



Hainan's foreign investment negative list

The National development and reform Commission has released the new “**Special Administrative Measures for Foreign Investment Access (Negative List) of the Hainan Free Trade Port** (2020 Edition)” that will be effective from February 1st, 2021.

The negative list states the sectors and industries that are prohibited for foreign investors. The list has been reduced to **a total of 27 items**, indicating a higher market openness of the Hainan Free Trade Port. The full list of items in Chinese is available at this [link](#).

Below are some of the key highlights for foreign investors' market access.

Value-added telecom services

Hainan will remove the foreign equity ratio (**50% equity cap**) in online data processing and transaction processing businesses. Enterprises with registered entities and office facilities in Hainan will be allowed to engage in **internet data centers and content distribution network services** in Hainan and internationally.

Education

Foreign high-level universities of science, engineering, agriculture, medicine and vocational colleges will be allowed to **run schools independently** in Hainan.

Professional services

Foreign investors will be allowed to engage in some **Hainan-related commercial non-litigation legal affairs**.

Hainan will also allow investment in market research, but for broadcasting and television ratings survey should still be controlled by the Chinese party.

Foreign investors will be allowed to conduct social surveys, at the condition that the Chinese party holds **more than 67% of the shares** and the legal representative is a Chinese citizen.

Manufacturing

Hainan will remove the limits on foreign investment for **automobile manufacturing**.

Moreover, Hainan will no longer prohibit foreign investors from exploring, mining and benefiting from **rare earths, radioactive minerals and tungsten**.

This update of the negative list is a further step taken by the PRC government in creating opportunities for foreign investors in Hainan, which will become South China's new retail and tourist attraction. Contact our team for more information on the Hainan Free Trade Port's incentives for foreign investors.



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