

The Free Trade Zone Special Administrative Measures on Access to Foreign Investment (2020 edition) (“2020 National Negative List”)

No.	Special management measures
I. Agriculture, Forestry, Animal Husbandry, and Fishery	
1	Chinese party shareholding in new variety breeding and seed production of wheat and corn shall not be less than 34%.
2	Investment in research and development, cultivation and plantation of Chinese rare and unique precious fine varieties, as well as manufacturing of the relevant propagative materials (including excellent genes of planting, husbandry and aquaculture), shall be prohibited.
3	Investment in breeding genetically modified varieties of crop seeds, livestock and poultry breeds and aquatic breeds, as well as genetically modified seed (seedling) production, shall be prohibited.
II. Mining	
4	Investment in exploration, mining and beneficiation of rare earth, radioactive materials and tungsten shall be prohibited. (Without permission, no person shall be allowed to enter rare earth mines or obtain mine geology information, ore samples and production technology.)
III. Manufacturing	
5	Except for special purpose vehicles, new energy vehicles and commercial vehicles, the Chinese party in complete automobile manufacturing shall hold not less than 50% of the shares; a foreign investor may establish two or less equity joint ventures in China to manufacture the same type of complete automobile products. (The restriction on the shareholding percentage of foreign investors in the manufacturing of passenger cars and the restriction that one foreign investor may establish two or less joint ventures in China to manufacture the same type of vehicles will be removed in 2022)
6	Manufacturing of satellite television ground receiving facilities and key components.
IV. Power, Heat, Gas, and Water Production and Supply	
7	Controlling stake in construction and operation of nuclear power plants shall be held by the Chinese party.
V. Wholesale and Retail Industry	
8	Investment in wholesale and retail of tobacco, cigarettes, re-dried leaf tobacco and other tobacco products shall be prohibited.
VI. Transportation, Warehousing, and Mail Services	

9	Controlling stake in domestic water transport companies shall be held by Chinese party. (Foreign investors shall not operate, or operate through disguised lease of Chinese vessels or berths etc, China domestic waterway transport business and auxiliary businesses thereof; water transport business operators shall not use foreign vessel(s) to operate domestic water transport business; however, upon approval by the Chinese government, where there is no Chinese vessel in China which can satisfy the transportation requirements, and the port or the waters where the vessel is docked is opened to foreign vessels, the water transport business operator may use foreign vessel(s) temporarily with the term or voyage stipulated by the Chinese Government to undertake marine transport and towing between Chinese ports.)
10	Controlling stake in public aviation enterprises shall be held by the Chinese party, and the investment ratio of a foreign investor and its associates shall not exceed 25%. The legal representative of a general aviation enterprise shall be a Chinese citizen; the general aviation enterprises serving the agricultural, forestry and fishery industries shall be limited to the form of equity joint venture; controlling stake in other general aviation enterprises shall be held by the Chinese party. (Only China designated public aviation enterprises can operate domestic aviation business, and provide regular and ad hoc international aviation services in the capacity of China designated carrier.)
11	For construction and operation of civil airports, comparative controlling stake shall be held by Chinese party. And foreign parties may not participate in the construction and operation of the airport tower.
12	Investment in postal enterprises (and operation of postal services) and domestic express mail business shall be prohibited.
VII. Information Transmission, Software, and Information Technology Services	
13	Telecommunications companies: limited to telecommunications services opened up pursuant to China's WTO commitments; the foreign investment ratio for value-add telecommunications services (except for ecommerce, domestic multi-party communication, store-and-forward and call center) shall not exceed 50%; controlling stake in basic telecommunications businesses shall be held by the Chinese party (and the operator shall be a legally established company specializing in basic telecommunications services). The pilot scheme policies of Shanghai Pilot Free Trade Zone's original territory (28.8 square kilometers) shall be extended to all pilot FTZs.
14	Investment in internet news service, internet publishing services, internet audio-visual program service, cyber culture operation (except for music) and internet information dissemination service (except for contents opened up pursuant to China's WTO commitments) shall be prohibited.
IX. Leasing and Business Services	
15	Investment in China legal services shall be prohibited (except for provision of information which has an impact on the Chinese legal environment), and foreign investors shall not be

	appointed as a partner of a domestic law firm. (Foreign law firms may only enter China in the form of representative office, and shall not employ Chinese practicing lawyers, and the supporting staff employed by the representative office shall not provide legal services for its clients; establishment of a representative office in china or assignment of representative(s) based in China shall be subject to permission by the Chinese judicial authorities.)
16	Market research projects shall be limited to the form of equity joint venture; therein, controlling stake in radio and television ratings survey shall be held by the Chinese party.
17	Investment in social survey service shall be prohibited.
IX. Scientific Research and Technical Services	
18	Investment in development and application of human stem cells, genetic diagnosis and treatment technology shall be prohibited.
19	Investment in humanities and social sciences research institutes shall be prohibited.
20	Investment in geodetic surveying, ocean mapping, mapping aerial photography, ground motion measurement, administrative boundary mapping; compilation of topographic map, world administrative map, China administrative map, administrative maps of provincial level and below, nationwide teaching maps, local teaching maps, real 3-D maps and electronic navigation map; regional geological mapping, survey of mineral geology, geophysics, earth geochemistry, earth hydrogeology, environmental geology, geological disasters, geological remote sensing etc, shall be prohibited.(Mining owners shall not be subject to this special management measure in carrying out their work within the scope of their mining rights)
X. Education	
21	Pre-school education, normal high schools and higher education institutions shall be limited to the form of Sino-foreign cooperative education and led by the Chinese party (the principal or the key person-in-charge of administration shall be a Chinese national (and reside in China); Chinese members shall comprise not less than half of the Council, board of directors or joint administrative committee). (Foreign education institutions, other organizations or individuals shall not solely establish schools or any other educational institutions whose enrolment targets are mainly Chinese citizens (excluding non-academic vocational training institutions, and academic vocational training institutes); however, foreign educational institutions may cooperate with a Chinese educational institution to jointly establish educational institutions whose enrolment targets are mainly Chinese citizens.)
22	Investment in compulsory education institutions and religious education institutions shall be prohibited.
XI Health and Social Work	

23	Investment in medical institutions shall be limited to the form of equity joint venture.
XII. Culture, Sports, and Entertainment	
24	Investment in establishment of news organizations (including but not limited to news agencies) shall be prohibited. (Establishment of resident news agency in China and assignment of permanent correspondents to China by foreign news organizations shall be subject to approval by the Chinese Government. Provision of news services by foreign news agencies in China shall be subject to examination and approval by the Chinese Government. Business cooperation between Chinese and foreign new organizations shall be led by the Chinese party, and shall be subject to approval by the Chinese Government.)
25	Investment and operation of editing, publication and production of books, newspapers, periodicals, audio-visual products and electronic publications shall be prohibited. (However, subject to approval by the Chinese Government, and provided that the Chinese cooperative party holds the operating dominance rights and the rights to final examination of contents, and that the parties satisfy other criteria such as compliant with approval reply of the Chinese Government, a Sino-foreign publisher may engage in Sino-foreign cooperative news publishing projects. Without approval by the Chinese Government, provision of financial information in China shall be prohibited.)
26	Investment in establishment and operation of all levels of radio stations, television stations, radio and television channel (frequency), and radio and television transmission coverage networks (including transmitters and relay stations, radio and television satellites, satellite up-stations, satellite transmission stations, microwave stations, monitoring stations, cable radio and television transmission coverage networks etc) shall be prohibited, and engaging in radio and television video on demand services and satellite television ground receiving facilities installation services shall be prohibited. (Landing of overseas satellite channels shall be subject to examination and approval.)
27	Investment in radio and television program production and operation (including introduction of business) enterprises shall be prohibited. (Introduction of overseas television programs and introduction of other overseas television programs via satellite transmission shall be declared by units designated by the State Administration of Press, Publication, Radio, Film and Television. Sino-foreign cooperative production of television series (including television animation) shall be subject to licensing.)
28	Investment in film production companies, distribution companies and cinema companies as well as film introduction business shall be prohibited. (However, upon approval, foreign enterprises are allowed to produce films with Chinese enterprises.)
29	Investment in auction companies, cultural relics stores and state-owned cultural relics museums which engage in auction of cultural relics shall be prohibited. (Transfer, mortgage and renting of immovable cultural relics and cultural relics prohibited to be brought out of China to foreigners shall be prohibited. Establishment and operation of intangible cultural heritage investigation organizations shall be prohibited; intangible cultural heritage surveys and archaeological investigation, exploration and excavation in

	China by overseas organizations or individuals shall adopt the form of cooperation with China and be subject to special examination and approval and licensing.)
30	Controlling stake in performing arts groups shall be held by Chinese party.