

# China: New visa requirements for short-term workers

December 9, 2014

## In brief

On November 6, 2014, the Ministry of Human Resources and Social Security (MHRSS), Ministry of Foreign Affairs, Ministry of Public Security and Ministry of Culture jointly published a notice to further regulate and clarify the visa requirements for certain short-term workers (including employees and contractors) going to China. The notice will be effective from January 1, 2015.

Multinational companies sending short-term workers to China should be aware of the new visa requirements and their possible impact on both workers and the company's business partners. For example, if the required documents to obtain a visa are not available or obtained in time, it could affect projects to which short-term workers are assigned.

## In detail

Under the new requirements, short-term workers going to China for 90 days or less for the following purposes should now obtain a Z visa:-

- working with the business partners for technical knowhow, research, management and supervisory work
- conducting training (including coaches, athletes) for sports clubs

- filming (including advertisement, documentary)
- performing in fashion shows (including car exhibitions, print ads)
- participating in commercial performances, and
- other situations as identified by the MHRSS.

If the short-term workers obtaining the Z visa need to stay in China for over 30 days, they would also need to obtain residence permits from the local public security bureaus upon

their arrival. Unlike the Z visa for those taking up employment or long-term secondment in China, the Z visa for short-term workers is not renewable upon expiry.

In addition to the short-term Z visa, the notice also clarifies the appropriate visa for other short-term workers coming to China for 90 days or less for commercial and trade activities (where M visa should be obtained) or for exchange and visits (where F visa should be obtained).

M visa	F visa
<ul style="list-style-type: none"> <li>• providing machinery and equipment maintenance, installation, testing, debugging, disassembling, inspection and training</li> <li>• providing guidance, supervision and inspection on successful bids</li> <li>• working short-term in branches, subsidiaries and representative offices, and</li> <li>• participating in athletic competitions (including athletes, coaches, doctors and assistants unless otherwise approved by the in-charge authorities as requested by the international athletic associations).</li> </ul>	<ul style="list-style-type: none"> <li>• performing volunteer work either receiving no pay or receiving pay from overseas, and</li> <li>• conducting non-commercial performances.</li> </ul>

### The takeaway

The notice helps to address the uncertainties and practical difficulties currently faced by many multinational companies and their short-term workers who are unsure about the type of visa required or which type of visa should be applied for short-term assignments in China.

Overseas employers need to obtain an employment licence, working permit and invitation letter from the relevant authorities in China before the short-term workers make their Z visa applications at the appropriate Chinese Embassy or Consulate office. Compared to the M and F visa

applications, the requirements and approval process for the Z visa applications are usually more rigorous. If the required documents are not available or obtained in time, it could affect the short-term workers coming to China as well as the projects in which they are assigned to work.

As the Z visa for short-term workers is not renewable upon expiry, employers and short-term workers should plan and monitor their short term assignments carefully; otherwise, they may need to re-apply for the Z visa and other permits when the assignment runs over 90 days.

Prior to this notice, the Z visa was normally applicable to foreigners going to China for employment or long-term secondment. Hence, it was generally taken that holders of the Z visa would have personal income tax and social security contributions payable in China. While we believe that the tax exposure of short-term workers holding Z visa should be examined on a case by case basis, proper planning for the visa application process and mobility arrangement will surely help to minimise such exposures. Therefore, professional advice should be obtained before and during the visa application process.

### Let's talk

For a deeper discussion of how these issues may affect your business, please contact one of the following representatives from PwC China:

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