



廈門

經濟特區投資指南

A GUIDE FOR
INVESTMENT IN XIAMEN
SPECIAL ECONOMIC ZONE

1988

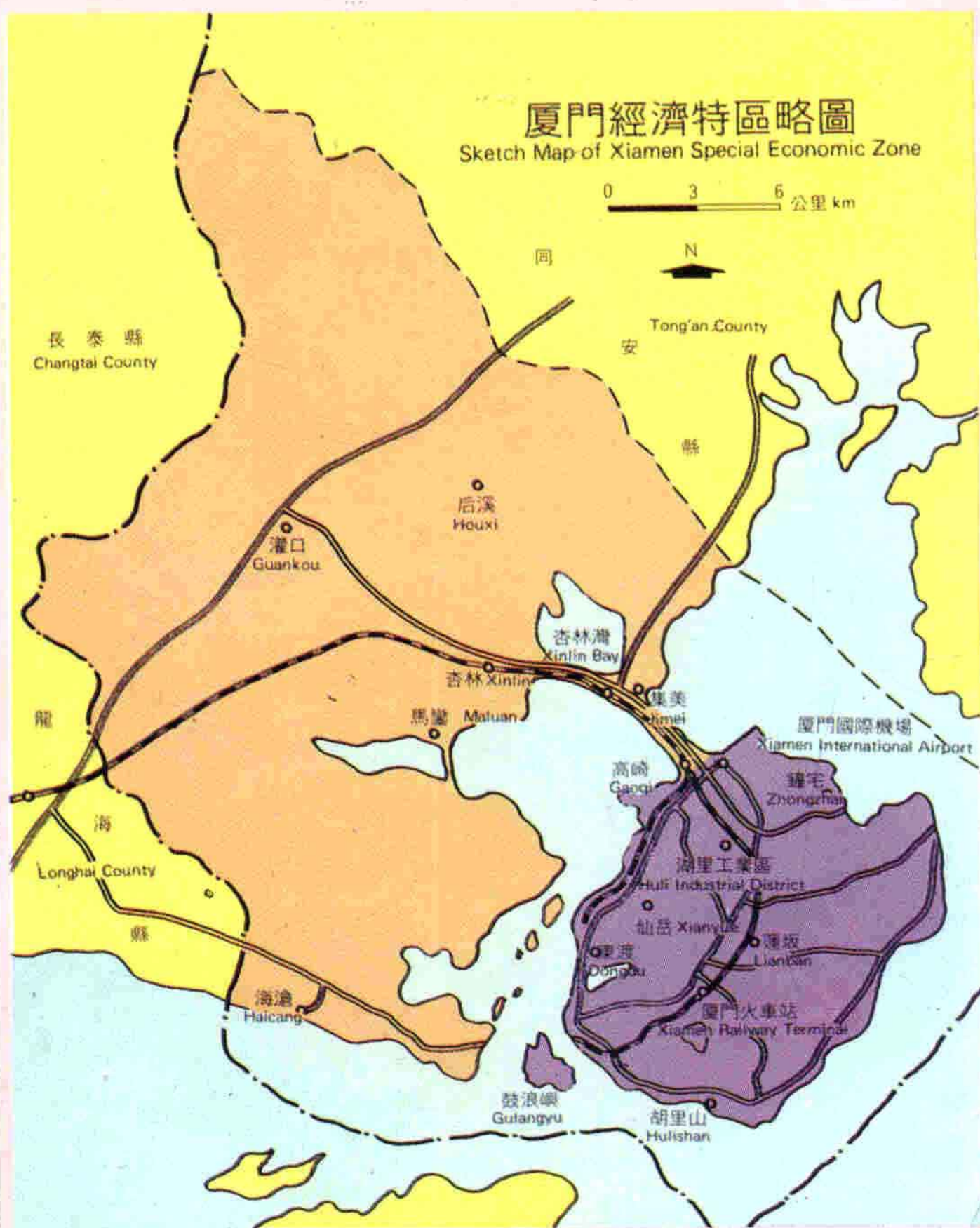
把經濟特區办得更快些更好些。

孫小平 一九八四年
二月九日

廈門經濟特區略圖

Sketch Map of Xiamen Special Economic Zone

0 3 6 公里 km





前 言

廈門經濟特區從一九八〇年十月成立以來，經過幾年建設，投資環境正在逐步完善，已吸收一批外資、僑資、港澳資金，興辦工業、農業、旅遊業、商業、房地產及金融業企業。爲了給投資者提供一個扼要介紹廈門市概況和優惠投資政策等材料，我們根據新的情況，對一九八六年編輯、出版的《廈門經濟特區投資指南》做了修訂，誠望新的《廈門經濟特區投資指南》這個冊子能成爲關心廈門經濟特區發展的人士了解廈門的嚮導和益友，爲你的投資事業盡力。

PREFACE

Ever since the foundation of Xiamen Special Economic Zone in October 1980, over a few years of construction, the investment environment of XSEZ has greatly improved. A number of foreign business people, overseas Chinese and compatriots from Hong Kong, Macao have come to Xiamen to set up and to operate the enterprises in the following fields: industry, agriculture, tourism, commerce, real estate and financial business etc. With a view to providing for the investors a brief introduction about Xiamen Municipality and the preferential policies of foreign investment, we publish this book A GUIDE FOR FOREIGN INVESTMENT IN XIAMEN SPECIAL ECONOMIC ZONE based on modification of XIAMEN SPECIAL ECONOMIC ZONE: AN INVESTMENT GUIDE published in 1986.

We sincerely hope that this book will serve as a helpful guide to the people who are concerned with the development of Xiamen Special Economic Zone (known as SEZ) and assist them in their successful investment.

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第一章 廈門經濟特區投資環境簡介

• 地理位置及氣候

廈門市地處福建省東南部，位於東經118°04'04"，北緯24°26'46"，由廈門島、鼓浪嶼和大陸九龍江北岸的沿海部分組成，總面積1516平方公里，人口106萬人。

廈門屬亞熱帶海洋性氣候，年平均氣溫20.8℃，極端最高氣溫為38.4℃，極端最低氣溫為2℃，年平均降雨量1100毫米，年平均濕度為78%。

• 工農業生產

廈門市有工業企業678家。目前已形成以電子、紡織、輕工、食品、化工、機械、建材為主的、門類比較齊全的工業體系。

輕工工業在整個工業中佔有重要地位。現已形成食品、釀酒、自行車、電池、平板玻璃、造紙、皮革、製糖、卷烟、工藝品等多種行業，產品暢銷國內，在國際市場也享有聲譽。

化學工業擁有化工原料、農藥、化肥、醫藥、化學纖維、染料、油漆、橡膠、塑料、硫酸、燒碱、膠卷、相紙等多種行業。

機械製造工業擁有工程機械、機床、叉車、造船、電機、儀器儀表等行業。

電子工業是新興工業，發展較快，初具規模。主要產品有：彩色電視機、收錄機、攝像機、錄像機、電子原器件、光學儀器、電子儀器等，近年來家用電器開始成批出口。

紡織工業近年來有很大發展，它以棉紡、滌綸、錦綸織品為主，產品種類較多。

廈門農業主要分布於同安縣、集美區。主要農產品有稻谷、花生、甘蔗、茶葉、蔬菜等。水果有龍眼、荔枝、鳳梨、柑橘、香蕉、番石榴、木瓜等亞熱帶水果以及各種花卉。

廈門海域遼闊，發展水產養殖和海洋捕撈也有良好條件。

• 交通運輸及通訊

廈門是中國東南沿海遠洋和近海運輸的重要口岸。廈門港處於海道交通要冲，主航道水深在12米以上，10萬噸級輪船可以直泊內港，5萬噸級輪船可靠岸作業，公路、鐵路均直達碼頭前沿和港區倉庫，運輸十分方便。目前廈門港有通往香港的定期貨運船隊和客運班輪，也有直達新加坡、日本和澳大利亞的不定期貨輪。

陸路與全國鐵路、公路網相連，形成四通八達的運輸網絡。

廈門國際機場有飛往北京、上海、南京、杭州、西安、廣州、武漢、成都、沈陽、桂林、福州、南昌、汕頭、香港、馬尼拉、新加坡等國內、外航綫。

廈門郵政業務種類齊全，與全國各地和世界大多數地區都有郵件往來，並開辦電報傳真業務和國際特快專遞業務。從國外引進程序控制電話設施，使廈門與全國119個城市和世界上18個國家（地區）實現直撥通話。國際電報可通達世界絕大多數國家和地區。

• 科學教育

廈門市有良好的文化教育基礎。全市擁有廈門大學、廈門水產學院、集美航海專科學校、福建體育學院、鷺江職業大學、廈門師範專科學校等八所高等院校；有輕工、化工、工藝美術等八所中等專業學校；還有41所普通中學及12個技術培訓中

心。全市還擁有特區經濟、南洋經濟、海洋、水產、亞熱帶植物等專門研究機構78所。全市現有各類科技人員兩萬多人。

• 旅遊資源

廈門是一座美麗的海濱城市，氣候溫和，四季如春。島上青山起伏，宛然如畫；山上奇岩怪洞，引人入勝；海灣水深浪靜，可供消暑避暑，是旅遊和渡假的理想勝地。廈門的工藝美術具有濃郁的民族風格和地方特色，深受遊人歡迎。

第二章 廈門經濟特區的建立及其發展

廈門經濟特區於一九八〇年十月經國務院批准設置，先在廈門本島西北部湖里地區劃出2.5平方公里興建出口加工區，分多期開發建設。其中第一期工程1.1平方公里已開發完成；第二、三期工程正在籌備開發中。一九八四年三月經國務院批准，廈門經濟特區範圍擴大到廈門全島（包括鼓浪嶼），面積131平方公里，一九八七年年末特區內人口36.6萬人。

廈門經濟特區興辦以來，市政府致力於改善投資環境：興建位於廈門本島西部的東渡新港，已有四個萬噸級泊位建成投入使用，目前正在籌建第二期四個萬噸級泊位；新建廈門國際機場；引進國外通訊設施，加強水、電設施建設，保證特區生產、生活所需水、電供應。同時，重視智力開發，培養和調進大批特區建設人才；簡化手續，提高辦事效率。良好的投資環境日益引起投資者的興趣，對外經濟技術合作發展迅速。截止一九八八年五月，廈門經濟特區對外簽約並經批准的中外合資、中外合作和外商獨資企業合同362項，總投資11.34億美元；已建成投產，開業的企業有209家。同時還有6家外資銀行在廈設立分行，興辦1家中外合資銀行，並有92家外國經濟機構在廈設立代表處。一九八七年，廈門經濟特區外資企業經營狀況獲得良好效果，工業總產值比上年增長1.23倍；產品出口總值比上年增長1.5倍，產品外銷比例已上升到55%；企業盈利總額也比上年增長一倍多。一九八八年一至六月外商投資成倍增長，來廈投資的客商已擴大到十幾個國家和地區。

廈門經濟特區將辦成爲一個以工業爲主，兼營旅遊、商業、房地產業的綜合性、外向型經濟特區，逐步實行自由港的某些政策。廈門經濟特區吸收外資方式有：合資經營、合作經營、外商獨資經營、補償貿易、來料加工和來件裝配、租賃和貸款等多種形式。今后，廈門經濟特區着重吸引外資興辦電子、輕工、食品、紡織、精密機械、精細化工、新型建築材料等工業項目和農業，以及能源交通、旅遊、金融、房地產、轉口貿易等。同時也歡迎客商採取中外合資、中外合作、參股經營、承包經營等多種形式，參與改造和經營廈門市原有的國營或集體工業企業，對於客商參與改造老企業也將給予優惠待遇。

第三章 廈門經濟特區的優惠待遇

• 稅收

▲企業所得稅

在廈門經濟特區，外商投資企業所得稅爲15%，免征地方

所得稅。經營期在十年以上的工業、農業、林業、牧業等生產性行業，可申請從開始獲利年度起，第一至二年免徵企業所得稅，第三至五年減半征收企業所得稅。經確認為“產品出口企業”的，按規定減免企業所得稅期滿後，凡當年企業產品出口比例達到70%以上的，可減按10%稅率繳納企業所得稅。經確認為“先進技術企業”的，按規定減免企業所得稅期滿後，可以延長三年按10%繳納企業所得稅。外商投資企業的外國投資者將其從企業分得的利潤在中國境內再投資，期限不少於五年的，經申請批准，可退還再投資部分已繳的企業所得稅的40%；再投資興辦、擴建“產品出口企業”或“先進技術企業”，經營期不少於五年的，經申請批准，可全部退還再投資部分已繳的企業所得稅稅款。

▲個人所得稅

在廈門經濟特區內工作和居住的外籍人員、華僑、港澳同胞、台灣同胞的工資、薪金所得，按《中華人民共和國所得稅法》規定計算應納的個人所得稅額減半征收。

▲工商統一稅

工業產品征稅：卷煙，稅率為66%；機器、機械，稅率為5%；棉胚布，稅率為1.5%；多數物品的稅率在20%以下。經營業務征稅：交通運輸，稅率為2.5%；商業零售，稅率為3%，旅館、廣告業，稅率為5%；委托、代理購銷業等，稅率為7%。

外商投資企業開發的新產品，凡具有國內先進水平又能替代進口的，經確認，可享受兩年免徵產品環節工商統一稅優惠。

外商投資企業進口生產必需的機器設備、零配件、運輸工具和合理數量的辦公用品及自用生活用品免徵進口環節工商統一稅。

▲房產稅

按企業每年一月一日的會計帳簿記載的自有房屋建築物的折餘價值計征，年稅率為1.2%。

▲關稅

外商投資企業出口本企業產品或利用內地料件、半成品加工出口的產品，增值在20%以上的，視為“特區產品”，免徵出口稅；外商投資企業為加工外銷產品從國外進口的原料、元器件、零部件、輔件和包裝物料免徵進口關稅和工商統一稅，免領進口許可証，海關憑《合同》驗放。除國家限制項目外，“三來一補”產品出口均不實行許可証管理，海關按《合同》驗放。

• 用地

投資者經申請，繳納場地使用費（即土地開發費和土地使用費綜合計收）或土地使用費，即可獲得土地使用權。政府還不定期拍讓部分土地使用權，客商還可通過竟買獲得土地使用權，使用年限因用途而定，最高可達70年。土地使用權可以轉讓，可以抵押；企業延長經營期限，土地使用權可以續約。在批准基建期限內，土地使用費減按50%計收。

• 產品內銷

外商投資企業產品符合以下條件者，可申請適當比例的內銷：

1. 確實提供了先進技術和設備的產品；
2. 內地緊缺，需要進口的產品；
3. 採用國內原材料、元器件較多的產品，且產品質量、品

種比內地同類產品好的。

• 利潤匯出

投資者匯出所得利潤時免納匯出稅。

• 入出境

外國人士到廈門經濟特區來，憑我國簽證機關發給的入境簽證查驗放行；華僑、台灣同胞憑我國有效旅行証即可入出境；港澳同胞憑《港澳同胞回鄉証》查驗放行。

• 對台灣同胞投資的特別優惠

台灣同胞到廈門經濟特區投資興辦生產性項目，除享受廈門經濟特區外商投資全部優惠待遇外，還給予特別優惠：

1. 台灣同胞興辦的獨資企業、合資企業或合作企業，凡經營期在十年以上的，從獲利年度起，第一至四年免征企業所得稅，第五至九年減半征收企業所得稅；
2. 只要企業外匯能自求平衡，產品內、外銷比例由投資者自行決定；
3. 企業建設期間和投產五年內免征土地使用費；
4. 投資改造老企業，其產品只要是以出口為目標的，企業所得稅減按15%征收，並享受與新辦企業同等的特別優惠待遇。

第四章 投資申報程序

• 外商投資企業的申報

舉辦中外合資、中外合作經營企業由中方合營者按下列程序向廈門市外商投資企業管理局申報：

1. 編報項目建議書；
2. 申請名稱登記；
3. 編報可行性報告，內容包括：資金、場地、設備、原材料、銷售、勞動工資、外匯平衡以及基礎設施配套等事項，由合營雙方共同編制並上報；
4. 呈報合同和章程，內容包括：企業項目建議書和可行性研究報告及其批准文件；合營企業的合同、章程及其完整附件；合營各方的資信證明材料；合營企業董事會成員名單。

成立外商獨資企業只需將下列文件一次性向廈門市外商投資企業管理局報批：

1. 投資企業董事長或總經理簽署的申請書；
2. 資信證明材料；
3. 董事長或總經理簽署的法定代表授權書；
4. 企業章程；
5. 設址證明。

• 外國企業（包括港澳企業）設立常駐代表處的申報

外國企業（包括港澳企業）在廈門設立非經營性活動的代表處，經填報承辦單，報廈門市外商投資企業管理局審批。申請者應提供下列材料：

1. 由外國企業董事長或總經理簽署的申報表；
2. 由該企業董事長或總經理簽署的委任常駐代表人員的授權書及其履歷表；
3. 資信證明及在該國（地區）合法開業證明（影印本）；
4. 常駐代表處設址證明；
5. 該企業與中國有關部門業務往來情況材料。

第五章 外商投資企業申請用地、用電、用水等辦法

• 用地及租用廠房

外商投資企業生產、經營需要使用土地，依照《廈門經濟特區土地使用管理規定》向廈門市土地管理局申請、辦理手續。

外商投資企業購買或租賃湖里工業區內的通用廠房可以分別向廈門經濟特區工程建設公司或廈門經濟特區聯合發展有限公司申請。

• 用電

外商投資企業生產經營需要用電，在市區向廈門市供電局申請；在湖里工業區內，向湖里工業區供電公司申請。湖里工業區供電額定電壓：高壓10千伏，低壓380/220伏；供電頻率50赫茲。每一通用廠房可提供 2×800 千伏安或 4×800 千伏安的電力，有特殊需要的也可供給若干路1000千伏安的電力。

• 用水

在市區向廈門市自來水公司申請供應；在湖里工業區內，向廈門經濟特區公用事業公司申請。

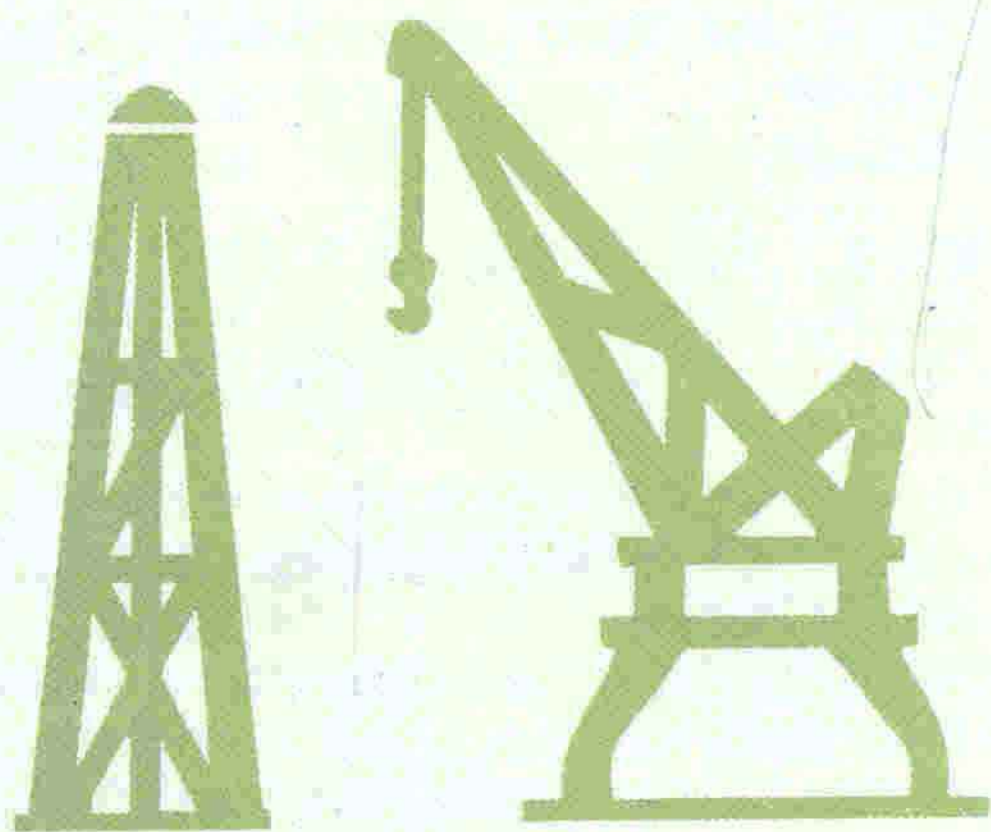
第六章 外商投資企業聘用職工辦法

• 聘用職工

外商投資企業聘用職工可以委托廈門經濟特區勞動服務公司或企業自行招聘，經考核，擇優錄用。受聘於外商投資企業的職工一律實行合同制管理，職工分別與企業簽訂《合同》。企業有權處理違紀的職工，直至解僱、辭退。

• 工資福利

外商投資企業職工的工資、獎勵、津貼制度由企業董事會確定，其工資水平可高於廈門同行業條件相近的國營企業職工平均工資的120%以上。職工在外商投資企業受聘期間由企業負擔勞保福利、醫療費用。外商投資企業還須向廈門經濟特區勞動服務公司繳納中方職工工資總額25%的社會勞動保險基金，作為職工待業、退休等費用。



CHAPTER ONE

A Brief Introduction to The Investment Environment in Xiamen Special Economic Zone

● Geographical location and climate

Xiamen Municipality is located at 118°04'04" east longitude and 24°26'46" north latitude in the southeastern part of Fujian Province of China. It is made up of Xiamen Island, Gulanyu islet and the coastal part of the north bank of Jiulongjiang River, with a total area of 1516 sq.km. and a population of 1.06 million.

The climate of Xiamen is classified as subtropical maritime. The annual mean temperature is 20.8°C. The highest temperature is 38.4°C and the lowest is 2°C. The average frost-free period lasts about 364 days in a year and the average annual rainfall is 1100mm. The average annual humidity is 78%.

● Industry and agriculture

Xiamen has 678 industrial enterprises and has formed a fairly complete industrial system which mainly includes electronics, textile, light industry, foodstuff, chemical industry, machinery and building materials.

The light industry plays an important role in the city's industry and dominates many sectors such as foodstuff, brewery, bicycle, battery, glass plate, papermaking, feather, sugar-refining, cigarette and arts & crafts. Its products sell well in the domestic market and also enjoy high reputation in the international market.

In the chemical industry, there are many enterprises operating in the fields like chemical raw materials, pesticide, chemical fertilizer, medicine, chemical fibre, dyestuff, paint, rubber, plastics sulphuric acid, caustic soda, film, photographic paper and etc.

The machinery manufacturing industry consists of many aspects such as dynamic machinery, engineering machinery, water and power equipment, machine tools, fork lifts, ship-building, motors, instruments and meters.

The electronic industry is a newly-developed industry beginning to take shape. Its main products are colour TV sets, radio cassette recorders, video camera, video tape recorders, electronic parts and components optical instruments, electronic instruments, etc. Household electrical appliances have been exported in large quantity for the past few years.

The textile industry has been developing rapidly in recent years. Its main products are those of cotton textile, dacron, polyamide fibre the products are available in great variety.

Agriculture in Xiamen is dispersed in the suburbs, Tongan County and Jimei District. The main agricultural products are rice, wheat, peanut, sugarcane, tobacco, tea, vegetable, etc. There are many sub-tropical fruits such as longan, lychee, pineapple, orange, banana, papaya and various kinds of flowers and plants.

Xiamen is embraced by a large stretch of sea, hence well developed in aquatic cultivation and fishery.

● Transportation, post and Telecommunication

Xiamen is an important port in the ocean-going and domestic transportation on the southeastern coast of China, with a strategic position on sea routes. The main channel is over 12 meters deep, permitting 100,000 ton vessels to berth inside the harbour and 500,000 ton ships to dock for loading and unloading. The wharf is provided with a straight and convenient railway and highway system. There are regular cargo fleets and passenger liners sailing directly to Hong Kong and irregular freighters to

Singapore, Japan and Australia.

There are railways and highways which are linked into nationwide transportation networks of railway and highway, connecting Xiamen with all parts of China. There are regular flights from Xiamen International Airport to Beijing, Shanghai, Nanjing, Hangzhou, Xi'an, Guangzhou, Wuhan, Chengdu, Shenyang, Guilin, Fuzhou, Nanchang, Shantou, Hong Kong, Manila and Singapore.

A great variety of postal services are offered in Xiamen. Mails travel to all parts of the country and to a great majority of foreign countries and regions. Telex and fax, as well as international express mail service have been opened. The introduction of the program control telephone exchanger makes it possible to dial from Xiamen to 119 cities in China and to 18 countries and regions worldwide. International telegram can reach most countries and regions of the world.

● **Science and education**

Xiamen is well-founded in culture and education. At present, there are 8 institutions of higher learning: Xiamen University, Xiamen Aquatic College, Jimei Navigation College, Fujian Physical Culture Institute, Xiamen Lujiang Vocational College and Xiamen Teachers College. In addition, there are 8 vocational schools such as light Industry School, Chemical Industry School, Light Industry School, the Chemical Industry School & Arts & Crafts School. There are 41 middle schools and 12 Technique Training Centers as well.

Xiamen also has 78 research institutions specialized in the studies of Special Economic Zone, South-east Asian Economy, Oceanography, Aquatic and Sub-tropic Plant etc. and has about 20,000 scientific and technical personnel.

● **Tourism**

Xiamen is a beautiful coastal city with a great number of scenic spots. It has a mild and pleasant climate, which is neither hot in summer nor cold in winter. The green and hilly landscape with peculiar rocks and caves presents a picturesque and charming view. The coast of the bay is beautiful with the blue sea, unspoiled beach, deep and calm water. All of these make Xiamen an ideal tourist spot and summer resort. Xiamen's arts and crafts possess a strong national style and local characteristics and are deeply welcomed by the tourists.

CHAPTER TWO

The Establishment and Development of Xiamen Special Economic Zone

Upon approval by the State Council of the People's Republic of China in October 1980, Xiamen Special Economic Zone was established at first in Huli District as a goods processing district for export in the northwestern part of Xiamen Island, covering an area of 2.5 sq.km. It has been developed in several phases. Up to now, the first phase of construction has been completed including the levelling of land of 1.1 sq.km. The second and third phase of construction are now in preparation. In March 1984, Xiamen Special Economic Zone was extended to the whole Xiamen Island (including Gulangyu) covering an area of 131 sq.km. The population of Xiamen SEZ is 366,000 by the end of 1987.

Since the establishment of Xiamen SEZ, Xiamen Municipal Government has made great efforts to improve the investment environment. The Dongdu Harbour, located in the west part of Xiamen island, is under construction. Four 10,000 ton berthes at the harbour have been completed and put into opera-

tion, while the other four of the same size are in preparation. Xiamen International Airport has been completed with introduction of foreign telecommunication facilities. Moreover, the strengthened construction of water and electricity supply facilities has guaranteed the supply of water and electricity for production and living in the SEZ. In the meantime, more stress has been laid in the development of intellectual, training of skilled workers and introduction of experts in large number from other provinces to accelerate the construction in the SEZ. Formalities have been greatly simplified resulting in high efficiency. The excellent investment environment is attracting the foreign investors greatly. The economic and technological cooperation with foreign countries has been developed rapidly. By the end of June, 1988, contracts of joint ventures, cooperative ventures and wholly foreign-owned enterprises with a total investment of US dollars have been signed in Xiamen SEZ, enterprises have been set up and put into production or operation. Meanwhile, 6 branches of the foreign banks and one sino-foreign joint venture bank have been opened. 92 foreign economic organizations have set up their representative offices in Xiamen. Foreign funded enterprises in Xiamen SEZ have begun to show good business outcome. The total value of industrial output in 1987 increased 1.23 times than that of 1986; the total value of export products raised 1.5 times than that of the previous year. The rate of export products reached to 55% of the total output. The total profits made by the enterprises in the SEZ were twice as much as that in 1986. The foreign investments have doubled from January to June in 1988. Businessmen from more than dozen countries and regions have come to Xiamen to invest. Xiamen SEZ will become a comprehensive exported-oriented SEZ with industry as the mainstay to be supported by tourism, commerce and real estate business. Certain free-port policies will be gradually implemented. The various forms of attracting foreign investment by Xiamen SEZ are as follows: joint venture, co-operative venture, wholly foreign-owned enterprise, compensation trade, processing and assembling, leasing and loan. Foreign investors are welcome to investments in the fields of electronics, light industry, foodstuff, textile precision machinery, fine chemical, new building materials, and in agriculture as well as in energy, traffic and transport, tourism, real estates, transit trade etc for years to come. Foreign businessmen will enjoy the preference stipulated in CHAPTER THREE for their investment in the renovation of the existing state-owned or collective enterprises in Xiamen by taking any one of the following cooperation forms: joint venture, co-operative venture buying shares of Chinese enterprises and contracting Chinese enterprises.

CHAPTER THREE

Preference for Foreign Investment Available in Xiamen Special Economic Zone

● Taxation

— Enterprise income tax

The income tax rate for the foreign-funded enterprises in Xiamen SEZ is 15%, and local income tax is exempted. Those productive enterprises of industry, agriculture, forestry and animal husbandry with a contract period of 10 years or longer shall be exempted from income tax in the first two profit-making years, allowed a 50% deduction of income tax in the three following years, upon application and approved by the taxation

authority in the SEZ. Those "enterprises with export-oriented products" shall pay income tax at a rate of 10% as long as they can export more than 70% of their total product output value within the same year following the specified expiration of the period for exemption and deduction. Those "enterprises with advanced technology" approved by the relative organizations may continue to pay income tax at a rate of 10% for a further three years following the specified expiration of the period for exemption and deduction. If the foreign participants in a foreign funded enterprise reinvest their respective shares of profit within the territory of China for a period of not less than five years, they can apply to be refunded 40% of the income tax already paid on the reinvested portion upon the approval by the taxation authority. If the foreign participants reinvest their respective shares of profit to set up "enterprises with export-oriented products" or "enterprises with advanced technology" or expand the production scale of the said enterprises for a period of not less than five years, they can apply to be exempted from the income tax already paid on the reinvested portion upon the approval by the taxation authority.

— Personal income tax

The foreigners, overseas Chinese, compatriots from Hong Kong, Macao, and Taiwan who work and live in Xiamen SEZ shall pay personal income tax on their salaries and other legitimate incomes at half of the income tax rate specified in the PERSONAL INCOME TAXATION OF THE PEOPLE'S REPUBLIC OF CHINA.

— Industrial and commercial consolidated tax

Tax rates for most industrial products are below 20%. Rate for cigarettes is 66%, for machinery is 5%, for cotton cloth is 1.5%, business operation for traffic and transport is 2.5%, for commercial retail is 3%, for hotel and advertisement is 5%, for selling and buying agent is 7%.

Foreign funded enterprises shall be exempted from industrial and commercial consolidated tax for two years on the new products developed by them that can meet the world standard and take place of the same kinds of products imported from abroad upon verification by the relative organizations.

Foreign funded enterprises shall be exempted from industrial and commercial consolidated tax for importing machinery, equipments, parts and means of transportation required by production, and office and daily necessities for their own use in reasonable quantity.

— Housing property tax

Foreign funded enterprises shall pay housing property tax at an annual rate of 1.2% based on the remaining value of their own houses and factory buildings stated in the accounting books dated January 1. every year.

— Customs duties

Foreign funded enterprises shall be exempted from export duties when they export products made by their own enterprises or products processed with raw materials, parts or semi-finished products from inland factories with an increase rate of more than 20% in value. These products are considered as "SEZ products". Foreign funded enterprises shall also be exempted from import duties, Customs duties and industrial and commercial consolidated tax on importing raw materials, parts, components, auxiliaries and packing materials for processing of export products by only presenting the relative contracts to the Customs for inspection instead of applying import license. Same treatment shall be applied to the export of the products through trade practises like processing and assembling with parts and components supplied by foreign investors or compensation trade except those restricted by the State.

— The use of land

Foreign investors shall be granted the right to the use of a site upon application and paying the fee for the use of land (both the fees for land development and land use). The use-right of some pieces of land will be irregularly put up at auction by the municipal government. Foreign investors are welcome to the auction of land-use right. The period of using the land varies with the different purposes of use, the longest period can last 70 years. The right to the use of land can be transferred and mortgaged. When the enterprises extend the period of their contracts, the contract of the right to use a site can also be renewed. The enterprises is allowed a 50% reduction of the site use fee during the approval construction period.

— Products for domestic markets

Products made by the foreign funded enterprises may be sold, upon application, on the domestic markets in appropriate proportion provided they meet one of the following conditions:

1. Products that really produced by advanced technology and equipment.
2. Products that the inland of China urgently needs or depends on import.
3. Products that use a large amount of local raw materials or home-made parts and are better in quality than the products of the same kind made in the inland of China.

— Remittance of profits

The investors who want to remit out their due profits do not have to pay the remittance tax.

— Entry and exit

Foreigners can come in and out of Xiamen SEZ with the entry visas issued by the Visa Offices of the People's Republic of China. Overseas Chinese and compatriots from Taiwan can come in and and out of Xiamen SEZ with the valid travel permits. Compatriots from Hong Kong and Macao can enter and leave with the Reentry Permit for Compatriots from Hong Kong and Macao.

● Special preference for Compatriots from Taiwan

Compatriots from Taiwan who come to Xiamen to invest in establishing and operating production projects will enjoy the following special preference other than the above-mentioned preference for the foreign funded enterprises:

1. Wholly foreign-owned enterprises, joint ventures, or co-operative venture set up and run by Compatriots from Taiwan with a period of more than 10 years shall be exempted from enterprise income tax in the first to the fourth profit-making years and allowed a 50% deduction of the income tax in the following 5 years.
2. It is up to the investors to set the ratio of products sold within Chinese territory and outside China as long as they can balance their foreign exchange by themselves.
3. No site use fee shall be collected during the period of construction and also within a period of 5 years after the enterprises put into operation.
4. Compatriots from Taiwan who invest in the existing enterprises in Xiamen SEZ for the purpose of producing export products shall be collected enterprise income tax at the rate of 15% and enjoy the same special preference those newly-established enterprises granted.

CHAPTER FOUR

Procedure of Investment

- **Application for establishing foreign funded enterprises**

Chinese participants in a joint venture or a co-operative venture shall submit the following documents to Xiamen Municipal Administrative Bureau for Foreign Investment following the procedure mentioned below:

1. Project proposal.
2. Application for registration of the enterprises name.
3. Feasibility report jointly prepared by both Chinese and foreign participants shall include the following main items: capital, site, machines and equipment, raw materials, sale of the products, labour management and wages, balance of foreign exchange and all kind of public facilities.
4. The contract and articles of the joint venture shall include the following items: a project proposal and a feasibility study report together with the certificate of approval, contract and articles of association of the joint venture and a complet set of annex to the contract, certificate of credit standing of each respective side and a list of canditates for the board of directors.

Foreign investors who intend to establish wholly foreign owned enterprises shall submit the following documents at one time to Xiamen Municipal Administrative Bureau for Foreign Investment for approval:

1. Application signed by either the Chairman of the board of directors or the general manager of the enterprise.
2. Investor's credit certificate
3. Authorization of appointing the legal represenatives signed by either the Chairman of the board of directors or the general manager of the enterprise.
4. Articles of association of the enterprise.
5. Certificate of the address of the enterprise.

- **Application of foreign enterprises (including enterprises operated by compatriots from Hongkong and Macao) for establishing foreign representative offices**

Foreign enterprises (including the enterprises operated by compatriots from Hong Kong and Macao) that intend to set up their representative offices engaged in non-business activities: import & export and investment, shall foll out relative forms and submit them to Xiamen Administrative Bureau for Foreign Investment Enterprises for examination and approval. The applicants shall supply the following documents:

1. Application signed by either the Chairman of the board of directors or the general manager of the enterprise.
2. Authorization of appointing their representatives signed by either the Chairman of the board of directors or the general manager of the enterprise and a record of their personal experience.
3. Investor's credit certificate and a copy to the investor's original legal opening business license.
4. Certificate of the address of the representative office.
5. Documents concerning the applicant's business activities with relative organizations of China.

CHAPTER FIVE

Application Procedure for the Use of Land, Water and Electricity

- **Use of land and rent of factory buildings**

Any foreign funded enterprises requiring the use of land for the purpose of production and business operation shall apply to Xiamen Municipal Administrative Bureau for The Use of Land

for approval in accordance with "Regulations on the Use of Land in Xiamen SEZ".

Foreign investment enterprises that intend to buy or rent the general-purpose factory buildings in Huli Industrial District shall apply to either Xiamen SEZ Engineering Construction Corporation or the United Development Company Ltd. of Xiamen SEZ.

- **Use of electricity**

Any foreign invested enterprises requiring the use of electricity for the purpose of production or business operation shall apply to either the Xiamen Municipal Power Supply Bureau or the Power Supply Company in Huli Industrial District according to the location of their enterprises. The voltage ratings in Huli Industrial District are as follows: high voltage is 10K. V, low voltage is 380V/220V. The frequency is 50HZ. Each of the factory buildings can be provided with the power of 2 x 800K.V.A. or 4 x 800K.V.A. Factory buildings can also be provided with several channels of current with the power of 1000K.V.A. at clients' special requirements.

- **Use of water**

Requiring the use of water foreign funded enterprises in the city of Xiamen shall apply to Xiamen Municipal Running-water Supply Company while those in Huli Industrial District shall apply to Public Undertaking Company to Xiamen SEZ.

CHAPTER SIX

Ways for Foreign Funded Enterprises to Employ Their Staff Members and Workers

- **Employment of staff members and workers**

Foreign funded enterprises may fire their staff members and workers by themselves or trust Xiamen SEZ Labour Service Company to handle this matter through examination and interview. Employed staff members and workers shall be managed according to the contracts signed with the enterprises. All the people hired by the enterprises have to sign contracts with the enterprises. The enterprises have the right to discharge the employees who violate the regulations set by the enterprises.

- **salary and welfare benefit**

The salary, bonus, and allowance of the employees in foreign funded enterprises shall be set by the board of directors. The salary of the employees shall be 120% higher than the average salary of the employees in the state-owned enterprises of the same nature with similar conditions in Xiamen SEZ. The enterprises shall take care of the labour protection and welfare benefits of their employees during the contracted period. The welfare funds shall be withdrawn in accordance with the standard rate in other state-owned enterprises every month and used as medical expenses and subsidies of the employees and for other public affairs. Moreover, the enterprises shall pay a sum of money which takes up 25% of Chinese employees' total salary as Social Labour Insurance Funds.

