

Investment Conference of China (Shanghai) Pilot Free Trade Zone & Shanghai Pudong New Area



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Perspectives on the China (Shanghai) Pilot Free Trade Zone

解读中国（上海）自由贸易试验区



Perspectives on the China (Shanghai)

Pilot Free Trade Zone

解读中国（上海）自由贸易试验区

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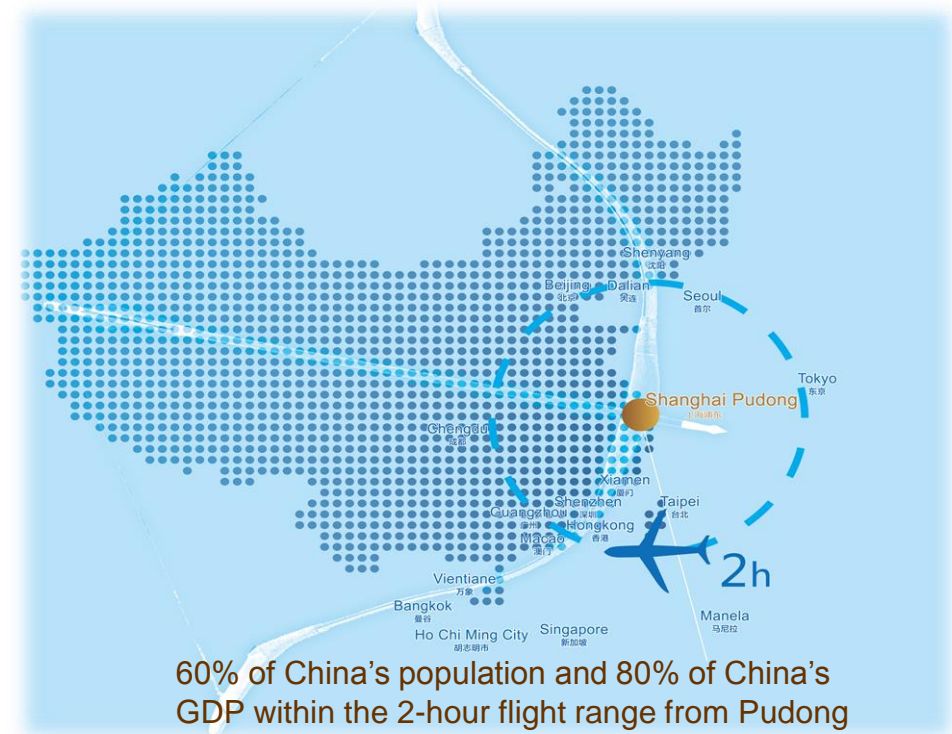
**Director of Shanghai Pudong
Investment Management Office**



Pudong/FTZ: at the forefront of China's opening-up

浦东/上海自贸区：中国改革开放“先行者中的先行者”

- 1990** • The Chinese Government announced the initiative to develop and open up Shanghai Pudong 中央政府宣布浦东开发开放
- 2005** • The Chinese Government approved Pudong to carry out experimental comprehensive reforms 在浦东进行综合配套改革
- 2010** • The World Expo was held in Shanghai with its main venue in Pudong 世博会在浦东举行
- 2013.9** • The Chinese Government approved the China (Shanghai) Pilot Free Trade Zone in Pudong 上海自贸区成立
- 2015.4** • The China (Shanghai) Pilot Free Trade Zone expanded to 120.7 km² from the original 28.78 km² 上海自贸区扩区



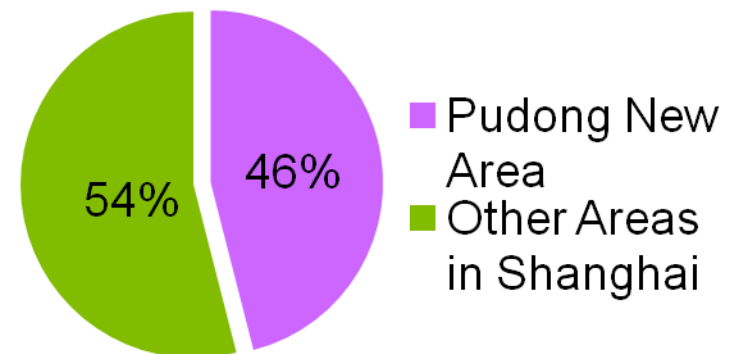
Pudong/FTZ: has become a hotbed for investment opportunities

浦东/自贸区：已经成为投资机会最多的一片热土

- ❑ The **contractual foreign investment** in Pudong totals \$136.111 billion. 浦东新区累计合同外资1361.11亿美元。
- ❑ Since the establishment of FTZ(2013.9), 5822 foreign-invested companies have been set up inside the zone with \$63.1 billion contractual foreign investment .自贸区设立以来区内新设外商投资项目5822个，合同外资631亿美元。
- ❑ Since the expansion of FTZ(2015.5), within 12 months, 3364 foreign-invested companies have been set up inside the zone with \$44.4 billion contractual foreign investment. 自贸区扩区以来区内新设外商投资项目3364个，合同外资444亿美元。

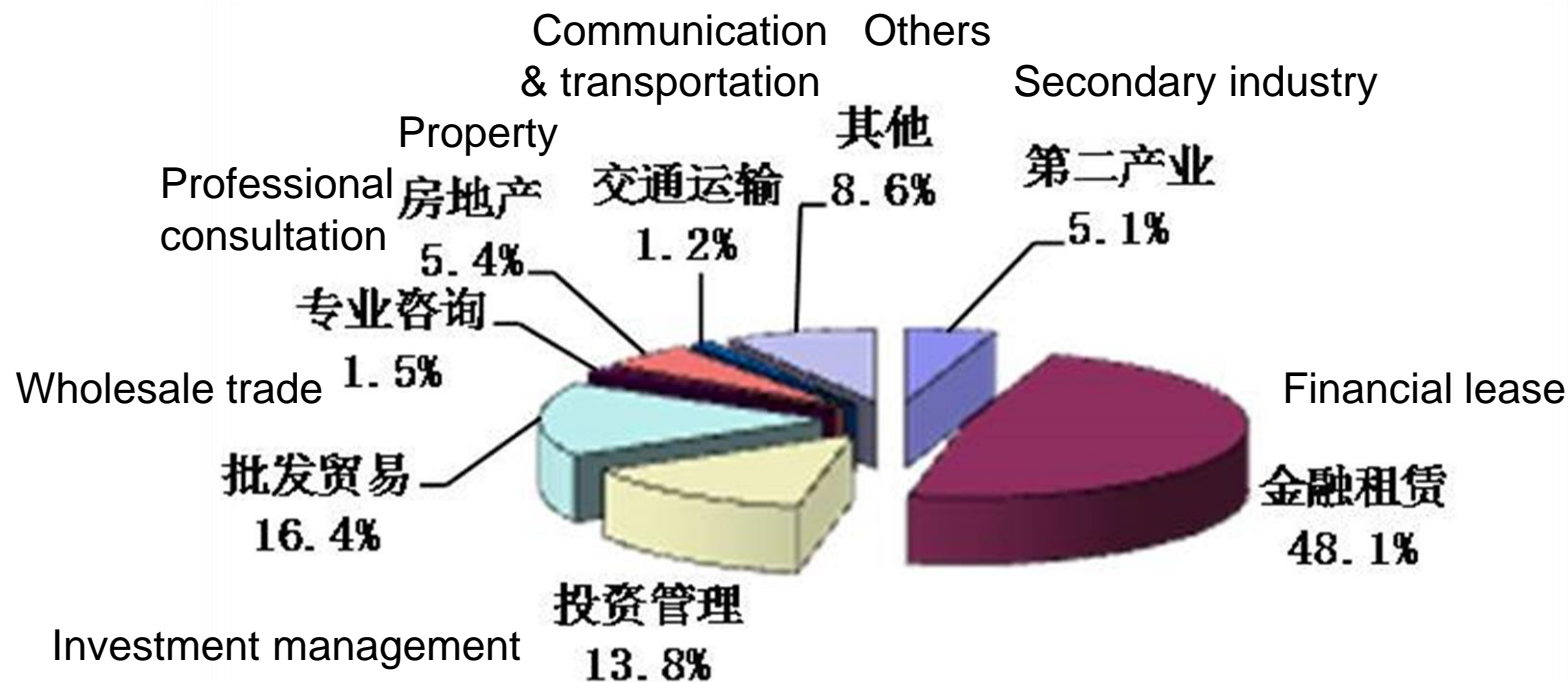


MNCs' RHQs in Shanghai



Pudong/FTZ: has become a hotbed for investment opportunities

浦东/自贸区：已经成为投资机会最多的一片热土



****Since the expansion of FTZ, 94.9% FDI projects within FTZ invest in tertiary industry, more than 50% projects are trading companies, nearly 50% contractual foreign investment are generated from financial leasing companies.**

扩区以来，自贸区内第三产业项目数占总量的94.9%，其中贸易企业占新设企业数一半以上，金融租赁业合同外资金额占扩区后吸引合同外资近一半。

China (Shanghai) Pilot Free Trade Zone (SHFTZ)

中国（上海）自由贸易试验区



Three Newly Included Areas:

扩展3个片区：

Jinqiao: Manufacturing Service Industry

金桥片区：生产型服务业

Lujiazui: Comprehensive Financial Reform

陆家嘴片区：金融综合改革

Zhangjiang: High-Tech Innovation

张江片区：高新技术创新

Four Free Trade Zone
四个保税区

Sept. 2013 The establishment of SHFTZ was approved and inaugurated in Pudong, covering an area of 28.78 km².

Apr. 2015 The expansion of SHFTZ was approved, incorporating Lujiazui Financial Area, Jinqiao Export Processing Zone and Zhangjiang Hi-Tech Park, with the total area enlarged to 120.72 km².

What business opportunities will the Expanded SHFTZ bring about?

究竟上海自贸试验区的扩区，
能带来什么样的机遇和红利？

The Most Convenient Investment
投资更便利

The Most Open Market
市场更开放

The Most Innovative Functions
功能最创新



China (Shanghai) Pilot Free Trade Zone (SHFTZ)

The Most Convenient Investment
投资最便利

Negative List Based
Administration

负面清单管理模式



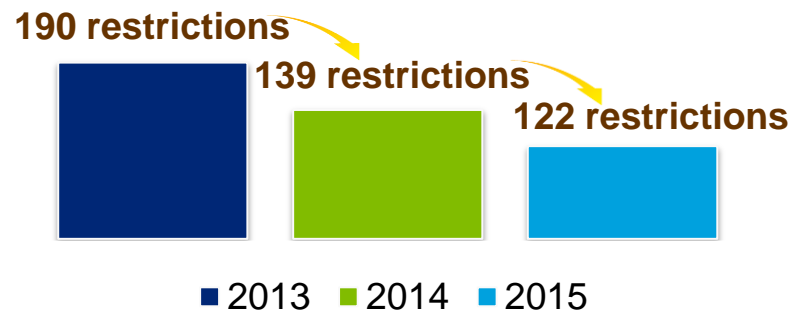
Filing Based
Administration



Reform of Business
Registration System



Negative List 负面清单



Open 开放

Transparent 透明

- More specific conditions for the entry of banks and providers of securities, insurance and education, more detailed qualification requirements for practitioners and more explicit restrictions.
对银行、证券、保险、教育等提出具体准入条件，从业要求细化、限制条件明确。

China (Shanghai) Pilot Free Trade Zone (SHFTZ)

The Most Convenient Investment
投资最便利

Negative List Based
Administration



Filing Based
Administration



备案制管理模式

Reform of Business
Registration System



- ❑ After the implementation of the filing-based system, no minimum investment is required. 实行备案制后，不设最低投资要求。
- ❑ The companies already established in the three newly included areas are automatically treated as companies within the SHFTZ. 扩区范围内已成立的公司，自动视为自贸区企业。
- ❑ Foreign investment can be filed at Pudong New Area Public Service Centre (Investment Management Office) and in Zhangjiang, Jinqiao and Waigaoqiao. 浦东市民中心、张江、金桥和外高桥均可办理外资准入备案手续。



China (Shanghai) Pilot Free Trade Zone (SHFTZ)

The Most Convenient Investment

投资最便利

Negative List Based
Administration



Filing Based
Administration

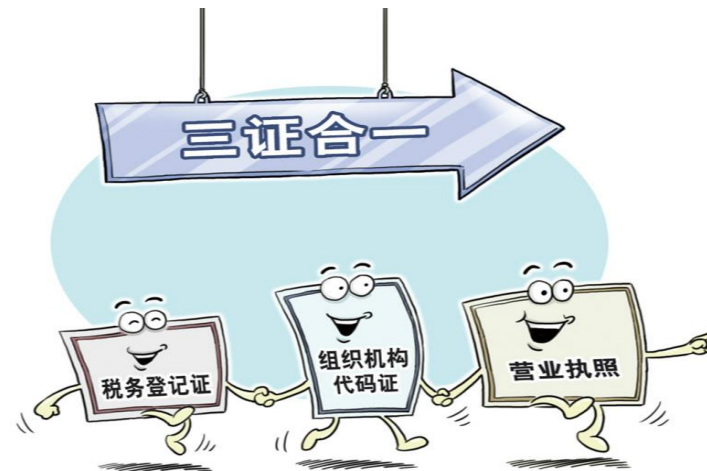


Reform of Business
Registration System



商事登记改革制度

- ❑ Subscribed Capital Registration System
注册资本认缴制
- ❑ Public Disclosure of Annual Reports
年度报告公示制度



China (Shanghai) Pilot Free Trade Zone (SHFTZ)

The Most Open Market

市场最开放

Manufacturing industry

制造业



The general manufacturing industry has been fully opened up 一般制造业领域已经完全放开

Agricultural by-products processing, publication printing, general and special equipment manufacturing, etc.

Encouraging companies to invest in high-end manufacturing, including **new energy vehicles, smart cities, intelligent robots, 3D printing, aero-engines, luxury cruises and yachts, rail transit and marine engineering equipment.**

鼓励企业投资新能源汽车、智慧城市、智能机器人、3D打印、航空发动机、豪华邮轮游艇设计制造、轨道交通、海洋工程设备等高端制造业。

China (Shanghai) Pilot Free Trade Zone (SHFTZ)

The Most Open Market

市场最开放

Service industry (54 items)

服务业 (54条)

Further deepening the opening-up of **financial, shipping, commercial and trade, professional, cultural and social services.**



— **Financial Services**
金融服务

JV banks, foreign-invested banks, financial lease companies, foreign-invested specialised health and medical insurance institutions, etc.



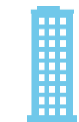
— **Shipping Services**
航运服务

International ship management companies, shipping agencies



— **Commercial and Trade Services**
商贸服务

Value-added telecommunications services



— **Professional Services**
专业服务

JV travel agencies and recruitment service agencies



— **Cultural Services**
文化服务

Performing arts agencies, entertainment facilities



— **Social Services**
社会服务

JV education and training institutions, wholly foreign-owned vocational training institutions, JV or cooperative healthcare institutions

China (Shanghai) Pilot Free Trade Zone (SHFTZ)

The Most Open Market

市场最开放

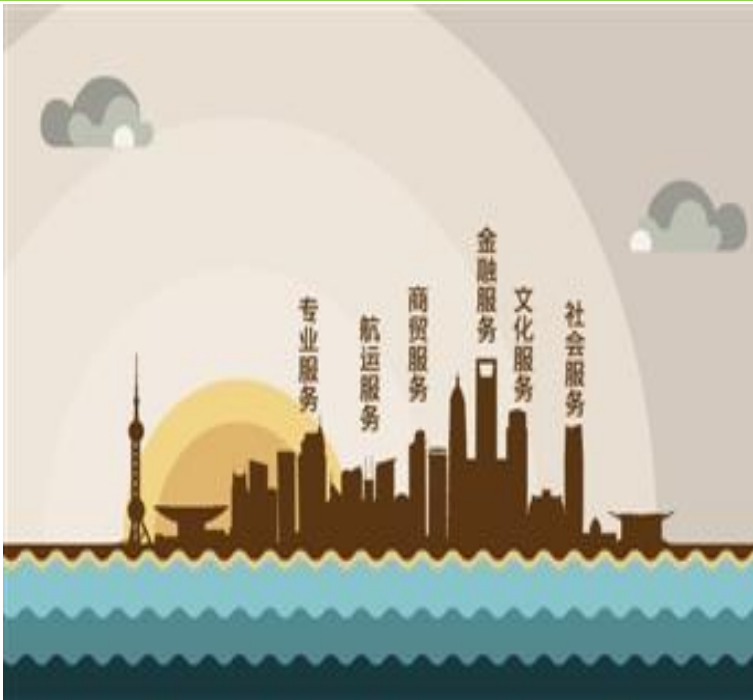
Service industry

服务业

Further deepening the opening-up of **financial, shipping, commercial and trade, professional, cultural and social services.**

Encouraging companies to invest in high-end services, including **healthcare, training, senior care, shipping, headhunting, value-added telecommunications and entertainment.**

鼓励企业进驻医疗机构、培训机构、养老机构、航运公司、猎头公司、增值电信、文化娱乐等高端服务业领域。



Open Policies in Manufacturing Industry that's most noteworthy

外商企业最关注的制造业开放内容

Manufacturing industry 制造业

Manufacturing industry 制造业

- 1, Wholly-foreign owned companies are allowed to design luxury cruise ships and yachts.
- 2, Wholly-foreign owned companies are allowed to design cabin machinery for ships.
- 3, Wholly-foreign owned companies are allowed to design, produce and repair aero-engine components.

Open Policies in Service Industry that's most noteworthy

外商企业最关注的服务业开放内容

Financial Services

金融服务

Shipping Services

航运服务

Commercial and Trade Services

商贸服务

Professional Services

专业服务

Cultural Services

文化服务

Social Services

社会服务

Financial Services 金融服务

- 4, Allow the establishment of foreign-owned banks by qualified foreign institutional investors.
- 5, Allow qualified Chinese banks in SHFTZ to offer offshore services under effective supervision.
- 6, Scrap the minimum capital requirement for setting up SHFTZ-based SPVs owned by financial leasing firms.
- 7, Allow financial leasing firms to offer commercial factoring services related to their main business.
- 8, Launch pilot programs for setting up foreign-owned health insurance companies (life insurance providers are restricted by a maximum foreign shareholding ratio of 50%)

Shipping Services 航运服务

- 9, Ease the cap on foreign shareholding ratio of joint venture or contractual shipping enterprises.
- 10, Allow the establishment of wholly-foreign-owned ship management companies.
- 11, Allow the establishment of joint venture or contractual international shipping agencies, and raise the maximum foreign shareholding ratio to 51%.

Open Policies in Service Industry that's most noteworthy

外商企业最关注的服务业开放内容

Financial Services

金融服务

Shipping Services

航运服务

Commercial and Trade Services

商贸服务

Professional Services

专业服务

Cultural Services

文化服务

Social Services

社会服务

Commercial and Trade Services 商贸服务

12, Allow wholesale, retail and distribution of vegetable oil, sugar and chemical fertilizer, as well as retail and distribution of grains and cotton by wholly-foreign-owned companies

13, Lift restrictions on foreign investment on mail order and e-commerce businesses of general products.

14, Certain sectors of value-added telecommunication services are opened to foreign-funded operators (restricted to China's WTO pledges of telecommunication services, and the maximum foreign shareholding ratio of VAT, e-commerce excluded, is 50%.)

15, Game consoles approved by competent culture authorities are allowed to be manufactured and sold in China by foreign-funded companies.

Open Policies in Service Industry that's most noteworthy

外商企业最关注的服务业开放内容

Financial Services

金融服务

Shipping Services

航运服务

Commercial and Trade Services

商贸服务

Professional Services

专业服务

Cultural Services

文化服务

Social Services

社会服务

Professional Services 专业服务

16, Scrap restrictions on foreign investment on **real estate agencies** and brokerage companies.

17, Allow the establishment of joint venture **human resource agencies** with a foreign shareholding ratio of no more than 70%. Allow the establishment of human resource agencies wholly owned by Hong Kong or Macao investors.

18, Wholly foreign owned companies are allowed to provide **photography services**, barring aerial photography and other special effect photography services.

19, Allow SHFTZ-registered joint venture **travel agencies** to organize outbound trips, excluding China Taiwan.

20, Allow the establishment of wholly-foreign-owned **credit investigation** firms while restricting their services in market research and rating (credit rating excluded).

Open Policies in Service Industry that's most noteworthy

外商企业最关注的服务业开放内容

Financial Services

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Professional Services

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文化服务

Social Services

社会服务

Cultural Services 文化服务

21, Allow the establishment of wholly-foreign-owned **entertainment facilities** that operate only in SHFTZ.

22, Lift the cap on foreign shareholding ratio of joint venture **performance brokerage firms** and allow the establishment of wholly-foreign-owned performance brokerage firms provided that they operate only in Shanghai.

Social Services 社会服务

23, Allow the establishment of Sino-foreign contractual **education and training** agencies.

24, Allow the establishment of Sino-foreign contractual **professional training** agencies.

25, Allow the establishment of joint venture or contractual **health care institutions**.

China (Shanghai) Pilot Free Trade Zone (SHFTZ)

The Most Innovative Functions

功能最创新

Innovative Financial Reform 金融改革创新

Innovative free trade account (FTA) system in the SHFTZ: **segregated account management, centralized foreign exchange management, cross-border use of RMB, and interest rate liberalization on small foreign exchange deposits.**

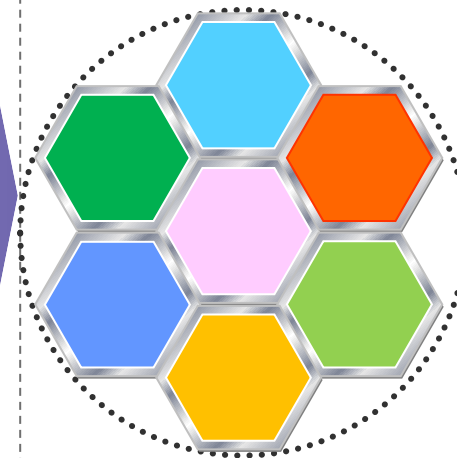
上海自贸试验区FTA账户体系：在自由贸易账户分账管理、外汇集中管理、人民币跨境使用、小额外币存款利率市场化等先行先试。

- By the end 2015, a total of 42 financial institutions had been approved to connect their FTA systems, and 44,000 FTAs had been opened;至2015年末，开设自贸账户4.4万个
- 240 companies have filed for pilot centralized operation for foreign exchange funds;240家企业申请外汇资金集中管理试点
- The total amount of cross-border RMB settlement in the SHFTZ has reached 1000 billion RMB. 跨境人民币结算金额达到1万亿元

Innovative Trade Supervision 贸易监管创新

Innovative Exit&Entry Policy 出入境便利创新

Distinctive Functional Innovations in the SHFTZ



China (Shanghai) Pilot Free Trade Zone (SHFTZ)

The Most Innovative Functions

功能最创新

Innovative Financial Reform 金融改革创新

Innovative Trade Supervision 贸易监管创新

Customs: 31 regulatory measures aimed at simplifying the customs clearance process and improving safety and efficiency

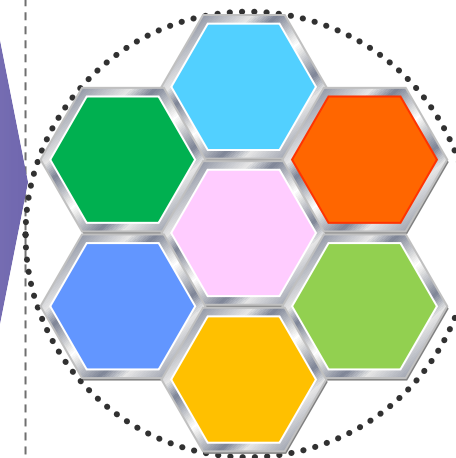
海关：31项“简政集约、通关便利、安全高效”的监管举措。

Inspection and Quarantine: 62 measures on relaxing import-export inspections.

检验检疫：推出62项措施，完善审批便利，推进便捷通关

Innovative Exit&Entry Policy 出入境便利创新

**Distinctive Functional
Innovations
in the SHFTZ**



China (Shanghai) Pilot Free Trade Zone (SHFTZ)

The Most Innovative Functions

功能最创新

Innovative Financial Reform 金融改革创新

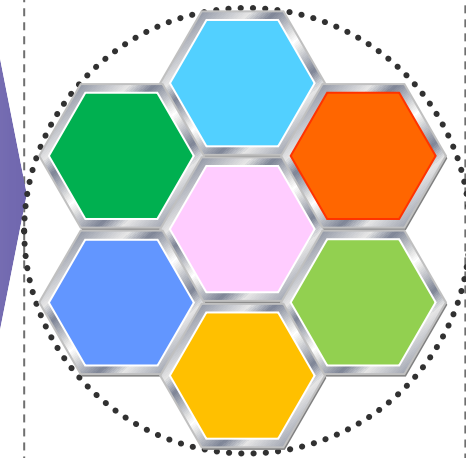
Innovative Trade Supervision 贸易监管创新

Innovative Exit&Entry Policy 出入境便利创新

Shanghai New Exit & Entry policies: much easier for foreigners to get certified as high-skilled professionals and to **work, stay, and live** in Shanghai.

- A foreign worker is entitled to apply for permanent residence as long as he has continuously worked for 4 years in Shanghai with an annual salary of no less than 600,000 RMB and an annual personal income tax contribution of no less than 120,000 RMB. 申请在华永久居留
- Foreign experts are permitted to bring a personal assistant to China. 外籍高层次人才可携带一名外籍私人服务人员
- People from certain countries can transit without visa in China for 144 hours, up from 72 hours. 部分国家外国人过境免签政策停留期限将从72小时延长至144小时
- Foreign tourists can enter Shanghai on a cruise ship visa-free. 外国旅游团坐游轮经上海入境免签政策等。

**Distinctive Functional
Innovations
in the SHFTZ**



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*82113 (FTZ filing system 自贸区备案)

*82114 (holding company, management company, E-commerce, IT

投资性公司、管理性公司、信息传输、电子商务等)

*82115 (financial service, financial leasing, commercial factoring, medical institution, pension house

金融服务、融资租赁、商业保理、医疗机构、养老机构)

**Contact
us**

Thank You!

