

Special Administrative Measures for Access of Foreign Investments (Negative List)

(2020 Edition)

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A. Agriculture, forestry, animal husbandry and fishery

- 1) The selection, cultivation, and production of seeds of new varieties of corn shall be controlled by the Chinese party. The proportion of the Chinese party's investment in the selection, cultivation, and production of seeds of new varieties of wheat shall not be less than 34%;
- 2) Investment in the research, development, breeding, and planting of China's rare and unique precious quality varieties as well as the production of relevant breeding materials (including quality genes of planting, animal husbandry and aquaculture) is prohibited;
- 3) Investment in the selection of genetically modified varieties and the production of genetically modified seeds (fingerlings) in respect of crops, breeding stock and poultry, and aquatic fingerlings is prohibited;
- 4) Investment in fishing aquatic products in sea areas under Chinese jurisdiction and in inland waters is prohibited.

B. Mining

- 5) Investment in rare earth, and the reconnaissance, mining and beneficiation of radioactive minerals and tungsten are prohibited.

C. Manufacturing

- 6) Investment in the printing of publications must be controlled by the Chinese party;
- 7) Investment in the application of such processing techniques of traditional Chinese medicine decoction pieces as steaming, frying, cauterizing and calcining and the manufacturing of Chinese patent medicine products with a secret formula is prohibited;
- 8) Except for special vehicles and new-energy vehicles, shares of a manufacturer producing other types of vehicles, held by Chinese parties, shall be 50 percent at least, and a single foreign investor may establish up to two joint ventures in China to manufacture the same type of vehicles (limits on the foreign shareholding will be removed for commercial vehicles in 2020. In 2022, limits on the foreign shareholding

will be abolished for passenger vehicles, and the restriction that a single foreign investor may establish up to two joint ventures in China to manufacture the same type of vehicles will be eliminated as well);

- 9) Investment in the manufacturing of ground receiving facilities and key parts for satellite television broadcasting.

D. Production and supply of electric power, heating power, gas and water

- 10) Investment in the construction and operation of a nuclear power plant must be controlled by the Chinese party.

E. Wholesale and retail industry

- 11) Investment in the wholesale and retail of leaf tobacco, cigarettes, re-dried leaf tobacco and other tobacco products is prohibited.

F. Communication and transportation, storage and mail

- 12) Domestic water transportation companies must be controlled by the Chinese party;
- 13) A public air transportation company must be controlled by the Chinese party, and the investment made by a single foreign investor together with its related-party enterprises in such company shall not exceed 25 percent, and such company's legal representative must be a Chinese citizen. Legal representatives of general aviation companies must be Chinese citizens, of which, those for the agriculture, forestry and fishery industries are limited to joint ventures only, while others shall be controlled by Chinese parties;
- 14) The construction and operation of civil airports must be controlled by the Chinese party. Foreign parties are not allowed to participate in the construction and operation of airport towers;
- 15) Investment in postal service companies and the business of delivery mail domestically is prohibited.

G. Information transmission, software and information technology services

- 16) Telecommunications companies are limited to investment in the telecommunications business opened according to China's WTO accession commitments; the proportion of foreign investment in a value-added telecommunications business (excluding e-commerce business, domestic multi-party communications, store-and-forward and call center) shall not exceed 50 percent; the basic telecommunication business must be controlled by the Chinese party;

Investment in internet news services, online publishing services, online audio-visual program services, internet culture operation (excluding music), and internet public-oriented information releasing services (excluding content of the abovementioned services that is permitted under China's WTO accession commitments) is prohibited.

H. Leasing and business service

- 18) Engagement in Chinese legal affairs (except for the provision of information relating to the impacts of China's legal environment) is prohibited; becoming the partner of a domestic law office is prohibited;
- 19) Investment in a market survey is limited to joint venture and cooperative operation; specifically, investment in a broadcasting and television listening and rating survey must be controlled by the Chinese party;
- 20) Investment in social surveys is prohibited.

I. Scientific research and technical services

- 21) Investment in the development and application of technologies of human stem cell and gene diagnosis and treatment is prohibited;
- 22) Investment in humanistic and social science research institutions is prohibited;
- 23) Investment in geodetic surveying, hydrographic surveying and charting, surveying and mapping via aerial photography, ground mobile surveying, surveying and mapping of administrative area borders, compiling of topographical maps, world administrative maps, national administrative maps, administrative maps at the provincial level or below, national school maps, local school maps and true three-dimensional maps, compiling of navigation electronic maps and regional investigations in terms of geological mapping, mineral geology, geophysics, geochemistry, hydrogeology, environmental geology, geological disasters and remote sensing geology is prohibited. (Mining rights holders working within the scope of their mining rights are not restricted by this special management measure).

J. Education

- 24) Investment in pre-school institutions, senior high schools and institutions of higher learning is limited to schools jointly run by Sino-foreign entities; such schools must be dominated by the Chinese parties (principals or major administration heads in charge of such schools shall be of Chinese nationality, and Chinese members of the council, board of directors or joint management committee shall account for half at least);

25) Investment in compulsory education institutions and religious education institutions is prohibited.

K. Health and social work

26) Investment in medical institutions is limited to joint venture and cooperative operation.

L. Culture, sport and entertainment

27) Investment in news agencies (including but not limited to press agencies) is prohibited;

28) Investment in editing, publishing and production of books, newspapers, periodicals, audio-visual products and electronic publications is prohibited;

29) Investment in all levels of broadcasting stations, television stations, radio and television channel and frequency, radio and television transmission networks (including radiating stations, rebroadcasting stations, broadcasting and TV satellites, satellite uplink stations, satellite signal receiving and rebroadcasting stations, microwave stations, monitoring stations and cable broadcasting and television transmission network, etc.) and engagement in the video on demand business of radio and TV and in the provision of services of installation of the ground receiving facilities for satellite television broadcasting is prohibited;

30) Investment in radio and television program production and operation (including introduction) companies is prohibited;

31) Investment in film production companies, distribution companies, cinema companies and the introduction of films is prohibited;

32) Investment in enterprises selling cultural relics by auction, cultural relics stores and state-owned cultural relic museums is prohibited;

33) Investment in cultural and artistic performance groups is prohibited.