

CHINA

DESTINATION GUIDE

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INTRODUCTION

This guide provides a clear and practical overview for **local and foreign employees, employers, and investors** operating in the country. It covers the full employment lifecycle – from hiring and work permits to payroll, social security, taxation, termination, healthcare, education, and business setup.

Designed to support both **local workforce management and international talent mobility**, the guide explains statutory obligations, employee rights, and employer responsibilities under labor, tax, and social security regulations. It also supports business owners by outlining company formation, accounting, and ongoing compliance requirements.

Powered by **Gini Talent** and **Gini Finance**, this guide reflects real-world operational expertise:

- **Gini Talent** enables compliant hiring through recruitment, Employer of Record (EOR), payroll, and work permit services.
- **Gini Finance** ensures financial, tax, and accounting compliance with local regulations.

Together, they provide an end-to-end solution that helps organizations and professionals operate confidently, compliantly, and efficiently.



WORK PERMIT & WORKING CONDITIONS

Working legally in China requires full compliance with Chinese labor, social security, and immigration regulations. While Chinese nationals are governed solely by labor and social insurance laws, foreign employees must additionally obtain valid work authorization and residence permits.

This guide provides a comprehensive overview of work permits, employment conditions, payroll rules, social insurance, and compliance requirements applicable to **both local and foreign employees in China.**

WORK AUTHORIZATION FRAMEWORK IN CHINA

Local Employees (Chinese Nationals)

- No work permit or immigration approval required
- Mandatory registration with:
 - Local labor authorities
 - Social insurance system
- Employment governed by:
 - PRC Labor Law
 - PRC Labor Contract Law
 - Social Insurance Law

Foreign Employees

Foreign nationals must obtain both:

- Work Permit
- Residence Permit for Work Purposes

Employment may not commence until all approvals are issued.

TYPES OF WORK PERMITS IN CHINA (FOREIGN EMPLOYEES)

China classifies foreign workers under a unified points-based system

Work Permit Class A – High-Level Talent

For top-tier foreign professionals who meet one or more of the following:

- Advanced academic or professional qualifications
- Internationally recognized expertise
- Government-encouraged industry skills
- High salary thresholds (city-dependent)

Work Permit Class B – Skilled Professionals

Applicable to most foreign professionals who:

- Hold a bachelor's degree or higher
- Have at least 2 years of relevant work experience
- Meet local salary and employer eligibility requirements

Work Permit Class C – Entry-Level / Temporary Workers

For:

- Interns
- Seasonal workers
- Short-term assignments

Subject to strict quotas and limited eligibility.

WORK PERMIT APPLICATION PROCESS IN CHINA

The process consists of two main stages:

Work Permit Notice → Z Visa → Work Permit Card & Residence Permit

Applicants Outside China

- Employer submits online Work Permit Notice application
- Applicant applies for **Z Visa** at a Chinese consulate
- Entry into China and medical examination
- Final issuance of Work Permit Card and Residence Permit

Applicants Already in China

- Application may be filed domestically if holding eligible residence status
- No consular visa required
- Employment may begin **only after permits are issued**

WORK PERMIT ELIGIBILITY REQUIREMENTS

Employer Requirements

- Legally registered and authorized to hire foreigners
- No history of labor or immigration violations
- Full tax and social insurance compliance
- Position must justify foreign expertise

Employee Requirements

- Bachelor's degree or higher
- Minimum 2 years of relevant experience (waivers for Class A)
- Clean criminal background
- Medical fitness certification
- Salary meeting local minimum thresholds

REQUIRED DOCUMENTS

Foreign Employee Documents

- Passport
- CV and signed employment contract
- Criminal background check
- Medical certificate
- Diplomas and transcripts (notarized & legalized)
- Passport photos

Employer Documents

- Business license
- Work permit application form
- Justification letter
- Organizational code
- Legal representative ID
- Tax and financial compliance records

WORK PERMIT RENEWAL & CHANGES

- Renewal must be initiated **at least 30 days before expiry**
- Continuous social insurance contributions required
- Any change in role, employer, or salary must be reported
- Late renewal may require exit and reapplication

SOCIAL INSURANCE IN CHINA

Social insurance registration is mandatory once employment is established.

Coverage Includes

- Pension
- Medical insurance
- Work injury insurance
- Unemployment insurance
- Maternity insurance

Note: Enforcement varies by city (e.g. Beijing & Shenzhen are stricter).

Contribution Structure (Approximate)

- Employer: **25%–35%**
- Employee: **10%–12%**
- Declared and paid monthly
- Rates vary by municipality and insurance category

WORKING CONDITIONS IN CHINA

Working Hours

- Standard: **8 hours per day**
- Maximum: **40 hours per week**
- Typically **5 working days**

Overtime Compensation

- Weekdays: **150%**
- Rest days: **200%**
- Public holidays: **300%**

Rest Periods

- At least one weekly rest day
- Mandatory meal and rest breaks

Paid Annual Leave

Based on cumulative working years (global + China):

- 1-10 years: **5 days**
- 10-20 years: **10 days**
- 20+ years: **15 days**

Unused leave is generally compensated at **300% of daily salary**.

Public Holidays

- **11 statutory paid public holiday days**
- Work on public holidays must be paid at **300%**

MATERNITY, PATERNITY & SICK LEAVE

- Maternity leave: **98 days**, extended up to **128–158 days** by region
- Paternity leave: **7–30 days**, region-dependent
- Sick leave: Based on medical certification and local rates
- Maternity benefits paid through social insurance

EMPLOYMENT TERMINATION & SEVERANCE

Notice Period

- 30 days' written notice or payment in lieu

Severance Pay

- One month's salary per full year of service
- Partial years calculated proportionally
- Statutory caps apply in some regions

Unlawful termination may result in reinstatement or **double severance compensation.**

BILATERAL SOCIAL SECURITY AGREEMENTS

China has agreements with selected countries allowing:

- Exemptions from double contributions
- Temporary assignment relief
- Transferability of benefits

Eligibility depends on nationality and assignment structure.

COMMON COMPLIANCE RISKS IN CHINA

- Incorrect job titles or permit classification
- Underreported salaries
- Late social insurance registration
- Incomplete documentation
- Permit or residence expiry

Consequences may include:

- Fines
- Work permit cancellation
- Deportation
- Employer hiring restrictions

WHY CHINA FOR EMPLOYMENT & TALENT OPERATIONS ?

- World's second-largest economy
- Deep and diverse talent pool
- Strong manufacturing, technology, and R&D ecosystems
- Structured labor and immigration framework
- Expanding opportunities for local and international professionals

SOCIAL SECURITY (SOCIAL INSURANCE) SYSTEM IN CHINA

China's social insurance system is governed by national legislation and implemented by local authorities. It provides mandatory statutory protection for employees working legally in China, including healthcare, pensions, and employment-related benefits.

While **Chinese nationals are mandatorily covered nationwide, foreign employees are also generally required to participate, subject to city-level regulations and bilateral social security agreements.** As enforcement and contribution rules vary significantly by location, local compliance is critical for both employers and employees.

MANDATORY SOCIAL INSURANCE REGISTRATION

Local Employees (Chinese Nationals)

- Social insurance registration is **mandatory nationwide**
- Registration must be completed upon employment commencement
- Contributions are required throughout employment
- Full access to statutory benefits applies

Foreign Employees

- Foreign employees holding a valid **Work Permit and Residence Permit for employment** are generally required to be registered by their employer with the local social insurance bureau.

Key principles:

- Mandatory registration in most major cities
- Registration must be completed shortly after employment start
- Employment may not legally continue without registration
- Coverage usually starts from the first working day

Failure to comply may result in:

- Administrative penalties
- Retroactive contribution payments
- Work permit renewal risks
- Employment and immigration compliance issues

SCOPE OF SOCIAL INSURANCE COVERAGE

Once registered, employees (local and foreign) may be covered under the following schemes, subject to city-specific implementation rules:

- Pension insurance
- Medical insurance
- Unemployment insurance
- Work-related injury insurance
- Maternity insurance
- **Housing Provident Fund** (mandatory for locals and, in many cities, also for foreigners)

Access to benefits depends on:

- Contribution period
- Local eligibility rules
- Residency and employment status

SOCIAL INSURANCE CONTRIBUTIONS IN CHINA (INDICATIVE)

Social insurance contributions are calculated as a percentage of the employee's gross salary and are shared between employer and employee.

General framework:

- Contribution rates vary significantly by city and province
- Employer and employee contributions both apply
- Local salary floors and caps are enforced
- Contributions are declared and paid monthly

Due to regional variation, contribution rates and benefit eligibility must always be confirmed at the **local municipal level**.

MEDICAL INSURANCE & HEALTHCARE ACCESS

China's statutory social insurance includes **basic medical insurance**, which primarily supports access to the public healthcare system.

Coverage features:

- Partial reimbursement for inpatient and outpatient treatment
- Prescription cost reimbursement (subject to local rules)
- Emergency medical care at public hospitals
- City-based reimbursement rates and hospital tiers

Because coverage levels and service access vary, **many foreign employees supplement social insurance with private health insurance.**

INTERNATIONAL SOCIAL SECURITY AGREEMENTS

Egypt has concluded bilateral social insurance agreements with several countries.

Under these agreements, eligible foreign employees may benefit from:

- Exemption from double social insurance contributions
- Aggregation of contribution periods for retirement
- Temporary posting exemptions

To benefit, employees must submit:

- A valid certificate of coverage from their home country
- Proof of continued insurance abroad

Exemptions apply **only after official approval** by Egyptian authorities.

WORK PERMIT & SOCIAL INSURANCE COMPLIANCE (FOREIGN EMPLOYEES)

Social insurance compliance is closely linked to immigration status.

Key considerations:

- Social insurance registration occurs only after work permit approval
- Continuous contributions are reviewed during permit renewals
- Inconsistent or missing payments may negatively impact renewals
- Declared salary must align across:
 - Payroll
 - Tax filings
 - Social insurance records

SOCIAL INSURANCE EXIT PROCEDURES UPON TERMINATION

Upon employment termination in China:

- Employer must deregister the employee
- Final social insurance contributions must be settled
- Individual accounts may remain active for future employment in China
- Withdrawal of pension contributions is generally limited for foreigners

Exit procedures and portability options vary by city.

BILATERAL SOCIAL SECURITY AGREEMENTS

China has social security agreements with selected countries. These may allow:

- Exemption from certain contributions
- Avoidance of double pension payments
- Temporary assignment exemptions under defined conditions

Eligibility depends on:

- Nationality
- Assignment duration
- Local authority approval

SOCIAL INSURANCE VS PRIVATE HEALTH INSURANCE

Feature	Social Insurance (Medical Insurance – UEBMI)	Private Health Insurance
Mandatory for employees	✓ Yes (most cities, with valid employment)	✗ No
Applies to local & foreign employees	✓ Yes	✓ Yes
Linked to employment	✓ Yes	✗ No
Covers public hospitals	✗ No	⚠ Limited / Depends on policy
Covers private hospitals	⚠ Limited / city & hospital tier based	✓ Yes
Covers international hospitals	✗ No	✓ Yes
Emergency care	✓ Yes	✓ Yes

COMMON SOCIAL INSURANCE COMPLIANCE RISKS IN CHINA

- Failure to register foreign employees
- Incorrect or underreported salary declarations
- Late or missing monthly payments
- Payroll, tax, and social insurance mismatches
- Misinterpretation of city-level rules

These may lead to:

- Administrative fines
- Backdated liabilities
- Audits
- Work permit or residence permit risks

WHY SOCIAL INSURANCE COMPLIANCE MATTERS IN CHINA

Proper compliance ensures:

- Lawful employment for local and foreign staff
- Access to statutory healthcare and benefits
- Smooth work permit renewals
- Reduced financial and regulatory risk
- Long-term operational continuity

Given China's **region-specific implementation**, professional guidance and accurate local handling are essential for employers managing local and international talent.

TAXATION OF EMPLOYEES IN CHINA

China's taxation system is administered by the **State Taxation Administration (STA)**. All employees working in China—both Chinese nationals and foreign employees—are subject to Chinese tax regulations based on **tax residency status, duration of stay, and income source**.

Employers bear primary legal responsibility for **accurate payroll tax calculation, withholding, declaration, and payment**, while employees remain accountable for the accuracy of personal tax information.

TAX RESIDENCY STATUS IN CHINA

Tax residency determines the scope of taxable income.

Tax Residents

Individuals (local or foreign) are considered **China tax residents** if they:

- Spend **183 days or more** in China within a tax year

Tax residents are generally taxed on:

- China-sourced income
- Worldwide income, subject to applicable rules, exemptions, and tax treaties

Non-Residents

Individuals who stay in China **less than 183 days** within a tax year are considered **non-residents** and are taxed only on **China-sourced income**, typically through employer withholding.

Actual tax treatment may vary depending on assignment structure, employer location, and applicable Double Taxation Agreements (DTAs).

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INDIVIDUAL INCOME TAX (IIT) ON SALARIES

Employees working in China are subject to Individual **Income Tax (IIT)** on employment income.

Key principles:

- Progressive tax brackets apply
- Tax is withheld at source by the employer
- Monthly payroll withholding is mandatory

Employer responsibilities include:

- Monthly salary and benefit calculations
- IIT withholding and electronic declaration
- Timely payment to local tax authorities
- Annual individual tax reconciliation support (where required)

Employees receive their net **salary after statutory tax deductions**.

OTHER MANDATORY PAYROLL DEDUCTIONS

In addition to IIT, statutory deductions generally include:

- **Employee social insurance contributions**
- **Housing Provident Fund contributions** (mandatory for Chinese nationals and, in many cities, also applicable to foreign employees)

All deductions must be accurately reflected in payroll records and declared in compliance with **local municipal rules**.

CORPORATE TAX OBLIGATIONS FOR EMPLOYERS

Employers engaging local or foreign employees in China must comply with corporate tax obligations, including:

- Corporate Income Tax (CIT)
- Individual Income Tax withholding
- Value Added Tax (VAT), where applicable
- Monthly and annual tax filings
- **Electronic invoicing (fapiao) issuance and reconciliation**
- Payroll, tax, and social insurance data alignment

Non-compliance may result in:

- Administrative penalties
- Interest charges
- Tax audits

Increased scrutiny during labor or immigration inspections

DOUBLE TAXATION AGREEMENTS (DTAS)

China has an extensive network of **Double Taxation Agreements** with many countries.

DTAs may:

- Prevent double taxation
- Provide tax exemptions or reduced rates
- Allow foreign tax credits
- Define tax treatment for expatriates and short-term assignments

To apply treaty benefits, foreign employees may be required to submit a **Tax Residency Certificate** issued by their home country's tax authority.

TAX IDENTIFICATION NUMBER (TIN)

All individuals earning taxable income in China must obtain a **Chinese Tax Identification Number (TIN)**.

The TIN is required for:

- Payroll registration
- IIT filing and annual reconciliation
- Bank account opening
- Lease and financial agreements
- Official employment-related transactions

In most cases, the TIN is issued automatically upon tax registration.

TERMINATION, SEVERANCE & TAXATION

Upon employment termination:

- Statutory severance payments may benefit from **preferential tax treatment**, within legal thresholds
- Excess severance amounts are subject to IIT
- Unused annual leave compensation is taxable
- Final payroll, tax, and social insurance settlements must be completed by the employer

Proper closure of tax records is essential to avoid post-termination liabilities.

COMMON TAX COMPLIANCE RISKS IN CHINA

Typical risks include:

- Incorrect tax residency classification
- Underreported salaries, bonuses, or benefits-in-kind
- Late or missing IIT filings
- Incorrect application of tax treaty benefits
- Inconsistencies between payroll, tax, and social insurance data

These risks may lead to:

- Retroactive tax assessments
- Administrative fines
- Audit exposure
- Work permit and residence permit renewal delays or refusals

WHY TAX COMPLIANCE MATTERS IN CHINA

Accurate tax compliance ensures:

- Lawful employment for local and foreign staff
- Payroll transparency and regulatory alignment
- Protection against double taxation
- Smooth work permit and residence permit renewals
- Reduced financial and operational risk

Given China's **complex and locally enforced tax framework**, professional payroll and tax management is essential—especially for companies employing foreign professionals or operating under EOR arrangements.

EMPLOYMENT TERMINATION

Employment termination in China is primarily governed by the **Labor Contract Law of the People's Republic of China** and related implementing regulations. Termination rules are **strictly regulated and employee-protective**, applying equally to **Chinese nationals and foreign employees** working under a legally valid labor contract.

Both employers and employees must comply with statutory requirements regarding **termination grounds, notice periods, severance pay, documentation, and procedural steps**. Non-compliance may result in labor disputes, reinstatement orders, or financial penalties.

TYPES OF EMPLOYMENT TERMINATION IN CHINA

Employment contracts in China may be terminated through the following mechanisms:

- Resignation by the employee
- Termination by the employer with statutory just cause
- Termination by the employer without just cause
- Mutual termination agreement
- Expiration of a fixed-term labor contract
- Retirement
- Force majeure or major changes in objective circumstances

Each termination type carries **different legal consequences** in terms of notice obligations, severance pay, and compensation exposure.

JUSTIFIED VS. UNJUSTIFIED TERMINATION

Employer-Initiated Termination – Just Cause

Employers may terminate employment **without severance** if statutory just cause exists, including:

- Serious violation of company rules and internal policies
- Serious dereliction of duty or misconduct causing material damage
- Simultaneous employment with another employer that materially affects job performance
- Fraud, coercion, or misrepresentation when concluding the labor contract
- Criminal liability

Important: Just cause termination requires **clear evidence, lawful internal rules, prior employee acknowledgment of policies, and proper documentation.** Improper handling may invalidate the termination.

Employer-Initiated Termination – Without Just Cause

If termination occurs **without statutory just cause**, the employer is generally required to:

- Provide **30 days' written notice**, or
- Pay **compensation in lieu of notice**, and
- Pay **statutory severance compensation**

Unlawful termination may expose the employer to:

- Reinstatement orders, or
- **Double severance compensation**, at the employee's election

Employee-Initiated Termination

Resignation with Notice

Employees may resign by providing:

- **30 days' written notice** during regular employment
- **3 days' notice** during the probationary period

Immediate Resignation (Just Cause)

Employees may terminate employment **with immediate effect** if the employer:

- Fails to pay wages in full or on time
- Fails to provide legally required working conditions
- Fails to contribute to social insurance
- Forces work through violence, threats, or illegal restrictions

In such cases, the employee may also claim **severance compensation.**

STATUTORY NOTICE PERIODS IN CHINA

Scenario	Notice Requirement
Employee resignation (regular employment)	30 Days
Employee resignation (probation)	3 Days
Employer termination without fault	30 days or payment in lieu

PROBATIONARY PERIOD AND TERMINATION

Maximum probation periods depend on contract duration:

- Contracts under 1 year → up to **1 month**
- Contracts of 1-3 years → up to **2 months**
- Contracts of 3 years or open-ended → up to **6 months**

During probation:

- Employers may terminate if recruitment conditions are not met
- Termination must still be **reasonable, justified, and documented**
- Arbitrary or discriminatory dismissal is prohibited

SEVERANCE PAY IN CHINA

Employees are generally entitled to severance when employment is terminated by the employer **without fault** or by mutual agreement.

Severance calculation rules:

- **One month's average salary** for each full year of service
- Service over 6 months counts as **one full year**
- Service under 6 months → **half-month salary**
- Monthly salary is subject to **statutory caps**
- Severance is subject to **specific IIT tax treatment**

MASS LAYOFFS AND COLLECTIVE TERMINATIONS

For economic layoffs involving a significant number of employees, employers must:

- Explain the situation to labor unions or employee representatives
- Submit a layoff plan to the local labor authority
- Follow statutory consultation and filing procedures
- Prioritize retention of legally protected employee groups

Failure to comply may result in:

- Administrative penalties
- Invalid termination decisions
- Reinstatement or compensation claims

TERMINATION OF FOREIGN EMPLOYEES IN CHINA

For foreign employees holding valid **work permits and residence permits**:

- Termination must be reported to relevant authorities
- Work permits and residence permits must be **cancelled or updated**
- Social insurance deregistration must be completed

Following termination, the foreign employee must:

- Secure new employment and apply for a new work permit, or
- Change residence status, or
- Exit China within the permitted timeframe

FINAL PAYROLL AND EMPLOYER OBLIGATIONS AFTER TERMINATION

Upon termination, employers must complete:

- Outstanding salary payments
- Severance compensation (if applicable)
- Compensation for unused annual leave
- Payment in lieu of notice (if applicable)

Additionally:

- Final tax filings
 - Social insurance exit procedures
- must be completed **accurately and on time.**

COMMON EMPLOYMENT TERMINATION COMPLIANCE RISKS IN CHINA

Frequent risks include:

- Unlawful or poorly documented termination
- Incorrect severance calculations
- Failure to observe statutory notice periods
- Improper social insurance exit handling
- Inconsistencies between labor contracts, payroll, and work permit records

These risks may result in:

- Labor arbitration or court disputes
- Administrative penalties
- Compensation awards
- Immigration and work permit compliance issues

IMPORTANT NOTE ON EMPLOYMENT TERMINATION IN CHINA

Employment termination in China is **highly regulated and employee-protective**. Strict adherence to statutory procedures, documentation standards, and local implementation rules is essential to:

- Minimize legal disputes
- Protect employer interests
- Ensure compliant exit or transition of foreign employees
- Maintain long-term operational continuity

Professional HR, payroll, and immigration support is strongly recommended, particularly for foreign-invested companies and EOR arrangements.

EDUCATION OPTIONS FOR CHILDREN IN CHINA

Families relocating to China—both foreign professionals and mixed-nationality households—often prioritize access to high-quality, internationally recognized education for their children. China offers a **broad and well-developed education ecosystem**, including public schools, private and bilingual institutions, and a large network of international schools, particularly in major metropolitan and expat hubs.

Education options vary by **city, residency status, and child nationality**, making early planning essential.

PUBLIC SCHOOLS IN CHINA

Chinese public schools are administered by local **Education Bureaus** and primarily serve Chinese nationals. Enrollment of foreign children is **subject to local authority approval**, residency status, and school capacity.

Key features:

- Curriculum regulated by local Education Bureaus
- Primary instruction language: **Mandarin Chinese**
- Strong academic focus on mathematics, sciences, discipline, and exams
- Chinese language immersion opportunities for foreign students
- Extensive availability across urban and suburban areas

Public schools are most suitable for:

- Families planning **long-term residence** in China
- Children with Mandarin proficiency or willingness to undertake intensive language immersion
- Mixed-nationality families where one parent is a Chinese citizen

PRIVATE SCHOOLS AND BILINGUAL INSTITUTIONS

Private and bilingual schools bridge Chinese and international education models and are accessible to both local and foreign students, subject to admission criteria.

Highlights:

- Smaller class sizes and modern learning facilities
- **Bilingual instruction** (Chinese-English)
- Combination of Chinese national curriculum and international frameworks
- Strong preparation for overseas university admissions
- Emphasis on STEM, languages, and extracurricular development

Popular formats include:

- Bilingual K-12 schools
- Private academies
- Internationally oriented high schools

These schools are widely chosen by **expat families seeking balance** between global education and local integration.

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INTERNATIONAL SCHOOLS IN CHINA

China has one of the **largest international school networks in Asia**, primarily serving expatriate families. Most international schools restrict enrollment to foreign passport holders, in line with Chinese education regulations.

Common international curricula:

- International Baccalaureate (IB)
- Cambridge International (IGCSE & A-Levels)
- American High School Diploma
- British, French, German, Japanese, and Korean national programs

Major international school hubs include: Beijing, Shanghai (largest and most diverse selection), Guangzhou, Shenzhen and Suzhou

International schools are often the preferred choice for:

- Short- to medium-term assignments
- Families planning overseas university pathways
- Children requiring continuity with home-country education systems

PRESCHOOL AND EARLY CHILDHOOD EDUCATION

China offers extensive early childhood education options suitable for both local and foreign families.

Available options include:

- International kindergartens
- Bilingual nursery schools
- Montessori and Reggio Emilia-inspired programs
- Private preschools located in expat-friendly districts

Enrollment typically begins between **ages 2 and 3**, depending on the institution and city.

HIGHER EDUCATION OPPORTUNITIES IN CHINA

China's higher education sector is increasingly attractive to both local and international students.

Key advantages:

- Growing number of **English-taught undergraduate and graduate programs**
- World-renowned universities such as:
 - Tsinghua University
 - Peking University
 - Fudan University
 - Zhejiang University
- Competitive tuition fees compared to Western countries
- Government and university-level scholarship programs
- Strong emphasis on STEM, research, and innovation

Admission requirements may include academic qualifications, language proficiency, and entrance examinations.

SPECIAL EDUCATION SERVICES

Support for children with special educational needs (SEN) is expanding in China, primarily through private and international institutions.

Available services include:

- SEN programs within international and select private schools
- Private therapy and rehabilitation centers
- Individualized education support plans (school-based)
- Speech, occupational, and behavioral therapy

Service availability varies significantly by city, with broader access in major metropolitan areas.

DOCUMENTATION AND ENROLLMENT REQUIREMENTS

Enrollment requirements differ by school type and city but commonly include:

- Child's valid passport
- Valid residence permit
- Parents' work permits and residence permits
- Previous school records and transcripts
- Health examination and vaccination records

International and private schools may also require:

- Academic assessments
- Entrance exams
- Interviews

WHY CHINA IS A STRONG EDUCATION DESTINATION FOR FAMILIES

- Extensive network of international and bilingual schools
- Globally recognized curricula and qualifications
- Strong academic culture and discipline
- Advanced STEM, language, and research-focused education
- Broad availability across major business and expat hubs

HEALTHCARE OPTIONS IN CHINA

Employees living and working in China—both Chinese nationals and foreign professionals—have access to a **multi-tier healthcare system** that includes public hospitals under the social insurance scheme, private medical institutions, and international-standard hospitals.

Healthcare access, service quality, and reimbursement levels vary significantly by **city, insurance enrollment, and facility type**, making insurance planning essential.

PUBLIC HEALTHCARE SYSTEM IN CHINA

China's public healthcare system operates primarily through the **Urban Employee Basic Medical Insurance (UEBMI)** scheme. Participation is **mandatory for most legally employed workers**, including foreign employees, subject to local regulations.

Key features:

- Access to public hospitals and community clinics
- Coverage for inpatient and outpatient medical treatments
- Partial reimbursement of eligible medical expenses
- Mandatory employer and employee contributions
- City-based contribution rates, reimbursement caps, and hospital tiers

Public hospitals are widely available nationwide and provide comprehensive medical services. However, **waiting times, administrative procedures, and language barriers** may present challenges for foreign employees.

PRIVATE HEALTHCARE SERVICES

China has a rapidly expanding **private healthcare sector**, particularly in major metropolitan areas. These facilities are frequently preferred by expatriates seeking convenience, speed, and international service standards.

Advantages include:

- Shorter waiting times for consultations and diagnostics
- Modern medical facilities and advanced diagnostic equipment
- Higher patient service standards
- English-speaking doctors and administrative staff in major cities

Private healthcare costs are generally **not fully covered by social insurance and usually require private or international health insurance.**

INTERNATIONAL HOSPITALS AND EXPAT-FOCUSED CLINICS

Major Chinese cities host a strong network of **international hospitals and expat-focused clinics** designed to meet global healthcare expectations.

Common services include:

- Multilingual medical teams (English, Japanese, Korean, French, German, and Chinese)
- International treatment protocols and clinical standards
- Comprehensive outpatient and inpatient care
- 24/7 emergency services
- Specialized departments such as pediatrics, dentistry, OB-GYN, dermatology, cardiology, orthopedics, and internal medicine

These facilities are widely used by foreign professionals, diplomats, and international families.

HEALTH INSURANCE REQUIREMENTS FOR FOREIGN EMPLOYEES

Foreign nationals working in China are required to maintain **valid health insurance coverage** throughout their employment.

Common insurance arrangements include:

- Mandatory social medical insurance (UEBMI)
- Employer-provided private health insurance
- International health insurance plans for global mobility
- Supplementary insurance covering international hospitals and premium services

Employers are typically responsible for **social insurance registration, contribution declarations, and monthly payments.**

EMERGENCY AND URGENT CARE SERVICES

China offers extensive emergency medical services nationwide.

Emergency care options include:

- National emergency hotline: **120**
- Emergency departments in public hospitals
- Emergency units in private and international hospitals
- Trauma and critical care centers in major cities

Emergency treatment is provided regardless of insurance status, although **treatment costs may apply** depending on the facility and insurance coverage.

PHARMACEUTICALS AND MEDICATION ACCESS

China maintains a dense and accessible pharmacy network.

Key features include:

- Prescription and over-the-counter medications widely available
- Reimbursement for listed medications under social insurance schemes
- Access to imported and international pharmaceuticals in major cities
- Hospital-based pharmacies directly linked to physician prescriptions

Medication availability and reimbursement eligibility may vary by city and insurance plan.

WHY CHINA IS A STRONG HEALTHCARE DESTINATION FOR EMPLOYEES

- Modern and rapidly expanding medical infrastructure
- Wide availability of international and private hospitals in major cities
- Growing access to English-speaking medical professionals
- Mandatory social insurance coverage ensuring basic healthcare access
- High-quality private and international healthcare options for expatriates

PAID PUBLIC HOLIDAYS

Holiday Name	Chinese Name	Date	Type	Description
New Year's Day	元旦 (Yuándàn)	January 1	National	Marks the beginning of the Gregorian New Year; nationwide paid public holiday.
Chinese New Year / Spring Festival	春节 (Chūnjié)	Varies (Jan-Feb, 7-day holiday)	Traditional / National	China's most important festival celebrating the Lunar New Year; includes family gatherings, travel, and cultural celebrations.
Tomb Sweeping Day	清明节 (Qīngmíng Jié)	April 4-6	Traditional	A day for honoring ancestors by cleaning graves and making offerings.
Labor Day	劳动节 (Láodòng Jié)	May 1 (3-5 day holiday depending on arrangement)	National	Celebrates workers and labor achievements; widely observed with travel.
Dragon Boat Festival	端午节 (Duānwǔ Jié)	5th day of the 5th lunar month	Traditional	Commemorates poet Qu Yuan with dragon boat races and traditional rice dumplings (zongzi).
Mid-Autumn Festival	中秋节 (Zhōngqiū Jié)	15th day of the 8th lunar month	Traditional	Celebrates the harvest moon with lanterns, mooncakes, and family gatherings.
National Day	国庆节 (Guóqìng Jié)	October 1-7 (Golden Week)	National	Marks the founding of the People's Republic of China; part of China's longest holiday week.

BUSINESS SETUP SERVICES

Establishing a business in China offers **both local and foreign investors** access to one of the world's largest consumer markets, a sophisticated manufacturing ecosystem, and an extensive domestic and international supply chain network. China provides multiple legal entity options, sector-based investment frameworks, and region-specific incentives designed to support sustainable business growth.

Business setup services in China support **domestic companies, foreign-invested enterprises, and multinational groups** throughout the incorporation process, licensing, tax registration, employment compliance, and ongoing regulatory obligations at both national and local levels.

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COMPANY FORMATION OPTIONS IN CHINA

Investors may choose from several legal entity structures depending on ownership model, business scope, and operational strategy.

Common company types include:

- **Domestic Limited Liability Company** (for Chinese nationals and entities)
- **Wholly Foreign-Owned Enterprise (WFOE)**
- **Equity or Cooperative Joint Venture**
- **Representative Office**
- **Branch Office** (for specific regulated or approved activities)

The **Domestic LLC** and **WFOE** are the most commonly used structures, offering limited liability, operational flexibility, and suitability for commercial activities.

COMPANY INCORPORATION PROCESS IN CHINA

Company incorporation is administered by local branches of the **State Administration for Market Regulation (SAMR)** and other relevant authorities.

Key incorporation steps include:

- Company name pre-approval
- Definition of business scope (critical for licensing and compliance)
- Preparation of Articles of Association
- Issuance of business license
- Company seal (chop) registration
- Foreign investment reporting (for foreign-invested entities)

The incorporation timeline varies by city, industry, and entity type, typically ranging from **several weeks to a few months**.

REGISTERED CAPITAL REQUIREMENTS

China operates under a **subscribed capital system**, applicable to both local and foreign-invested companies.

Key principles:

- No immediate capital injection is generally required at incorporation
- Registered capital must be **reasonable and aligned with the business scope**
- Contribution schedules are defined in corporate documents
- Certain regulated industries may impose minimum capital thresholds

Authorities may assess capital adequacy during audits, licensing reviews, or operational inspections.

BANK ACCOUNT OPENING IN CHINA

All companies must open corporate bank accounts in China to conduct operations.

Typical requirements include:

- Business license
- Company seals (official, finance, legal representative)
- Articles of Association
- Identification of the legal representative and shareholders
- Board or shareholder resolutions

Bank due diligence can be detailed, especially for foreign-invested entities, and timelines vary by bank and city.

TAX REGISTRATION & COMPLIANCE

All companies operating in China—local or foreign—must complete tax registration with the local tax bureau.

Core tax obligations include:

- Corporate Income Tax (CIT)
- Value Added Tax (VAT)
- Withholding taxes on salaries and service payments
- Monthly, quarterly, and annual tax filings
- Electronic invoicing (fapiao) system registration

Accurate and timely tax compliance is essential to avoid penalties, audits, or operational restrictions.

PAYROLL & SOCIAL INSURANCE REGISTRATION

Employers must register with local social insurance authorities before hiring employees.

Mandatory contributions generally include:

- Pension insurance
- Medical insurance
- Unemployment insurance
- Work-related injury insurance
- Maternity insurance
- Housing Provident Fund (mandatory in most cities)

These requirements apply to **both Chinese and foreign employees**, with contribution rates varying by city and salary level.

EMPLOYMENT & WORK PERMIT REQUIREMENTS FOR FOREIGN EMPLOYEES

Foreign nationals working in China must obtain both:

- **Work Permit for Foreigners**
- **Residence Permit for employment purposes**

Key requirements include qualification verification, background checks, and medical examinations.

Employment may not legally commence without approved permits.

ACCOUNTING, BOOKKEEPING & ONGOING COMPLIANCE

All companies must maintain compliant accounting records in accordance with **Chinese Accounting Standards**.

Ongoing obligations include:

- Monthly bookkeeping
- VAT and tax filings
- Annual corporate income tax reconciliation
- Statutory audits (if applicable)
- Annual reporting to regulatory authorities

Non-compliance may lead to fines, restricted operations, or license suspension.

OFFICE ADDRESS & BUSINESS PREMISES REQUIREMENTS

A registered business address is mandatory for incorporation and compliance.

Accepted options include:

- Commercial office space
- Industrial or warehouse facilities (for manufacturing)
- Approved incubators or business parks

Virtual offices are generally restricted and subject to local authority approval.

SECTOR-SPECIFIC LICENSING & REGULATORY APPROVALS

Certain industries require additional permits or approvals, including:

- Technology and telecommunications
- Manufacturing
- Education and training
- Healthcare and pharmaceuticals
- E-commerce and online platforms
- Financial and professional services

Licensing requirements vary significantly by sector and location.

FREE TRADE ZONES & INVESTMENT INCENTIVES

China offers investment incentives through:

- Free Trade Zones (FTZs)
- High-tech industrial parks
- Economic and development zones
- Tax incentives for encouraged industries

Eligibility depends on sector classification, geographic location, and investment structure.

WHY ESTABLISH A BUSINESS IN CHINA?

- One of the world's largest and most diverse markets
- Advanced manufacturing and supply chain infrastructure
- Large, skilled, and competitive workforce
- Strong digital economy and innovation ecosystem
- Extensive Free Trade Zone and incentive programs
- Strategic base for Asia-Pacific operations