



I. NCP Outbreak: Fast Track Visa Application for Foreigner Employees

On March 26, 2020, the PRC Ministry of Foreign Affairs announced a temporary suspension policy on entry of foreigners as of March 28, 2020. However, according to the temporary suspension policy, the travel restrictions will not be applied for new visas issued after the March 28, and for foreigners who want to come to China to engage in necessary economic, trade, scientific and technological activities, as well as for urgent humanitarian needs, they can apply for new visa in order to enter China.

However, till now, there are no specific details released on how to apply for the new visa. Via consulting Beijing Foreign Affairs Department, currently a fast track visa application system exists for foreign employees. Specifically, foreign employees who want to apply visa under the fast track shall ask their employer in China to file an application to the district level of Department of Foreign Affairs or Commerce Committee where the employer is located. Depending on the employer's type, the nationality of the employee, the necessities to come to China, etc., the district level of competent governmental department has the discretion to decide whether to give a green light. If luckily the employer obtains a green light for its foreign employee to return to work or have a business travel to China, the foreign employee shall make a further appointment/application with the consular section of the Chinese Embassy himself in his own country.

As currently no public written documents were released for such fast track visa application process, the employer in China can go directly to the district level of governmental department for a physical check for its foreign employee.

II. Legal News

China's New Civil Code Released

On May 28, 2020, China's first Civil Code was passed at the third session of the 13th National People's Congress, which will enter into force as of January 1, 2021. It is a long-awaited law with China's earlier four attempts in 1954, 1962, 1979 and 2001 to draft a civil code not succeeding due to various reasons. The newly released PRC Civil Code was actually a fifth attempt since October 2014.

The PRC Civil Code consists of 1260 articles in seven parts on General Provisions, Property Rights, Contracts, Personality Rights, Marriage and Family, Inheritance, and Torts, as well as the Supplementary Provisions

A series of laws gradually promulgated these years such as Marriage Law (1980), Inheritance Law (1985), General Principles of Civil Law (1986), Adoption Law (1991), Security Law (1995), Contract Law (1999), Real Rights Law (2007), Torts Law (2009) as well as General Provisions of Civil Law (2017) shall be annulled simultaneously on January 1, 2021.

Asiallians will release several newsletters concerning the highlights of the PRC Civil Code in the coming weeks for you to have a better understanding of the new law.

III. Hot Topic

China Releases the Overall Plan for Hainan Free Trade Port

On June 1, 2020, the Communist Party of China Central Committee and the State Council issued the Overall Plan for the Construction of Hainan Free Trade Port (the "Plan"), aiming to build Hainan into a globally influential high-level free trade port by the middle of the century.

According to the Plan, instead of rushing for a quick result, a series of preferential policies will be gradually established in order to "basically establish" the free trade port system by 2025, become "more mature" by 2035 and reach the "final goal" by the middle of the century. We highlight the following major preferential policies mentioned in the Plan to be implemented step by step in the future:

1. Before 2025, the quota for offshore duty-free shopping is raised to RMB 100,000 per person per year (from the current quota which is RMB 30,000).
2. Before 2025, enterprises in encouraged industries that are already incorporated and substantially operating in Hainan shall enjoy a reduced corporate income tax ("CIT") rate of 15%, compared to 25% which is the current CIT rate in China; Before 2035, all enterprises registered and substantially operating in Hainan shall enjoy a reduced CIT rate of 15%, except for the enterprises on the negative list.
3. For the income obtained from new foreign direct investment before 2025 in the field of tourism, modern services, and hi-tech industry, CIT shall be exempted.
4. Before 2025, the maximum individual income tax ("IIT") rate for those highly-skilled talents and talents in short supply in Hainan shall be 15%. Before 2035, for individuals who have resided in Hainan for an accumulative period of 183 days in a tax year, the IIT on their comprehensive income and business income derived from Hainan shall be levied at a progressive rate of 3%, 10% and 15%, instead of the 7 levels of progressive tax rates currently applied.
5. Before 2025, import duties shall be exempted to part of commodities, for example, the production equipment imported by enterprises for their own use in Hainan, the imported operational vehicles and yachts that are used for transportation and tourism in Hainan, and imported goods purchased by the Hainan island residents, etc. shall be exempted from import duties, import VAT and consumption tax.
6. A more convenient visa-free entry policy will be implemented before 2025. Foreigners are allowed to apply for visa-free entry into Hainan for business visit, family visit, medical treatment, exhibition, sports and other reasons.
7. Before 2025, foreign high-level universities and vocational colleges specialized in science, engineering, agriculture and medicine are allowed to open international schools indecently in Hainan.

(http://www.gov.cn/zhengce/2020-06/01/content_5516608.htm)

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