

Recently, we have received quite a few inquiries from foreigners who want to know whether they are eligible for applying for China green card. That is probably because they have read our post a while ago when China government published a draft regulation overhauling current regulation.



China Green Card

It was a bit surprising to see the surging demand for China green cards, but it is also understandable on the backdrop of relentless pandemic of COVID-19 that has plagued much of the rest of the world. Whoever don't want to live in a safer world?

While the new regulation has not been put into effect, it is still the old rules that are governing the application and approval of China green cards, or in a technical term "China permanent residence permit".

I. What is a Permanent Residence Permit in China Under Current Rules ?

The current regulation started in the year of 2004.

Well, basically, a permanent residence status in China means the foreigner can live in China for an unrestricted period of time.

The permanent residence permit card is a valid identity document that can be used indecently in China to prove who you are without having to present the foreigner's passport. With China permanent residence permit in hand, foreigners can enter and exit China customs without applying for China visas.

There are a slew of other benefits attached to a China green cards, for example:

- (1) can work in China without having to obtaining a work permit;
- (2) easy passing through China customers;
- (3) can use legally acquired RMB funds in investing in China companies while most foreigners can only use foreign exchanges to invest in China;
- (4) children can enjoy China 9-year mandatory educations just like Chinese children;
- (5) can purchase real properties in China without being subject to related restrictive rules;
- (6) enjoy rights in financial services such as banking, insurance and securities, most foreigners are not allowed to buy stocks in China

The latest foreign exchange regulation on current accounts provides that a foreigner with China green card is qualified to enjoy an annual quota of USD 50,000 to purchase foreign exchange fund without having to provide any supporting documents.

II. What are the Criteria for Applying for China Green Cards

Below are detailed rules about application criteria.

(1) foreign investors who have directly invested in China for consecutive three years and have kept a good record of tax compliance provided that their investments:

(a) he or she invests an aggregate of at least USD 500,000 in an industry listed as “encouraged” in China Catalog of Industries of Foreign Investment, which is updated from time to time by China Ministry of Commerce and Ministry of National Development and Reforms;

(b) her or she invests an aggregate of at least USD 500,000 in western part of China and major counties of poverty lifting and development;

(c) he or she invests an aggregate of at least USD 1,000,000 in central part of China;

(d) he or she otherwise invests an aggregate of at least USD 2,000,000 in China.

Please note that those investment amounts are the capital actually paid up into the relevant foreign-invested companies or enterprises, not the total investment amounts consisting of any loans from bank or foreign shareholders.

(2) foreigners who serve as deputy general manager (or equivalent position) or higher position or who are associate professors or researcher (or higher qualification), have worked in China up to 4 years during which period their aggregate stay in China is not less than 3 years provided that:

(a) they have kept a good record of tax compliance;

(b) their employers are (i) institutions belonging to central governmental department or provincial governments, or (ii) are key higher education institutions, or (iii) companies executing national key engineering or research projects, or (iv) high-tech enterprises, or foreign invested companies investing in encouraged industries, or foreign invested company with advanced technologies or with products mainly for exporting.

(3) foreigners who have made significant or outstanding achievements or badly needed by China;

(4) spouses and unmarried children under 18 years old of those people described in (1), (2) and (3).

(5) spouses of Chinese citizens or foreigners who have obtained China permanent residence, where their marriage has lasted for up to 5 years and the spouses have lived in China for up to 5 years, and among each of these 5 years, she or he has stayed in China for at least 9 months, and they have stable life support and residence;

(6) unmarried children under 18 years old joining their parents in China; here, it doesn't say what parents it refers to. Presumably, this shall mean parents who are Chinese citizens or foreigner parents who have obtained permanent residence status in China. It is not

uncommon nowadays for foreigners who have parents that are Chinese against the backdrop that many Chinese parents intentionally gave birth to children in USA to get their babies American passports.

Adopted children shall need to present documents to prove the legal adoption.

(7) foreigners over 60 years old who join their immediate family members in China because they don't have no immediate family members abroad, provided that they (5) spouses of Chinese citizens or foreigners who have obtained China permanent residence, where their marriage has lasted for up to 5 years and the spouses have lived in China for up to 5 years, and among each of these 5 years, she or he has stayed in China for at least 9 months, and they have stable life support and residence.

III. Approval Time Limit, Permanent Residence Card

Relevant Immigration Department has six (6) months to process the application and make a decision on whether to grant the permanent residence status to the applicants.

A permanent residence card (as shown in the picture above) will be issued to approved applicants, which has a valid time period of 5 years or 10 years. Usually, adults get 10 years period.

PLEASE NOTE that as a general principle, a foreigner who is granted the PR status in China shall live in China for at least three (3) months every year. However, the regulation makes an exception where upon approval the PR holders may be allowed to stay less time in China so long as the PR holders can stay up to at least one year in aggregate within five years. The regulation doesn't elaborate on what circumstances will qualify for such exception.

IV. Tax Implications

There are so far no specific provisions offering favorable treatment on tax issues.

First of all, obtaining China Permanent Residence status won't render the foreigners subject to China tax laws as a Chinese citizen. This is a crucial point that sets China PR status apart from American green card.

In other words, foreigners with China green card are still treated as they are before obtaining the PR status under China tax laws.