use the template of the property sale and purchase contract issued by the local housing authorities. The purchaser can seek assistance from qualified lawyer or other professional if necessary;
- (2) Verify the ownership right of the second hand property and understand whether the property is mortgaged;
- (3) Complete the required procedures for title transfer according to the contract, including but not limited to: agreeing on the payment method (payment to designated bank accounts or other agreed methods), payment of tax related to transfer of property and registration of title transfer; and
- (4) If a mortgage is required, banks may require the submission of relevant documents (such as proof of income, income and expenses record provided by bank, etc.) and the purchaser may need to go through appropriate procedures as required by the banks.

For further information on the application for the Enquiry Form, please contact the Tianjin Municipal Bureau of Land Resources and Housing Administration at 8622-84122065 or the local housing administrative authorities.

For further information on the registration of second-hand property, please refer to the website of the Tianjin Municipal Bureau of Land Resources and Housing Administration: <http://www2.tjfdc.gov.cn/>.

▶ **Financial arrangement**

Hong Kong people can apply for a mortgage from both domestic and foreign banks. Please seek advice from banks in relation to the detailed procedures, documents required and applicable interest rates. Different from Hong Kong, the engagement of a lawyer is generally not required in the purchase of property in Tianjin. Commission payable to real estate agent can be borne by both the purchaser and seller, or by mutual agreement. Generally, the commission payable is borne by the purchaser.

▶ **Foreign exchange regulations related to property purchase**

Hong Kong people who need to transfer funding to the Mainland for home purchase or settle payment via domestic foreign exchange accounts should submit required documents to the local banks, which will assist them to liaise and complete the filing requirements with the State Administration of Foreign Exchange Tianjin Branch. According to the Measures for Administration of Individual Foreign Exchange (Order of the People's Bank of China [2006] No. 3), Foreign individuals can purchase foreign exchange and remit proceeds derived from the sale of property in RMB currency after obtaining approval from the local State Administration of Foreign Exchange.

For more information, please refer to the website of the State Administration of Foreign Exchange: <http://www.safe.gov.cn/>

▶ **Obtaining property ownership certificates**

In some cases, purchasers may fail to obtain property ownership rights in the event that developers go bankrupt or intentionally evade their responsibility under the property purchase and sales agreement without any assignees to assume the developers' responsibilities. Should this be the case, Hong Kong people may resort to legal means, by collecting relevant evidences and filing civil lawsuits to competent courts to request for confirmation of their ownership rights. Hong Kong people can then apply for property ownership certificates by presenting the judgment to the local housing authorities where the properties are located.

#### ► **Transfer of property ownership**

If Hong Kong people need to transfer their properties to another person, applications must be made to the local housing authorities. The general procedures are set out below:

- (1) Apply for notarization for inheritance or bestowal with a notary office;
- (2) Obtain tax clearance certificates from local tax authorities; and
- (3) Submit the above notarized documents, tax clearance certificates and other identification documents to the local housing authority for the transfer of property ownership.

For more information, please contact the Tianjin Municipal Bureau of Land Resources and Housing Administration: 8622-23117420.

### **3. Tax and expenses related to transfer of properties**

Hong Kong people are subject to the same types of taxes for the purchase of properties in Tianjin as local residents. These may involve Deed Tax, housing property registration fee, transaction fees and evaluation fees. Properties purchases by individuals are temporarily exempt from Stamp Duty (SD) with respect to property purchase. Likewise, Hong Kong people and local residents are also subject to the same taxes with respect to the sales of

properties, which may include Value-Added Tax, Individual Income Tax and other expenses. According to the Circular of Ministry of Finance and State Administration of Taxation on Taxation Policy Adjustment concerning Real Estate Transaction (Caishui [2008] No.137), individuals are temporarily exempt from SD and Land Appreciation Tax with respect to the sale of properties. The main types of taxes include:

▶ **Deed Tax**

Deed tax is paid by purchasers of properties. The Deed Tax rate varies with the types of properties, which ranges from 1% to 3%. In Tianjin, the purchase of ordinary property, which is also the only property for the family, should be subject to Deed Tax at 1.5% of the transacted price (the purchase of ordinary property with an area of 90 square meters or below which is the only property for the family is subject to Deed Tax at 1%). For individuals purchasing a second residence with an area of 90 square meters or less, the deed tax is reduced to 1%; for residence with an area of more than 90 square meters, the deed tax is reduced to 2%.

▶ **Value-Added Tax (VAT)**

- The sale of any house that has been bought for less than two years by any individual shall be subject to VAT rate of 5% in respect of the full amount of the sales proceeds;
- The sale of any non-common house that has been bought for two years or longer by any individual shall be subject to VAT rate of 5% in respect of the sales proceeds less the original purchase price of the house paid by the individual;
- The sale of any common house that has been bought for two years or longer by any individual may be exempted from VAT.

▶ **Individual Income Tax (IIT)**

Hong Kong people should be subject to IIT at 20% on net basis (i.e. sales consideration less original cost of the property and other reasonable expenses) with respect to the sale of property. If the taxpayer cannot provide valid purchase invoice or calculate the original cost accurately, tax authorities in Tianjin may assess IIT on deemed basis (i.e. IIT rate at 1% on the income derived from the property transfer).

If the property has been held by the individual for more than five years and is the only accommodation of the family, then the individual is exempt from IIT.

▶ **Other expenses**

Other expenses mainly include property registration fees, transaction fees and evaluation fees, etc.

For further information on the preferential deed tax policies and other tax regulations related to property purchase, please refer to the Tianjin Finance Bureau & Local Tax Bureau website: <http://www.tjcs.gov.cn/> or consult the Tianjin Local Taxation Bureau: 8622-12366.

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## **7. Medical Service**

### **1. Hospitals in Tianjin**

In Tianjin, hospitals are rated by the Tianjin Municipal Health Bureau into three grades, namely Grade 3, Grade 2 and Grade 1, based on the scale of the hospital, level of medical safety, service quality, reasonableness in drug prescription and medical ethics, etc. Surgical procedures are also divided into four classes, namely Class A, Class B, Class C and Class D, depending on the risk and complexity of the procedures involved. Hospitals with Grade 3 status can perform all of the above classes of surgical procedures; hospitals with Grade 2 status can perform Classes B, C and D types of surgical procedures, whereas some of the hospitals with Grade 2 Class A status can perform Class A type of surgical procedures after obtaining permission; and hospitals with Grade 1 status can only perform Class D operational procedures. The outpatients of hospitals below Grade 1 status are not allowed to perform any surgical procedures.

It should be noted that the medical system and the service process in the Mainland differ from that in Hong Kong. As such, Hong Kong people, should, prior to medical treatments, be aware of the characteristics of the medical services provided by respective hospitals, and assess duly their own medical needs against their medical history.

In addition, hospitals in the Mainland generally would not accept electronic payments, e.g., credit card, Union Pay, etc. Therefore, Hong Kong people should remember to bring sufficient cash or membership cards provided by their insurance companies or medical insurance providers before their visits to hospitals for medical treatments. It is also advisable to check with the hospitals whether payment by medical insurance card is acceptable in advance.

It should be noted that the direct payment method under medical insurance

schemes offered by overseas insurance companies generally would only cover some of the Sino-Foreign invested hospitals and the international medical department of public hospitals. Since a majority of the hospitals in the Mainland would not accept direct payment by overseas medical insurance companies, Hong Kong people would be required to seek reimbursement from their overseas insurance companies in relation to the medical expenses incurred by providing relevant receipts and invoices.

Most of the hospitals in Tianjin require patients to make medical appointments in advance so as to confirm the type of medical services required. Hong Kong people can make appointments with most public hospitals in Tianjin online or through phone calls. For more information, please visit <http://www.eztcn.com/> (Chinese Version Only), or call hotlines: 4006511800 (call within Tianjin) or 8622-26690818(call outside Tianjin).

For more information on public hospitals in Tianjin, please visit the website of Tianjin Municipal Health Bureau (Chinese Version Only):

<http://www.tjwsj.gov.cn/html/WSJ/portal/index/index.htm>.

## **2. Contact information for partial list of hospitals**

Information on private and public hospitals listed below is primarily collected from various websites including the National Health and Family Planning Commission of the People's Republic of China and hospitals, and should be used as reference only. BJO makes no guarantees, expressed or implied, as to the accuracy, completeness, content, and timelines of the information contained herein, nor will it be liable for any damages and legal responsibilities which may arise from the use of the information. You are responsible for checking the accuracy, completeness, content, and timelines of all information, and seek professional advice as necessary. Likewise, information listed below is not intended to be an advertisement or solicitation of business. BJO does not endorse any of the products, services or information referenced therein. For

more information about medical institutions, please visit their official websites and online booking platform of YiZhiTong (Chinese Version Only): <http://www.eztcn.com/>. Contact numbers of hospitals listed in the table below are solely for general consultation purpose and may be used for registration and making medical appointments.

Name	Address	Telephone Number	Remarks	Language
<b>Comprehensive Hospitals-Public (Grade 3 Class A Hospitals)</b>				
The Second Hospital Of Tianjin Medical University	No.23,Pingjiang Road, Hexi District, Tianjin	8622-28331788	Specialty: Cardiology, Urology <a href="http://www.yd2y.com.cn/">http://www.yd2y.com.cn/</a>	Chinese
Tianjin Hospital	No.406,Jiefangnan Road, Hexi District, Tianjin	8622-28302006	Specialty: Orthopedic disorders <a href="http://www.tjorthop.org/">http://www.tjorthop.org/</a>	Chinese
Tianjin Huanhu Hospital	No.122, Qixiangtai Road, Hexi District, Tianjin	8622-60367500	Specialty: Surgical nerve <a href="http://www.tnsi.org/">http://www.tnsi.org/</a>	Chinese
Tianjin Union Medicine Center	No.190,Jieyuan Road, Hongqiao District, Tianjin	8622-87729595	Specialty: Digestive surgery, Spine surgery, Oncology <a href="http://umc.net.cn/">http://umc.net.cn/</a>	Chinese
Tianjin First Center Hospital	No.24, Fukang Road, Nankai District, Tianjin	8622-23626600	Specialty: Organ transplants, Emergency medicine, ENT <a href="http://www.tj-fch.com/en/index.html">http://www.tj-fch.com/en/index.html</a>	Chinese
Tianjin Third Central Hospital	No.83,Jintang Road, Hedong District, Tianjin	8622-84112114	Specialty: Hepatobiliary disease <a href="http://www.tj3zx.cn/">http://www.tj3zx.cn/</a>	Chinese
Tianjin Medical University General Hospital	No.154,Anshan Road, Heping District, Tianjin	8622-60362636	Specialty: Neurosurgery, Thoracic oncology, Gastroenterology <a href="http://www.tjmugh.com.cn/">http://www.tjmugh.com.cn/</a>	Chinese English

<b>Comprehensive hospitals-Private</b>				
Tianjin United Family Hospital and Clinics	No. 22 Tianxiaoyuan, Tanjiang Road, Hexi District, Tianjin	8622-58568500 8622-58568555	General <a href="http://tianjin.ufh.com.cn/">http://tianjin.ufh.com.cn/</a>	Chinese English
Tianjin International SOS Clinic	Floor 1, Sheraton hotel, Zijinshan Road, Hexi District, Tianjin	8622-23520143	General <a href="https://www.internationalsos.com/cn">https://www.internationalsos.com/cn</a>	Chinese English
Tianjin International SOS TEDA Clinic	TEDA MSD-C, Block 102 Zone C2, No. 79, First Avenue, Tianjin Economic and Technological Development Zone, Tianjin	8622-65377616	General <a href="https://www.internationalsos.com/cn">https://www.internationalsos.com/cn</a>	Chinese English

<b>Name</b>	<b>Address</b>	<b>Phone</b>	<b>Description</b>	<b>Language</b>
<b>Specialized hospitals-Public (Grade 3 Class A Hospitals )</b>				
Tianjin Children's Hospital	No.238, Longyan Road, Beichen District, Tianjin	8622-58116666	Paediatrics <a href="http://www.tjchildrenshospital.com/">http://www.tjchildrenshospital.com/</a>	Chinese
Tianjin Central Hospital of Gynecology Obstetrics	No.156, San Ma Lu, Nan Kai District, Tianjin	8622-58287742	Obstetrics and Gynecology <a href="http://www.tjzxfc.com/">http://www.tjzxfc.com/</a>	Chinese
Tianjin Eye Hospital	No.4, Gansu Road, Heping District, Tianjin	8622-27313336	Eye <a href="http://www.oio.cn/">http://www.oio.cn/</a>	Chinese
Tianjin Chest Hospital	No.261, Taierzhuang Road, Jinnan District, Tianjin	8622-88185114	Chest and Heart Disease <a href="http://www.chesthospital">http://www.chesthospital</a>	Chinese English

			.com/	
The Stomatological Hospital of Tianjin Medical University	No.12,Qixiangtai Road, Heping District, Tianjin	8622-23332051	Stomatology <a href="http://www.tjydkq.com/">http://www.tjydkq.com/</a>	Chinese English
Tianjin Hematonosis Hospital of China Academy of Medical Sciences (The Hematological Research Institute)	No.188, Nanjing Road, Heping District, Tianjin	8622-23909999	Blood Diseases <a href="http://www.chinablood.com.cn/">http://www.chinablood.com.cn/</a>	Chinese
Tianjin Medical University Cancer Institute & Hospital	Huan Hu Xi Road, Ti Yuan Bei, Hexi District, Tianjin	8622-23340123	Cancer <a href="http://www.tjmuch.com/">http://www.tjmuch.com/</a>	Chinese
Tianjin Stomatological Hospital	No.75,Dagubei Road, Heping District, Tianjin	8622-27125551	Stomatology <a href="http://www.tjskq.com/">http://www.tjskq.com/</a>	Chinese English
Tianjin Infectious Disease Hospital	No.75,Sudi Road, Nankai District, Tianjin	8622-27468165	Liver Disease <a href="http://www.tjidh.com/">http://www.tjidh.com/</a> OR <a href="http://www.tj2rm.com/">http://www.tj2rm.com/</a>	Chinese
<b>Specialized hospitals-Private</b>				
TEDA International Cardiovascular Hospital	No.61, Third Avenue, Economic and Technological Development Zone, Tianjin	8622-65208888	Cardiovascular <a href="http://en.tedaich.com/">http://en.tedaich.com/</a>	Chinese English
Tianjin Women's and Children's Specialized	No.21, East Road of Shuishang Park, Nankai	400-10000-16	Obstetrics and gynecology, pediatrics <a href="http://tianjin.amcare.co">http://tianjin.amcare.co</a>	Chinese

Health Hospital	District, Tianjin		m.cn/	
Tianjin New Century International Children's Hospital	No.33, Chifeng Road, Heping District, Tianjin	8622-60975151	Paediatricshttp://www.ncich.com.cn/tjet/	Chinese
Tianjin Aier Eye Hospital	No.102, Fukang Road, Nankai District, Tianjin	8622-23616688	Eye http://www.aier022.com/	Chinese

### 3. Guide on emergency aid

#### ▶ Emergency Hotline 120

120 Emergency Center has set up a number of Emergency Aid Stations in Tianjin. Fees are generally charged for the services provided and the charging rates may vary. For more information, please refer to the website of the emergency center:

<http://tianjin.emss.cn/eng.htm>.

Telephone: 8622-23311473

#### ▶ Hospital hotlines

In addition to the Emergency Hotlines, most hospitals in Tianjin offer emergency hotlines for patients. Please visit the official websites of the hospitals for further details.

#### ▶ International SOS Center

There are two International SOS Clinics in Tianjin which provide health care services of international standards. Tianjin International SOS Clinics located on the first floor of Tianjin Sheraton Hotel; and Tianjin International SOS TEDA

Clinic is located at TEDA MSD-C, Block 102 Zone C2, No. 79, First Avenue, TEDA. Both clinics are open from Monday to Friday, 9:00 am to 6:00 pm. Beyond the above operating hours, the Beijing International SOS Alarm Center can be reached for the provision of transfer, coordination and supplies services in case of emergency through the International SOS.

Emergency hotline: 8622-23520143(Tianjin International SOS Clinic) and 8622-65377616 (Tianjin International SOS TEDA Clinic) .

▶ **BJO**

For Hong Kong people who are injured or suffer from illness in the Mainland, they should first seek medical treatments from a nearby hospital. Generally speaking, they should consult a doctor to ensure that the patient is fit for travel before making any arrangements for returning to Hong Kong.

The Hong Kong Special Administrative Region Government currently does not provide patient transfer or ambulance booking services. If Hong Kong people, their companions, friends or relatives are injured or are suffering from illness in the Mainland, and require ambulance service upon arrival in Hong Kong, they may call the Immigration Department Hotline at (852) 1868 for enquiries, or seek assistance from duty officers in Hong Kong upon arrival. Under current arrangements, an ambulance will convey the patient to a nearby hospital in Hong Kong for medical treatment after they have entered into Hong Kong territory. For further assistance, please contact the Hong Kong Immigration Department's Assistance to Hong Kong People Unit, which is dedicated to providing services to Hong Kong people abroad, via the 24-hour hotline: (852)1868.

## 8. Education

Children of Hong Kong people may receive pre-school, primary, secondary and tertiary education in the Mainland.

### 1. Pre-school education

Hong Kong people can enroll their children in local kindergartens or international schools (schools that cater primarily for foreigners' children) for receiving pre-school education in Tianjin.

Entrance requirements are set by individual schools and are generally published on the schools' websites. If Hong Kong people opt to enroll their children in a local kindergarten, they can contact the kindergarten directly and the admission would be subject to the decision of the kindergarten. If Hong Kong people opt to enroll their children in international schools, applications should be sent to the respective international school which would decide whether to accept the application.

For more information on international schools approved by the Ministry of Education, please visit the website of the Ministry of Education (Chinese Version Only): <http://www.moe.gov.cn>.

### 2. Primary and secondary education

Hong Kong people' children may choose to attend local primary / secondary schools or international schools in Tianjin. Parents of Hong Kong students should understand the education systems, admission requirements, timing of application and enrollment and other admission information before enrolling their children in schools.

Should Hong Kong people choose to enroll their children in public primary / secondary schools, they should apply to the local education bureau in the

district/county and bring along their and their children's identification cards and Home Visit Permits for application purpose. The students would enjoy the same rights as local students and can be exempt from taking admission tests.

If Hong Kong people choose to send their children to international schools, applications can be filed directly with the international schools according to their requirements. International schools will have the sole discretion on whether or not to accept the applicants. Generally, students' transcripts, identification cards of parents and the students are required when applying for admission. After admission, the relevant schools should report their students' information to the local education bureau for record.

For more information on the relevant regulations, please contact the international exchange department of the Tianjin Municipal Education Commission at 8622-83215117.

For more information on school admission, please visit the website of the Tianjin Municipal Education Commission: <http://www.tjmec.gov.cn/>.

### **3. Tertiary education**

#### **▶ Entrance examination**

Hong Kong people who wish to apply for admission to colleges in the Mainland can sit for entrance examinations organized by the respective colleges and universities which accept overseas Chinese, Hong Kong, Macau and Taiwan students. Some of the key admission requirements are as follows:

- (1) Students must have completed the sixth grade course of a registered Hong Kong secondary school or the third grade course of a Mainland high school or above. Students who are currently studying in the above programs must provide supporting documents certified by the relevant schools;
- (2) Students must meet physical requirements specified by certain universities or courses (if applicable); and

- (3) Hong Kong students should hold Hong Kong Permanent Resident Identity Cards or Hong Kong Non-Permanent Resident Identity Cards and Home Visit Permits.

With respect to the coverage of the entrance examination and requirements, please refer to the Framework of Joint Entrance Examination Organized by Mainland Colleges and Universities for the Admission of Overseas Chinese, Hong Kong, Macau and Taiwan Students published by the Ministry of Education.

For more information, please refer to the websites of the Hong Kong Examinations and Assessment Authority or the Mainland Colleges Enrollment Information for Hong Kong, Macau and Taiwan Students (Chinese Version Only):

<http://www.hkeaa.edu.hk/en/IPE/jee/index.html#8>

<http://www.gatzs.com.cn>.

► **Exemption from entrance examination**

According to the Notice issued by the Ministry of Education with respect to the Exemption of Entrance Examination for Hong Kong Students by Mainland Colleges and Universities for the Year 2012 (JiaoGangAoTaiHan [2011] No. 72), a number of Tianjin colleges and universities would admit Hong Kong students who meet certain requirements / qualifications without requiring them to sit for entrance examinations. Pursuant to the notice with respect to Exemption of Entrance Examination for Hong Kong Students by Mainland Colleges and Universities for the Year 2014 (JiaoGangAoTaiBan [2013] No. 537), Hong Kong students who have taken the Hong Kong Diploma of Secondary Education Examination can apply for admission to Mainland colleges and universities without taking entrance examinations. The admission requirements may vary and prospective students can refer to the course prospectus of the colleges and universities for further information.

For detailed information, please refer to the official websites of the Education Bureau of the Government of the Hong Kong Special Administrative Region and the Tianjin Municipal Education Commission:

<http://www.edb.gov.hk/en/>;

<http://www.tjmecc.gov.cn>.

#### 4. List of international schools and contact information

The information of the international schools approved by the Ministry of Education listed below is for reference only. BJO makes no guarantees, expressed or implied, as to the accuracy, completeness, content, and timelines of the information contained herein, nor will it be liable for any damages and legal responsibilities which may arise from the use of the information. You are responsible for checking the accuracy, completeness, content, and timelines of all information, and seek professional advice as necessary. Likewise, information listed below is not intended to be an advertisement or solicitation of business. BJO does not endorse any of the products, services or information referenced therein.

For more information, please refer to the website of the Ministry of Education:

<http://www.moe.gov.cn>

School Name	Address	Contact	Website
Tianjin International School(MTI)	No. 4-1 Sishui Road, Hexi District, Tianjin	Telephone : 8622-83710900 ext. 311  Fax: 8622- 83710400	<a href="http://www.tiseagles.com">http://www.tiseagles.com</a>
Tianjin Rego International School	No.38,Huandaoxi Road, Mei Jiang Nan Residence Zone, Hexi	Telephone : 8622-88161180	<a href="http://www.regotianjin.com/">http://www.regotianjin.com/</a>

	District, Tianjin		
Tianjin Korean Star Kindergarten	No.87,Olympic Village, Qixiangtai Road, Hexi District, Tianjin	Telephone : 8622-23556471	
Wellington college International Tianjin	No.1,Yide Road, Hongqiao District, Tianjin	Telephone : 8622-87587199 - 8027	<a href="http://www.wellington-tianjin.cn/">http://www.wellington-tianjin.cn/</a>
GEMS World Academy	No. 312,Hefeng Road, Tianjin Eco-City, Binhai New Area, Tianjin	Telephone : 8622-66227888	<a href="http://www.gemsworldacademy-tianjin.com/?parentid=96">http://www.gemsworldacademy-tianjin.com/?parentid=96</a>

## 5. Mutual recognition of academic degrees in higher education

Hong Kong and the Mainland reached an agreement on mutual recognition of higher education credentials and signed a Memorandum of Understanding between the Mainland and Hong Kong on Mutual Recognition of Academic Degrees in Higher Education (Memorandum) on July 11, 2004.

According to the Memorandum, Hong Kong and the Mainland would determine a list of accredited colleges and universities and regularly update the list. Diplomas, including bachelors or higher degree certificates awarded by accredited colleges and universities of one party, will be recognized by the other. The main points of the mutual recognition set out in the Memorandum are summarized below:

- (1) Students who have received a bachelor's degree from accredited Mainland colleges and universities may apply for studying in higher education institutions of Hong Kong for a graduate degree or vocational training;
- (2) Students who have received a graduate degree from accredited Mainland

colleges and universities may apply for studying in higher education institution of Hong Kong for a PhD;

- (3) Students who have received a bachelor's degree with good grades from accredited Mainland colleges and universities and have successfully completed high-quality papers or research work may apply for studying in higher education institution of Hong Kong for a PhD;
- (4) Students who have received a bachelor's degree from accredited Hong Kong colleges and universities may apply for studying in institutions of higher education in the Mainland for a graduate degree or vocational training;
- (5) Students who have received a graduate degree from accredited Hong Kong colleges and universities may apply for studying in institutions of higher education in the Mainland for a PhD;
- (6) Students who have received a bachelor's degree with good grades from accredited Hong Kong colleges and universities and successfully completed high-quality papers or research work may apply for studying in institutions of higher education in the Mainland for a PhD; and
- (7) Both sides recognize and respect the autonomy or discretion of colleges and universities to recruit students according to their rules and procedures.

For detailed information of the Memorandum, please refer to the website of the Ministry of Education: <http://www.moe.gov.cn/>.

## 9. Marriage and Giving Birth

### 1. Marriage registration

If a couple intends to get married in the Mainland, they should perform marriage registration according to the relevant regulations in the Mainland with the civil affairs departments of the provincial, municipal or the autonomous region governments, or agencies designated by the civil affairs department. Please visit the website of the Tianjin Municipal Bureau of Civil Affairs (<http://www.tjmz.gov.cn>) for further information.

In Tianjin, marriage-related registrations (both marriage and divorce) are generally handled by the Marriage and Adoption Registration Office of the Tianjin Municipal Bureau of Civil Affairs, with contact information as follows:

Marriage and Adoption Registration Office of the Tianjin Municipal Bureau of Civil Affairs

Address: No.1 Cangqiong Road, Nankai District, Tianjin

Telephone: 8622-23415025

Office hours: 8:30 am to 11:30 pm and 14:00 pm to 17:00 pm (Monday, Wednesday, Friday morning)

#### ► Requirements for marriage registration in Tianjin

If a resident holding Tianjin household registration (“hukou”) intends to marry a Hong Kong people voluntarily, the couple should go to the marriage registration office of the local Civil Affairs Bureau for marriage registration. The following conditions should be met:

- (1) The marrying parties should apply in person with the marriage registration office;
- (2) The man has attained the age of 22 and the woman 20;
- (3) The marrying parties do not have spouses at the time of marriage;

- (4) The marrying parties are not lineal relatives by blood, or collateral relatives by blood up to the third degree of kinship; and
- (5) The marrying parties intend to get married voluntarily.

▶ **Documents required for marriage registration in the Mainland**

The marrying party who is a resident in Tianjin should provide:

- (1) Household register and identity card (if the contents of the household register and identity card are different, the individual should first apply for amendment to the document with the relevant department; if the household register or identity card is lost, the individual should first report it to the local police station and apply for a new one) ; and
- (2) A statement of declaration stating that he/she does not have spouse and the marrying parties are not lineal relatives by blood, or collateral relatives by blood up to the third degree of kinship (to be processed at the registration office).

The marrying party who is a resident in Hong Kong should provide:

- (1) Home Visit Permit;
- (2) Hong Kong Identity Card;
- (3) A statement of declaration, notarized by a notary public in Hong Kong, stating that he/she does not have spouse and the marrying parties are not lineal relatives by blood, or collateral relatives by blood up to the third degree of kinship; and
- (4) Three two-inch (5cmx3.8cm) color photos of the marrying parties.

In addition, the marriage registration offices in Tianjin provide marriage registration appointment services online. Please visit the following website for further information: <http://60.30.105.6/marrybook/index.do?method=index>

▶ **Divorce registration**

According to the Marriage Law of the People's Republic of China and the Act on Marriage Registration, if a resident holding Tianjin “hukou” intends to divorce

his/her spouse who is a Hong Kong people, the divorcing parties should file the divorce with the marriage registration office of the Tianjin Municipal Bureau of Civil Affairs.

Conditions for filing for divorce with the Marriage Registration office of the Tianjin Municipal Bureau of Civil Affairs including:

- The Marriage Registration Office has the jurisdiction for the application;
- Both parties are capable of carrying out their civil rights;
- Both parties intend to seek divorce voluntarily and have agreed on the arrangements for the custody of their children, disposition of property and debt;
- The parties are holding marriage certificate issued by the Marriage Registration Office of the Bureau of Civil Affairs of Mainland or Chinese embassies in foreign countries; and
- Both parties should apply in person with the marriage registration office.

Documents required for divorce registration:

- The household register and resident identity card to be provided by the party who is a Tianjin resident;
- Home Visit Permit and Hong Kong Identity Card to be provided by the party who is a Hong Kong people;
- Marriage certificates held by each party;
- A divorce agreement (prepared in A4 size paper) signed by both parties which stipulates the will of the parties to file a divorce and agreements on the arrangements with respect to custody of children and disposition of property and debt; and
- Each party should provide two recent two-inch color photos.

## **2. Giving birth**

### **▶ Born in Hong Kong**

If the child is born in Hong Kong, please register the birth of the baby within 42 days of birth. All parents applying for birth registration of their newborn babies should make prior appointment booking through the internet or by telephone. Birth registration is free of charge within 42 days of birth. The following website outlines the procedures for registering a child's birth and addition/alteration of a child's name as well as how to search for birth records or get certified copies of them:

<http://www.gov.hk/en/residents/immigration/bdmreg/birth/birthreg/index.htm>.

### ► **Born in the Mainland**

If the child is born in the Mainland, the medical certificate of birth will be issued by the medical institution where the baby was delivered before the baby is discharged.

If the child claims to be a Hong Kong Special Administrative Region (HKSAR) permanent resident under paragraph 2(c) of Schedule 1 of the Immigration Ordinance (Cap. 115), the parents can apply for the Certificate of Entitlement to the Right of Abode in the Hong Kong Special Administrative Region for the child.

For detailed information on how to apply for a Certificate of Entitlement in the Mainland, please visit the following websites or contact the Immigration Division of BJO:

<http://www.tjxzsk.gov.cn/page/guide/transcontent.jsp?transid=9113> (Chinese version only);

<http://www.gov.hk/en/residents/immigration/idcard/coe/appinmc.htm>.

### ► **Nationality**

The Nationality Law of the People's Republic of China (CNL) has been applied to the HKSAR since July 1, 1997 pursuant to Article 18 of and Annex III to the Basic Law of the HKSAR of the People's Republic of China, and interpreted in accordance with the "Explanations of Some Questions by the Standing

Committee of the National People's Congress concerning the implementation of the CNL in the HKSAR".

A "Chinese citizen" is a person of Chinese nationality under the CNL. Hong Kong people who are of Chinese descent and were born in the Chinese territories (including Hong Kong), or persons who satisfy the criteria laid down in the CNL as having Chinese nationality, are Chinese nationals.

Detailed information is available at this website or contact the Immigration Division of BJO:

<http://www.gov.hk/en/residents/immigration/chinese/nationality.htm>.

# 10. Legal Service

## 1. Difference between the Mainland and Hong Kong legal systems

The Mainland adopts a civil law system, while Hong Kong adopts a common law system. The two legal systems differ on many aspects including legislative base, authority / judicial power of the judges, proceedings arrangements, etc. Hong Kong people should ensure that they have a clear understanding of relevant provisions and observe the laws of the Mainland when visiting or living in the Mainland. In the event of any violation of the laws in the Mainland, the Hong Kong people concerned should bear the corresponding legal responsibilities. Hong Kong people are recommended to consult legal advisers or institutions when encountering legal problems in working, living or doing business in the Mainland.

Information with respect to notary service providers / organizations and legal firms listed below are collected from the websites of the Tianjin Notary Association, legal rating agencies, the Tianjin Municipal Bureau of Justice etc., and should be used as reference only. BJO makes no guarantees, expressed or implied, as to the accuracy, completeness, content, and timeliness of the information contained herein, nor will it be liable for any damages and legal responsibilities which may arise from the use of the information. You are responsible for checking the accuracy, completeness, content, and timeliness of all information, and seek professional advice as necessary. Likewise, information listed below is not intended to be an advertisement or solicitation of business. BJO does not endorse any of the products, services or information referenced therein.

## 2. Notary service providers / organization in Tianjin

According to the provisions in Notarization Law of the People's Republic of China, notary service providers / organizations offer services ranging from

notary of contract; inheritance; authorization, declaration, bestowal, will; division of property; bidding and tendering, auction; marriage status, kindred relationship, adoption relationship; birth, existence, death, identity, experience, education background, academic degree, job title, professional title, illegal and criminal record check; article of association; preservation of evidence; signature, seal or date in the document, duplicate or photocopy of a document conforming with the original document or any matter that may be notarized under laws or administrative regulations, to drafting of notarization-related legal documents for others.

For more information on notary organizations in Tianjin, please visit the website of the Tianjin Notary Association (Chinese Version Only):

<http://www.tj-notary.org/index.asp>.

<b>Name</b>	<b>Address</b>	<b>Telephone</b>
TianjinBeifang Notary Office	No.100, Dali Road, Heping District, Tianjin	8622- 58825888
TianjinBinha Notary Office	6th floor, Tower C, Area E4, Financial Avenue, No.20, Square East Road, TEDA, Tianjin	8622- 59810126
TianjinHeping Notary Office	No.4,Xiangyang Road, Heping District, Tianjin	8622-23397061
TianjinHexi Notary Office	No.1, Hangzhou Road, Hexi District, Tianjin	8622-23278669
TianjinHebei Notary Office	No.11, Huangwei Road, Hebei, District, Tianjin	8622-26292218
TianjinHongqiao Notary Office	Tiangui Li, Hebeida Avenue, Hongqiao District, Tianjin	8622-27270039
TianjinDongli Notary Office	No.57,Xianfeng Road, Dongli District, Tianjin	8622-84375817
Tianjin Xiqing Notary Office	No.419, Xiqing Road, Xiqing District, Tianjin	8622-27391913
Tianjin Haihe Notary	No.31 Jinqi Road,	8622-28391086

Office	XianshuiguTown, Jinnan District, Tianjin	
Tianjin Beichen Notary Office	No.356, Jinjing Road, Beichen District, Tianjin	8622-26397926
Tianjin Wuqing Notary Office	No.95, Yongyang West Road, Yangcun Town, Wuqing District, Tianjin	8622-82112941
Tianjin Baodi Notary Office	No.117, Chengguanjianshe Avenue, Baodi District, Tianjin	8622-29241563
Tianjin Jizhou Notary Office	No.28, Chengguanxinghua Avenue, Ji county, Tianjin	8622-82863561
Tianjin Tanggu Notary Office	No.1245, Dalian Road, Tanggu District, Tianjin	8622-25305486
Tianjin Hangu Notary Office	No.3, Fubei Avenue, Xinkaizhong Road, Hangu District, Tianjin	8622-25695086
Tianjin Dagang Notary Office	No.72, Yuxiu Avenue, Dagang District, Tianjin	8622-25991610
Tianjin TEDA Notary Office	No.40, the 3rd Avenue, TEDA, Tianjin	8622-25203328

### 3. List of legal firms in Tianjin

According to the statistics from the Tianjin Lawyers Association, currently, there are over 400 legal firms in Tianjin. In addition, two foreign legal firms have set up representative offices in Tianjin. According to the law of the Mainland, however, lawyers employed by the representative office can only engage in non-China related legal services after they have completed the relevant registrations with the local Bureau of Justice at which the representative office is registered. Moreover, the lawyers and supporting staff (e.g., financial and administrative personnel) employed by the representative office are strictly prohibited from providing legal services on Mainland-related matter to clients

under the name or status of “Chinese legal adviser”.

For more information on the list of the legal firms and lawyers, please visit the website of the Tianjin Lawyers Association:

<http://www.china-lawfirm.com/>

► **List of law firms**

<b>Name</b>	<b>Contact Information</b>
Tianjin Winners Law office	4th Floor, Silk Mansion, No.10, Nanjing Road, Hexi District, Tianjin Telephone: 8622-23133590 <a href="http://www.winlawfirm.com/">http://www.winlawfirm.com/</a>
Tianjin Join & High Law office	22nd-23rd Floor, Tower A, FenghuiSquare, No.103, Weidi Road, Hexi District, Tianjin Telephone: 8622-27305678 / 400-084-1566 <a href="http://www.join-highlaw.com/">http://www.join-highlaw.com/</a>
Tianjin Zhangying Law Firm	M Floor(South), Guangyin Building, Youyi North Road, Hexi District, Tianjin Telephone: 8622- 59816450 /25324150 <a href="http://www.zhylf.com/index.asp">http://www.zhylf.com/index.asp</a>
Tianjin Head Law Firm	10-D, International Developing Building, No.2, Dongting Road, TEDA, Tianjin Telephone: 8622-59816450 <a href="http://www.headlawfirm.com.cn/">http://www.headlawfirm.com.cn/</a>
Tianjin Mingzhou Law Firm	A-8, Fortune Plaza, No.21, the 3rd Avenue, TEDA, Tianjin Telephone: 8622- 66218169 /66218141 <a href="http://mingzhou.com.cn/">http://mingzhou.com.cn/</a>
Tianjin Wisely Law Office	14th Floor, WukuangBuilding, No.47, XiangjiangRoad, Hexi District, Tianjin

	Telephone: 8622- 28327888 <a href="http://www.wisely-lawyer.com/">http://www.wisely-lawyer.com/</a>
Tianjin Yaoda Law office	1 Floor, Building behind of Changqing Group, No.55, Heiniucheng Road, Hexi District, Tianjin Telephone: 8622- 88335506 <a href="http://www.yaodalawyer.cn/">http://www.yaodalawyer.cn/</a>

► **Foreign law firms' representative offices established in Tianjin**

<b>Name</b>	<b>Contact Information</b>
Chang & Cote LLP Tianjin Representative Office	4th Floor, South Building of F Tower, Hi-Tech Information Square, Hi-Tech Area, Nankai District, Tianjin Telephone: 8622-23399403 <a href="http://www.changcote.com/">http://www.changcote.com/</a>
WU & KAO, P.L.L.C. Tianjin Representative Office	Room 2203, 22nd Floor, Tianjin Center Tower, No.219, Nanjing Road, Heping District, Tianjin Telephone: 8622- 23170055 <a href="http://www.wuandkao.com">http://www.wuandkao.com</a>

#### 4. List of Identification Institutions in Tianjin

For more information on the list of the judicial authentication institutions, please visit the website of the Tianjin Municipal Bureau of Justice(Chinese Version Only): <http://www.tjsf.gov.cn/>

<b>Name</b>	<b>Contact Information</b>
Judicial Medical Identification Center of Tianjin Medical University	No.22,Qixiangtai Road, Heping District, Tianjin (3rd Floor, 3rd Teaching Building, Tianjin Medical University) Telephone: 8622-23522636/83336850
Tianjin Kaiping Judicial	5-C-601, No.15,Rongyuan Road, Huayuan

Identification Center	Industrial Area, Tianjin Telephone: 8622-23858787
Tianjin Tiantong Judicial Identification Center	1st Floor, Kaixuan Buliding, No.2, Zhongshan North Road, Hebei District, Tianjin Telephone: 8622-23300089 /23190439
Tianjin Jinshi Judicial Identification Center	No.406, Jiefang South Road, Hexi District, Tianjin Telephone: 28132808
Tianjin Institute of Real Estate Identification, Survey & Design	8th-14th Floor, Andong Building, No. 131, Weijing Road, Heping District, Tianjin Telephone: 8622-27832615 to 602
Tianjin Wuzhou Judicial Accounting Identification Center	35th Floor, Xinda Square, No.188, Jiefang North Road, Heping District, Tianjin Telephone: 8622-23193866
Tianjin Judicial Identification Center of Experts Association	Room 1-4-101, Hongyili, Changshi Road, Nankai District, Tianjin Telephone: 8622-23677439
Tianjin North Shouchuang Construction Engineering Identification Advisory Co.,Ltd	Room403, South Building of F Tower, Hi-Tech Information Square, No.8,Huatian Road,Hi-Tech Area, Nankai District, Tianjin Telephone: 8622-23708703
Tianjin Intellectual Property Judicial Identification Center	2nd Floor, Tower G, Hi-Tech Information Square, Hi-Tech Area, Nankai District, Tianjin Telephone: 8622-23039889

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