



# BUILDING STRONGER LINKAGES & GROWTH THROUGH THE GREATER BAY AREA

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**THE WORLD'S  
BIGGEST BAY AREA**

# **The Guangdong-Hong Kong-Macau Greater Bay Area (GBA)**



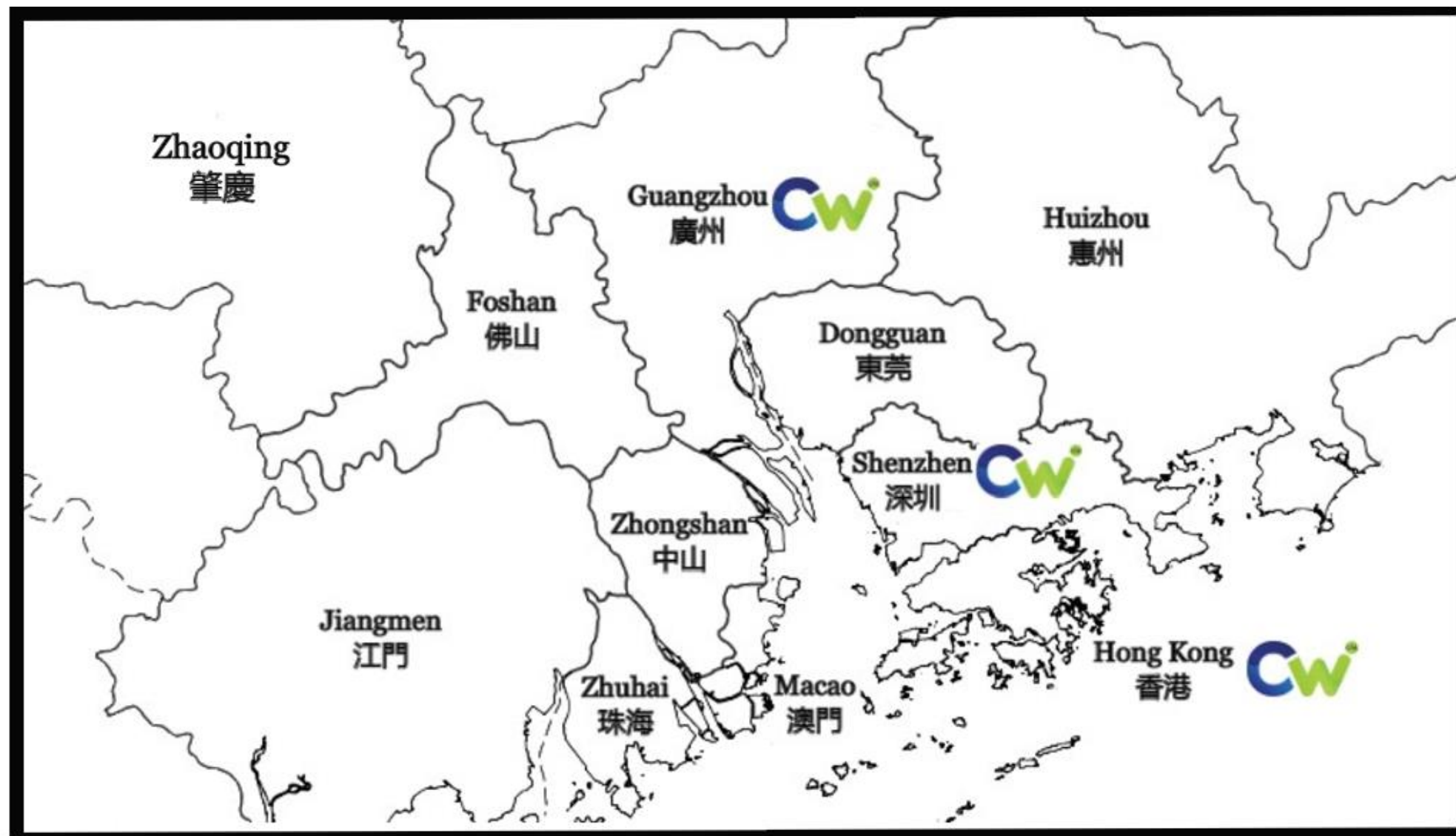
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# GREATER BAY AREA OVERVIEW





# ONE OF THE MOST ECONOMICALLY VIBRANT REGIONS IN CHINA



**56,000**  
**km<sup>2</sup>**



**+ 71 mil**



**US\$ 1,642.5**  
**billion**



**2.6x**

**as big as**  
**New York**  
**Metropolitan Area**



**9x**

**as many people as in**  
**San Francisco Bay**  
**Area**



**12th**

**largest economic**  
**entity in the**  
**world**

**"The GBA only accounts for 0.6% of China's land and 5% of the population yet it accounts for 12% of the country's GDP. Hence, the average GDP per capita is more than double the China average."**

Sources: Invest HK





## **Selective highlights of GBA 3-Year Action Plan**

**April 2010**

**Study on the Action Plan for the Bay Area of the Pearl River Estuary was commenced**

**Mar 2015**

**The GBA plan was formed in the Belt & Road Initiative conceptual framework**

**Jul 2017**

**Framework Agreement on Deepening Guangdong-Hong Kong-Macau Cooperation in the Development of the Bay Area signed**

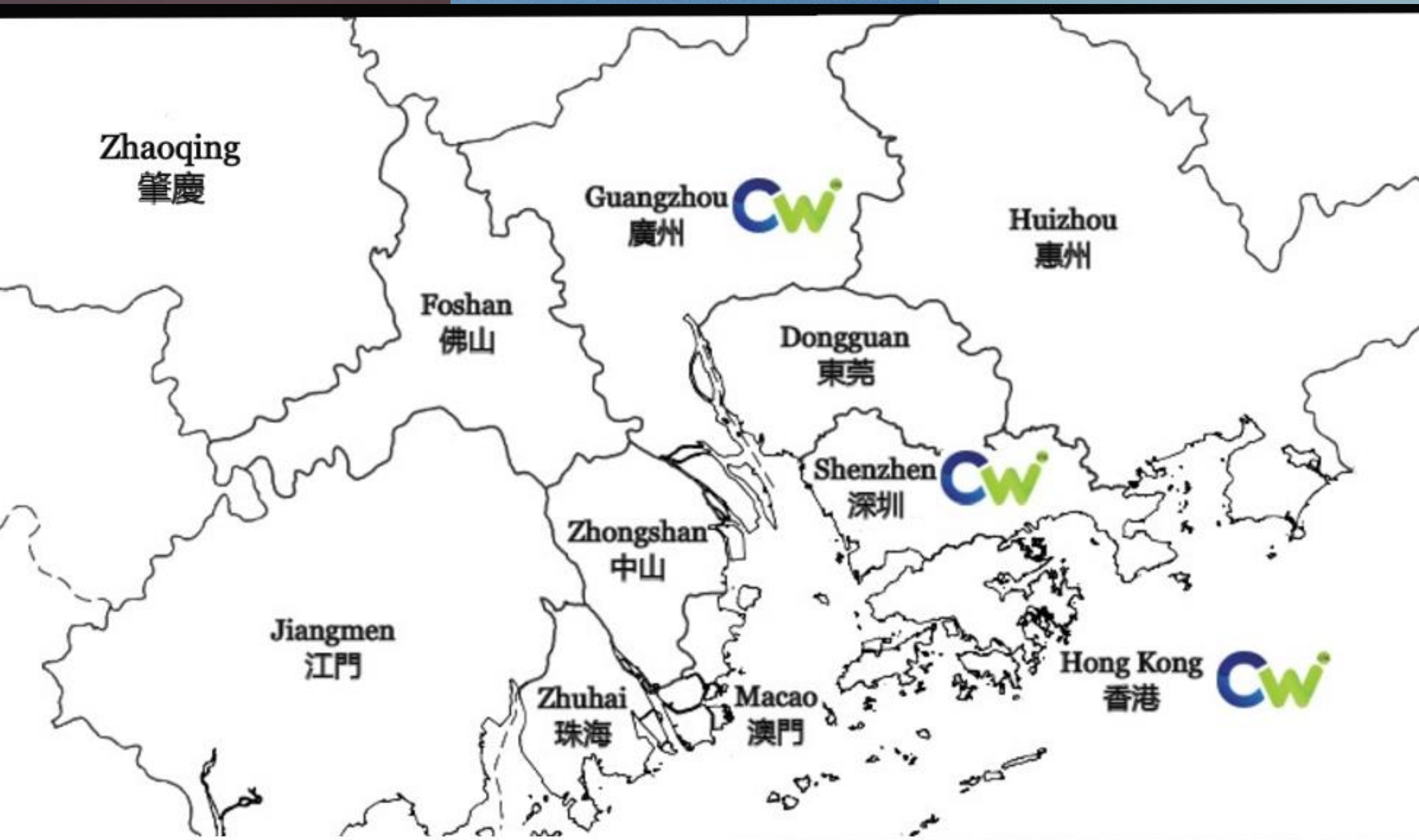
**Feb 2019**

**Outline Development Plan for the GBA released**

**Jul 2019**

**GBA three-year action plan released**

- **Supporting the development of digital world**
- **Developing R&D and an international innovation and technology center**
- **Improving regional transport and logistics infrastructure**
- **Expanding modern servicing and insurance industries**
- **Collaborating with Hong Kong to develop an international financial hub**
- **Providing incentives and taxation subsidies for young professionals from Hong Kong and Macau**
- **Accelerating free trading and investment convenience**



# THE 9+2 CITIES OF GBA

## Core Cities:

- Hong Kong - Asia's most prominent financial market
- Macau - Entertainment and tourism center
- Shenzhen - The hardware innovation hub
- Guangzhou - Automobile and petrochemical hub

## Key node cities

- Foshan - National base for advance manufacturing
- Dongguan - Global manufacturing hub
- Huizhou - Rich land resources and transport
- Zhongshan - Modern service hub
- Zhuhai - Electricity, energy and biopharma hub
- Jiangmen - Dream incubator for overseas Chinese
- Zhaoqing - Transport hub







- Global tourism and leisure center
- Global economic and trade cooperation platform between China and Lusophone countries

## HONG KONG

- International financial, transportation and trade centers, aviation hub
- Highly internationalized business environment
- International asset and risk management center
- Center for international legal and dispute resolution services in the Asia-Pacific region



## MACAO



- A leading special economic zone of China
- National economic core city and a national innovation city
- Capital of innovation and creativity with global influence

## SHENZHEN



- China's national core city and an integrated gateway city
- International commerce and industry center
- Integrated transport hub
- Technological, educational and culture centers
- Global metropolis

## GUANGZHOU



# BENEFITS DOING BUSINESS IN GBA

## GOVERNMENT COLLABORATION

Local governments are collaborating in different areas to enhance exchange of people, goods & capital.

## HONG KONG & MACAO

Leveraging Hong Kong & Macao's free and open economic environment to structure your holding vehicle investing in China

## HIGH CONNECTIVITY

Key logistics infrastructure projects are underway to enhance the flow of goods and people.

## COMPLEMENTARY ADVANTAGES

Enjoy a diverse range of services and advantages each city can offer.





## Preferential policies and measures in GBA for supporting businesses, innovation and technology

Highlights for foreign businesses

- Attracting high-level talents
- Encouraging technology and innovation
- Opening up financial sector



# Attracting high-level talents

## HIGH-LEVEL TALENTS AND INVESTORS

Qualified foreign high-level talents may apply for permanent residence,

## VISITING FOREIGN STUDENTS

In order to encourage foreign students to start up innovative businesses in the FTZ, foreign students who are interested to start their business in Guangdong may apply for a 2-year residence permit

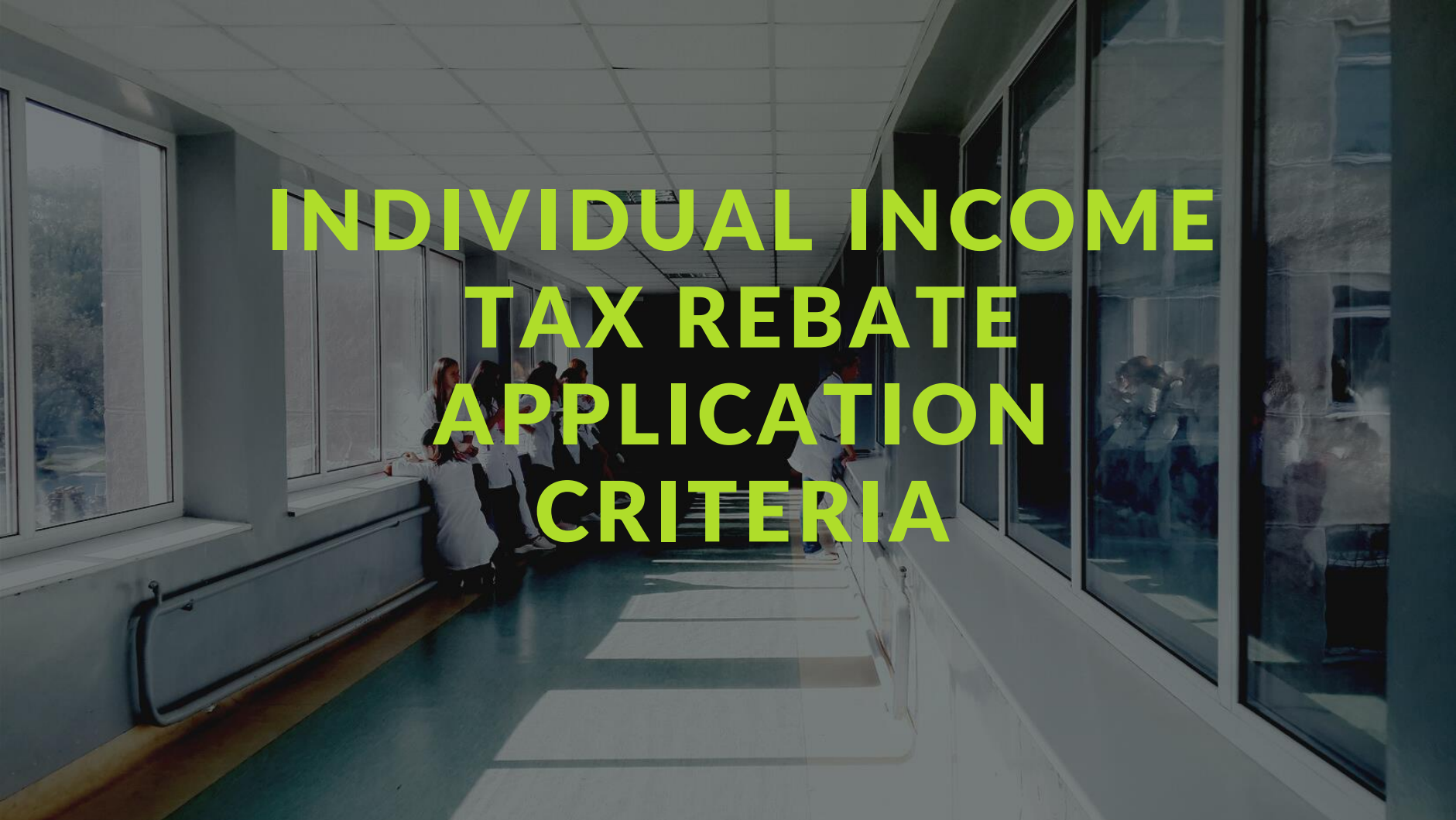
## VISA-FREE TRAVELLERS

Guangdong Province is currently expanding the scope for cross-border visa exemptions, such as extending the visa-free period in the Guangdong Administrative Region from 72 hours to 144 hours.

## IMPLEMENTING THE INDIVIDUAL INCOME TAX PREFERENTIAL POLICIES

**High-end talents and talents in short supply:** the Municipal Governments in the GBA will grant subsidies to the residents for the individual income tax paid exceeding 15% of the taxable income.





# INDIVIDUAL INCOME TAX REBATE APPLICATION CRITERIA

## Basic Conditions (all three must be met)

- Hong Kong or Macau permanent residents, Hong Kong residents under the Hong Kong immigration Admission Schemes for Talent, Professionals and Entrepreneurs, Taiwan residents, foreigners, or Chinese students or overseas Chinese who obtained long term residency abroad.
- Work in one of the nine Mainland GBA cities and pay taxes according to the IIT law.
- Compliance with laws and regulations, ethics and integrity relating to scientific research

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## Other Conditions (One must be met)

- Qualify as “high-end talent” or
- Qualify as “talent in short supply”





# Talents in short supply

**Guangzhou rules provide a detailed list of both “high-end talent” and “talent in short supply.” The “talent in short supply” spans 16 industries with a wide spectrum of work types and seniority.**

The following is a selection of professions or positions included in the list:

- Chartered financial analyst, certified public accountant
- Private banker, fund manager, insurance actuarial talents, risk management talents
- Senior management (e.g. chairman, vice chairman, general manager, deputy general manager, director, chief economist, chief accountant, etc.)
- Software engineer
- Construction (including planner, designer, engineer, etc.)
- Professional service (including person with legal professional qualifications, registered surveyors, tax agents, translators, etc.)
- Product manager or project manager in new generation information technology industry
- New energy/new material engineer
- Electrician
- Logistics manager in modern e-commerce
- Performing artist
- Specialist doctor (e.g. pediatrician, obstetrician)



## **CORPORATE INCOME TAX REDUCTION FOR HIGH AND NEW TECH COMPANIES IN THE SPECIAL ECONOMIC ZONES (SHENZHEN & ZHUHAI)**

For qualified advanced hi-tech companies which are incorporated in the Special Economic Zones on or after 1 January 2008:

- The income derived in the Special Economic Zones is exempt from enterprise income tax in the first and second years
- The income derived in the third to fifth years shall be subject to enterprise income tax based on a 50% reduction of the statutory tax rate of 25%.

## **CORPORATE INCOME TAX REDUCTION FOR COMPANIES ENGAGED IN ENCOURAGED INDUSTRIES IN THE TWO PILOT FREE TRADE ZONES IN SHENZHEN & ZHUHAI**

The enterprises that engage in encouraged industries in Hengqin New Area of Guangdong Province and Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone are eligible for corporate income tax at a reduced rate of 15%.





NAME	BID-V	BID	OFFER	OFFER-V	EXEC	CHNL	SIDING	NEW	...
CC	11150	4250	4275	4055	4275	0.25	DEC	1159	...
DFA	90383	103	104	6683	114	0.01	DEC	1159	...
	17910	056	057	20525	0.56	0.01	DEC	1159	...
		055	055	6904	0.65	0.01	DEC	1159	...



# Opening up the financial sector

- Promoting the Greater Bay Area's cross-border trade and facilitating investment and financing
- Expanding the opening-up of the financial sector
- Promoting the connectivity of financial markets and financial infrastructure
- Boosting innovation of the Greater Bay Area's financial services and preventing cross-border financial risks





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**WHAT FACTORS SHOULD  
OVERSEAS SMES CONSIDER  
BEFORE SETTING UP  
OPERATIONS IN THE GBA?**

- **New Foreign Investment Law**
- **Accessing the Chinese market (Negative List)**
- **Considerations before investments**



# China's New Foreign Investment Law

1

## ORGANIZATIONAL FORMS

No more WFOE, CJV, EJV.

2

## EQUAL TREATMENT

Equal treatment to products produced and services provided by Foreign Investors within the territory of China.

3

## PROTECTION

Protection of Foreign Investment & Intellectual Property.

4

## EASIER REGISTRATION

Industries outside the Negative List can be freely invested by foreigners, and the government's pre-approval approach will not be applied to such projects.





**Special Administrative Measures (Negative List) for  
Admission of Foreign Investment**

**Negative List for Admission of Foreign Investment in Pilot  
Free Trade Zones**

**Negative List for Market Access**

## **MARKET ACCESS**

**INDUSTRIES OR SECTORS LISTED IN THE  
NEGATIVE LIST ARE PROHIBITED,  
RESTRICTED OR REGULATED.**







## Forms of Establishment

Foreign-invested Enterprise / Partnership /  
Representative Office / Manufacturing  
/ Services / Wholesaling / Retailing  
/ Franchising



## Source of Finance

Capital or loan?



## Holding and Operating Structure

Who will be the shareholder(s) and how  
does the company run its business  
(clients, suppliers, funds flow, logistics  
flow, goods flow, document flow, etc)



## Location

GBA? Free Trade Zones?



# Q&A

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