

## **Foreign investment filing (approval) report implementation protocols**

First, in order to accurately, timely and comprehensively reflect the dynamic development of China's foreign investment, scientific research and analysis of the development trend of foreign investment, to provide support for post-event supervision, according to the "Interim Measures for Foreign Investment Filing (Approval) Report", the Ministry of Commerce to develop the implementation of the regulations.

Second, these regulations apply to all domestic investment entities (hereinafter referred to as investment entities) that have obtained "Enterprise Overseas Investment Certificate" (hereinafter referred to as "Certificate") in the Ministry of Commerce and provincial commercial departments (hereinafter referred to as commercial departments) and carry out foreign investment activities.

Third, the foreign investment filing (approval) report on the implementation of hierarchical classification management. The main body of investment for the central enterprises and other units managed by the central government, its headquarters reported to the Ministry of Commerce; the main body of investment for local enterprises, the provincial department in

charge of commerce where the main body of investment reported.

Fourth, the investment subject in accordance with the principle of "where the record (approved) must report" to fulfill its foreign investment reporting obligations, in accordance with the provisions of the report on foreign investment before, during and after the key aspects of information.

Fifth, the investment entity to fulfill the reporting obligations, is an important part of the enterprise compliance, should be in accordance with the provisions of this regulation, timely, true, accurate and complete data and information required to provide reports.

Sixth, the investment subject should log in the "Ministry of Commerce business system unified platform" (ecomp.mofcom.gov.cn) of foreign investment cooperation information services, enter the "filing (approval) report" sub-module (hereinafter referred to as (hereinafter referred to as the "Sub-module") to carry out the reports other than Article 7.

Seven, the domestic part of the investment subject should be in the actual investment occurred in the following month, in accordance with the requirements of the "OFDI Statistical System" to report the monthly OFDI (FDIY1, FDIY2, FDIY6 form).

The part of the investment subject's overseas capital contribution should be reported in the month following the actual

investment in the overseas final destination enterprise, in accordance with the requirements of the Outward Foreign Direct Investment Statistical System, and the monthly reinvestment through overseas enterprises (FDIY6 form).

Eight, the investment subject should submit the following information every six months.

(i) Compliance building of overseas enterprises. Information to be completed in accordance with the format of the "Half-yearly Report Form for Foreign Investment Filing (Approval) (I)" (see Annex 1).

(ii) Overseas enterprises encounter investment obstacles. The information needs to be filled out in accordance with the format of "Half-yearly Report Form for Foreign Investment Filing (Approval) (II)" (see Annex 2).

The investment subject shall complete the reporting work of the first half year through the sub-module within 10 natural days after each half year. The provincial commercial authorities shall complete the summary of the first half-year report information of the investment entities under their jurisdiction through the sub-module and submit it to the Ministry of Commerce within 15 natural days after each half-year.

Nine, by the competent department of commerce for the record (approved) Chinese investment in the amount of \$100 million and above and the actual control of the Chinese side of the

overseas enterprises, the investment subject should submit the following information every six months.

(a) The assets, liabilities and ownership interests of foreign enterprises.

(ii) the amount of sales revenue (or business income) of foreign enterprises.

(iii) the amount of net profits of foreign enterprises.

(iv) drive the amount of imports and exports of goods.

(E) the number of employees of foreign enterprises (including Chinese and foreign).

(F) the progress of the construction of overseas enterprises.

The investment subject should complete the information submission through the sub-module within 30 natural days after every six months, and the provincial commerce department should complete the review of the information through the sub-module and submit it to the Ministry of Commerce within 45 natural days after every six months. The information should be completed in accordance with the format of "Half-yearly Report Form for Foreign Investment Filing (Approval) (III)" (see Annex 3). If the overseas enterprise has no actual business activities during the reporting period, the investment subject only needs to fill in the above-mentioned information (a), (e) and (f).

Control as referred to in this article means: where the investment entity holds 50% or more of the voting rights of the

foreign enterprise; or where the investment entity holds less than 50% of the voting rights of the foreign enterprise individually, but holds or exercises 50% or more of the voting rights through agreements with other voting rights holders.

Ten, through the Ministry of Commerce, Ministry of Finance assessment of overseas economic and trade cooperation zones, in addition to the "Foreign Direct Investment Statistical System" required to report information, the implementation of the enterprise as the main body of investment every six months also need to report the following information on overseas economic and trade cooperation zones.

(i) the implementation of corporate restructuring or change in shareholders.

(ii) changes in construction land.

(iii) Park planning changes.

(iv) industrial positioning adjustment.

(E) to promote the economic and social development of the host country, fulfill social responsibility, etc.

(F) Other information to be reported.

Implementing enterprises should report information to the Ministry of Commerce through the sub-module within 30 natural days after every six months. The information should be filled out in accordance with the format of the "Half-yearly Report Form for Overseas Economic and Trade Cooperation Zone" (see Annex

4).

XI. If an investment entity carries out overseas M&A, it should log in the sub-module within 5 natural days after reaching the intention of M&A and report the pre-market situation of overseas M&A matters, except for the cases involving competitive bidding and exemption from disclosure or delayed disclosure approved by the regulator.

Twelve, foreign investment belongs to the case of return investment, the investment subject only needs to report the actual amount of investment invested in the first tier of overseas enterprises each month in accordance with the provisions of Article 7, and does not need to fulfill other reporting obligations under this regulation.

The return investment referred to in this regulation refers to the investment subject will flow local funds through various channels to foreign countries, and then return these funds to the local economy in the form of direct investment.

XIII. Within 10 natural days after the overseas enterprises invest in our local embassies (consulates) complete the registration, the investment subject should report the registration status through the sub-module, and at the same time scan and upload the "Overseas Chinese Enterprises (Institutions) Registration Form" return receipt confirmed by the embassies (consulates).

XIV. In principle, overseas enterprises invested by investment entities should report the situation through sub-modules within 24 hours when they encounter the following emergencies or major adverse events.

- (a) A major production safety accident.
- (ii) The occurrence of violent terrorist attacks and kidnappings.
- (C) the occurrence of social security, mass incidents.
- (iv) The occurrence of major health disease events.
- (v) The occurrence of natural disasters such as earthquakes and floods.
- (vi) In the event of war, coup d'état, government default, foreign exchange control.
- (vii) There are significant negative public opinion reports.
- (H) other circumstances that require reporting.

Fifteen, after the investment subject reported emergencies, the competent department of commerce according to the relevant provisions of the investment subject reported emergencies to deal with.

Sixteenth, the investment body from the date of cancellation of the "Certificate" to terminate the report.

If the investment subject obtains the "Certificate" within two years without actually carrying out foreign investment, the "Certificate" automatically expires. The competent commercial

department cancels the enterprise in the system and notifies the foreign exchange administration of the "Certificate" expiration.

XVII, the main investment in foreign enterprises in accordance with the laws of the investment destination for cancellation and other formalities, should be submitted to the competent commercial departments to prove the material and cancel the formalities. Before the implementation of these regulations, if the cancellation procedures have not yet been carried out, the investment subject shall promptly submit the supporting documents to the competent commercial department and go through the cancellation procedures.

Eighteen, the competent department of commerce regularly carry out foreign investment "double random, a public" spot checks, the timeliness of the report information, authenticity, completeness of the review, and can be combined with the work required to take targeted spot checks.

For the "double random, a public" spot checks found in the work, will be in accordance with the "foreign investment cooperation" double random a public "supervision work rules (for trial implementation)" of the relevant provisions.

Nineteenth, the investment subject does not fulfill the reporting obligations in accordance with the provisions of the report, or the omission, misreporting, concealment of the report, as well as not to go through the cancellation procedures, the



competent business departments may take the following measures as appropriate.

(a) reminders, interviews, letters to the investment body, requiring correction.

(ii) notify the relevant industry organizations, as an important reference for their assessment of the credit rating of the investment body, the implementation of industry self-regulation, the recommended list of enterprises, etc..

(iii) Notify the relevant financial institutions for risk alert.

(iv) The investment body's non-compliant information is entered into the national credit information sharing platform.

(E) suspension of foreign investment filing (approval) procedures, and in conjunction with the relevant departments to implement joint disciplinary action.

Twenty, the investment subject to conscientiously fulfill their reporting obligations to ensure that the information reported timely, true, accurate and complete, the competent department of commerce in conjunction with relevant departments should be given joint incentives as appropriate.

Twenty-one, the competent business departments and relevant enterprises, units shall be based on the needs of foreign investment filing (approval) report and workload, with information review staff (full-time or part-time), and provide the necessary funding and office equipment.

Twenty-two, the legal entity to carry out overseas investment, investment in the main body of the establishment of branches outside the country, the legal entity of the institution, the main body of the investment with reference to the reporting obligations of the regulations.

Annex: 1. Foreign investment filing (approved) half-yearly report form (a)

2 foreign investment filing (approved) half-yearly report form (II)

3 foreign investment filing (approved) half-yearly report form (III)

4. Half-yearly report form of the overseas economic and trade cooperation zone

## Annex 1

### **Foreign investment for the record (approved) half-yearly report form (a)**

Compliance building of foreign enterprises 20XX First (second) half year

Establishing compliance management system	a	Set up compliance management structure	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
		Establishing a compliance management system	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
		Establish compliance management operation mechanism	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
		Set up compliance risk identification, assessment and disposal mechanism	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
		Other cases that can be detailed		
Compliance with domestic laws and regulations		Export Control	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
		Intellectual Property Protection	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
		Acceptance of administrative penalties, judicial investigations, judgments		
		Other cases that can be detailed		
Compliance with daily business activities		Environmental Protection	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
		Data and privacy protection	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
		Intellectual Property Protection	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
		Anti-Corruption	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
		Anti-bribery	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.

	Anti-monopoly	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
	Anti-money laundering	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
	Anti-Terrorist Financing	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
	Establishment of financial tax system	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
	Acceptance of judicial investigation and judgment		
	Other cases that can be detailed		
Protect the legal rights and interests of employees	Sign employment contracts with employees as required	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
	Handling immigration procedures for employees according to regulations	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
	Conduct training on employee rights and interests	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
	Other circumstances that can be detailed		
Fulfilling social responsibility	Create local jobs	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
	Payment of host country taxes and fees as required	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
	Recognition by local government or other organizations	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "Yes", please fill in the details.
	Other cases that can be detailed		
Implementation of the security responsibility system	Establish an offshore security management system	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
	Safety training before the departure of personnel	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
	Establish a security risk assessment system	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.
	Develop emergency response plan for	Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/>	If you choose "No", please fill in the following details.

	overseas security		
	Establishment of offshore security responsibility system	Yes <input type="checkbox"/> No <input type="checkbox"/> No	If you choose "No", please fill in the following details.
	Other circumstances that can be detailed		

Note: 1. This table reflects the compliance construction of overseas enterprises in the reporting period, which is filled in and uploaded by the investment entity through the sub-module within 10 natural days after each half-year. The half-year referred to in this article is half of the natural year or calendar year, and is not affected by the financial year of the overseas enterprise.

2. If the investment subject obtained the Certificate before the implementation of the Measures for the Administration of Overseas Investment on October 6, 2014 and the overseas enterprise established is a platform company, the investment subject does not need to fill in the form.

## Annex 2

### Foreign investment for the record (approved) half-yearly report form (II)

#### Barriers to investment in foreign enterprises 20XX first (second) half year

There are political barriers to investment	Yes <input type="checkbox"/> No <input type="checkbox"/> No	If you choose "Yes", please fill in the details.
There are legal barriers to investment	Yes <input type="checkbox"/> No <input type="checkbox"/> No	If you choose "Yes", please fill in the details.
There are economic barriers to investment	Yes <input type="checkbox"/> No <input type="checkbox"/> No	If you choose "Yes", please fill in the details.
There are social and cultural barriers to investment	Yes <input type="checkbox"/> No <input type="checkbox"/> No	If you choose "Yes", please fill in the details.
Other obstacles exist	Yes <input type="checkbox"/> No <input type="checkbox"/> No	If you choose "Yes", please fill in the details.
Investment obstacles need to be submitted to the Bilateral Economic and Trade Joint Committee or the Investment Working Group for study and discussion	Yes <input type="checkbox"/> No <input type="checkbox"/> No	If you choose "Yes", please fill in the details.

Note: 1. This table reflects the investment obstacles encountered by overseas enterprises during the reporting period, and is filled in and uploaded by the investment subject through the sub-module within 10 natural days after each half-year. The half-year referred to in this article is half of the natural year or calendar year, and is not affected by the financial year of the overseas enterprise.

2. The existence of political barriers to investment: including obstacles such as changes in the political situation in the host country, political changes, tensions with neighboring countries, nationalization of foreign investment, war risks, threats of terrorist attacks, etc.

3. There are legal barriers to investment: including host country foreign investment access restrictions, foreign investment dispute resolution, intellectual property protection, foreign employee visas, etc.

4. The existence of economic barriers to investment: including the macroeconomic situation, foreign debt, capital account opening situation, import and export restrictions, etc.

5. Existence of social and cultural barriers to investment: including cultural, religious, customary, and other barriers or restrictions.

6. If the investment entity obtained the Certificate before the implementation of the Measures for the Administration of Overseas Investment on October 6, 2014 and the overseas enterprise established is a platform company, the investment entity does not need to fill in this report form.

## Annex 3

### **Foreign investment for the record (approved) half-yearly report form (III)**

Amount in US\$ million First (second) half year of 20XX

Name of foreign enterprise		
The country (region) where the foreign enterprise is located		
Sales (operating) income of foreign enterprises		
Net profit of foreign enterprises		
Import and export value of goods driven	Export amount	
	Import amount	
Number of employees in foreign companies	Chinese side (people)	
	Foreign party (person)	
Assets and liabilities	Assets	
	Liabilities	

	Owner's Equity	
Progress of construction of offshore enterprises		

Note: 1. This table reflects the basic operation of the overseas enterprise in the reporting period, and is filled in and uploaded by the investment entity through the sub-module within 30 natural days after each half-year. The half-year referred to in this article is half of the natural year or calendar year, and is not affected by the financial year of the overseas enterprise.

2. This table only reflects the basic operation data of overseas enterprises without independent audit by a third party during the reporting period, which is mainly used by the competent commercial department for ex-post management and is not disclosed to the public. If the audited statement data fluctuates by more than 10% from the reported assets, liabilities, revenue and profit data, the investment entity should log in the sub-module to revise the reported data after the audited statement is released.

3. The amount of goods import and export: refers to the amount of goods imported into or exported from China.

## Annex 4

# Foreign Economic and Trade Cooperation Zone Semi-Annual Report Form

First (second) half of 20XX

Foreign Economic and Trade Cooperation Zone Name	
Implementation of corporate restructuring or change of shareholders	
Construction Land Change	
Campus planning changes	
Industrial positioning adjustment	
Promote the economic and social development of the host country and fulfill social responsibility	



*Actual capacity (quantity)	
Other situations	

Description: 1. This table reflects the basic operation of the overseas economic and trade cooperation zone during the reporting period, and is filled in and uploaded by the investment entity through the "Filing (Approval) Report" sub-module within 30 natural days after each half-year. The half-year referred to in this article is half of the natural year or calendar year, and is not affected by the financial year of overseas enterprises.

2. Implementation of enterprise restructuring or shareholder changes: including the implementation of enterprises within the park and overseas zone building enterprises registered place, registered capital, business scope changes, etc., the implementation of enterprises and zone building enterprises shareholders and changes in the proportion of equity, etc.

3. Changes in construction land: changes in the ownership of construction land in the park, new or reduced construction land.

4. Park planning changes: according to the park construction and development needs, the park master plan adjustments, and the approval of the master plan, etc.

5. Industrial positioning adjustment: the existing leading industries in the park, and the park master plan to determine the industrial positioning of the changes that have occurred.

6. Promote the economic and social development of the host country and fulfill social responsibility: refers to the timely payment of taxes and fees as required by the laws and regulations of the host country, providing employment opportunities for the local community, participating in local social welfare and other virtuous behaviors.

7. Other circumstances: including the implementation of the enterprise and the construction of the area of significant changes in business conditions, facing major construction and operational risks, environmental risks, production safety risks, etc.

\*Note: "Actual capacity" is uploaded by the investment subject within 45 natural days after each year through the sub-module. The year referred to in this article is the public natural year or calendar year, and is not affected by the financial year of overseas enterprises. The processing and manufacturing zone fills in the number of products produced during the reporting period; the resource utilization zone fills in the mineral output during the reporting period; the agricultural industry zone fills in the crop output during the reporting period.