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Private Sector Promotion Law of the People's Republic of China

Issued by: Standing Committee of the National People's Congress
Issue No.: President Order No. 46 of the People's Republic of China
Release Date: April 30, 2025
Effective date: May 20, 2025
Links: http://www.npc.gov.cn/c2/c30834/202504/t20250430_445088.html

As China's first basic law specifically dedicated to the development of the private sector economy, the Private Sector Promotion Law further optimizes the development environment for private businesses. It addresses key areas such as fair competition, investment and financing facilitation, technological innovation, standardized operations, service support, and rights protection. The law ensures equal participation in market competition for all types of economic entities, fostering the healthy growth of both the private sector economy and private entrepreneurs.

Negative List for Market Access (2025 Edition)

Issued by: National Development and Reform Commission, Ministry of Commerce, State Administration for Market Regulation
Issue No.: Fagaitigaigui [2025] No. 466
Release Date: April 16, 2025
Effective date: April 16, 2025
Links: https://www.ndrc.gov.cn/xxgk/zcfb/ghxwj/202504/t20250424_1397358.html

The Negative List for Market Access specifies industries, sectors, and business activities that are either prohibited or permitted only with government approval for investment and operation within China. This list serves as a universal management measure applicable to all investors, both domestic and foreign. It should be noted that for foreign investors, in addition to the Negative List for Market Access, the relevant provisions of the Special Administrative Measures for Foreign Investment Access (Negative List) must also be applied.

Compared with the 2022 version, the new version of the Negative List has reduced the number of the restricted items from 117 to 106, with 17 fewer nationwide specific management measures and 16 fewer local management measures under these items. The main modifications are as follows:

- Several national measures have been directly removed. For example, the seal engraving industry has been changed from a licensing system to a record-filing system, and the sale of specialized cybersecurity products for computer information systems has been shifted to a testing and certification regime based on mandatory national standards.
- A number of local measures have been eliminated. For example, local management measures for ship design/repair, alcohol production and operation, and bulk commodity trading of equity-like products have been abolished. Instead, a nation-wide unified access framework will apply.

- Standardized market access for emerging sectors and business models. For example, incorporating e-cigarette production, wholesale, and retail licensing into the Negative List, and clarifying online sales eligibility criteria for pharmaceutical e-commerce.
- Enhanced risk control in key sectors. For example, explicitly prohibiting non-financial institutions from illegally using the designation "futures company", and expanding the industrial product licensing system from 10 categories to 14 categories covering 27 product types, strengthening production safety oversight.

Work Plan on Accelerating the Comprehensive Pilot Program for Expanding the Opening-up in the Service Sector

Issued by: Ministry of Commerce

Issue No.: Shangzihan [2025] No. 84

Release Date: April 11, 2025

Effective Date: April 11, 2025

Links: https://www.mofcom.gov.cn/zwgk/zcfb/art/2025/art_f504ada2eb5e4e88b4b2093ecf418595.html

The Work Plan expands the pilot program coverage from the current 11 provinces and municipalities (including Beijing, Tianjin, and Shanghai) to include 9 additional cities: Dalian, Ningbo, Xiamen, Qingdao, Shenzhen, Hefei, Fuzhou, Xi'an, and Suzhou. It further relaxes market access in key service sectors such as finance, technology, healthcare, education, culture, telecommunications, and trade.

Some key opening-up sectors are outlined as follows:

- Value-added telecommunications: remove foreign equity restrictions for value-added telecom services (including app stores and internet access services); Open up the domestic internet virtual private network (VPN) business to foreign investment ($\leq 50\%$ foreign ownership).
- Healthcare & elderly care: Permit foreign, Hong Kong, Macao, and Taiwan doctors to establish private clinics; Support the establishment of foreign-funded nursing colleges; Permit non-profit medical institutions to be jointly established by Chinese and foreign donors; Permit foreign-funded non-profit elderly care facilities established through donations.
- Financial services: Support commercial factoring companies in exploring and developing international factoring business; Support multinational corporations to conduct cross-border RMB capital pooling operations; Expands pilot programs for Qualified Foreign Limited Partnership (QFLP).
- Commerce, trade & cultural tourism: Allow foreign-invested travel agencies to operate outbound tourism services for Chinese citizens (excluding travel to Taiwan region).
- Foreign-related legal services: Permit Hong Kong arbitration institutions to conduct relevant foreign-related arbitration business in Tianjin, Shanghai, Hainan, and Chongqing; Allow local law firms to engage Hong Kong lawyers as legal consultants for practicing their approved legal services within these jurisdictions.

Tax

Notice on Further Optimizing the Tax Refund Policy for Departing Tourists to Boost Inbound Consumption

Issued by: Ministry of Commerce, Ministry of Finance, Ministry of Culture and Tourism, General Administration of Customs, State Taxation Administration, Civil Aviation Administration
Issue No.: Shangxiaofeifa No.84 of 2025
Release Date: April 26, 2025
Effective Date: April 26, 2025
Links: <https://fgk.chinatax.gov.cn/zcfgk/c100013/c5240079/content.html>

This Notice introduces refinements to promote an increase in the number of tax-refund stores and provide more convenient tax-refund services to international tourists. Key measures include:

- Relaxed eligibility for tax-refund stores: Newly established stores with a tax credit rating of Level M are now permitted to apply for tax-refund store status.
- Streamlined approval process: The authority for tax-filing approvals for tax-refund stores has been delegated from provincial-level tax authorities to local competent tax authorities, with processing time reduced from 20 working days to 5 working days.
- Increased cash refund limit: The maximum cash refund amount for international tourists has been raised from RMB 10,000 to RMB 20,000.
- Promotion of "Instant Refund" services: More tax-refund stores and agencies are encouraged to offer "instant refund upon purchase" services. Regions with suitable conditions are urged to establish centralized instant-refund points in major commercial districts, tourist attractions, and other areas with high concentrations of international tourists.

Customs

Announcement of the General Administration of Customs on Clarifying that Some Goods and Articles will No Longer be Subject to Supervision as Special Items for Inbound and Outbound

Issued by: Health and Quarantine Department of the General Administration of Customs
Issue No.: Announcement [2025] No. 65
Release Date: April 22, 2025
Links: <http://gdhs.customs.gov.cn/customs/302249/zfxqgk/zfxqgkml34/6502259/index.html>

In accordance with Article 22 of the newly amended Frontier Health and Quarantine Law of the People's Republic of China, this Announcement specifies that goods, articles, and imported biological reagents for environmental protection purposes—which fall under the regulatory scope of pharmaceuticals, veterinary drugs, or medical devices—shall undergo customs inspection and quarantine as ordinary inbound and outbound goods and articles, rather than being regulated as special entry-exit items.

Human Resources

Notice on the Continuation of Unemployment Insurance Policies to Stabilize Employment and Benefit the People

Issued by: Ministry of Human Resources and Social Security, Ministry of Finance, State Taxation Administration
Issue No.: Renshebufa No.18 of 2025
Release Date: April 4, 2025
Links: <https://fgk.chinatax.gov.cn/zcfgk/c100013/c5239959/content.html>

The main contents of this Notice are as follows:

- Extension of job retention refund: Eligible enterprises may apply for job retention refund if they have fully paid unemployment insurance premiums for 12 consecutive months or more, and have not laid off any employees in the previous year or maintained a layoff rate not exceeding the national urban survey unemployment control target, or not exceeding 20% of total insured employees (for enterprises with ≤ 30 employees). Large enterprises will be refunded up to 30% of the actual unemployment insurance premiums paid by the enterprise and its employees in the previous year. Small and medium-sized enterprises and micro-enterprises will be refunded up to 60% of premiums paid.
- Extension of skills upgrade subsidies: Eligible individuals may claim one subsidy per year per vocational qualification certificate if they are insured employees with more than 12 months of unemployment insurance coverage, or are unemployment insurance benefit recipients.
- The refund policy shall remain effective until December 31, 2025.

Recent Hot Topics

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- Can all VAT deduction vouchers obtained by an enterprise before its registration as a general taxpayer be used to offset output VAT after the registration?
- Individual income tax annual filing for 2024 has commenced. How should taxpayers complete the annual filing of their comprehensive income? What are the legal consequences if the annual filing is not completed as required?

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