



China

Country Guide 2024



About Us

Access Financial is the leading global provider of contract management, outsourced payroll and umbrella services. We offer customised and compliant solutions to corporate clients, recruitment agencies and professional contractors. We specialise in mitigating tax liability, fully subscribing to labour law and supporting immigration.

The numerous benefits of partnering with Access Financial as your trusted provider include:

- Boosting take-home pay;
- Minimising administration for contractors, recruiters and corporates;
- Providing customised software for better payroll management;
- Ensuring compliance with all relevant laws and regulations;
- Providing complete data security and confidentiality of all payroll information.

Our Solutions



Employed



Employer of Record (EOR)



China

Capital	Beijing
Spoken Language	Mandarin (Yue (Cantonese), Xiang (Hunanese) as official minorities)
Currency	Yuan (CNY) - Renminbi (RMB) (Interchangeable)
Minimum monthly wage	CNY 1,450 – 2,690 (Gross)

The People’s Republic of China is a country in East Asia, and is the most populated country in the world. It is dynamic, vibrant, and boasts a wide variety of cultures, religion and geography; from bustling metropolises to stunning rural landscapes.

The workplace culture can be initially daunting for foreigners due to a lot of overtime, little annual leave and differing holidays, however, there is much less bureaucracy than in the West. China is also one of the safest countries due to a high police and CCTV presence, and local life is quite cheap compared to other places.

Entry Visa

Foreign citizens must obtain a Z-Class Visa (valid for 30 days) in order to first enter the country; the individual must first obtain a Foreigner’s Work Permit Notice online, and after that can apply for the visa at a Chinese embassy or consulate. The Work Notice is obtained by the employer, provided the potential employee has at least 2 years of professional work experience to fill the relevant vacancy, and does not have a criminal record.

Work Permit / Residence Permit

After entering the country, the individual must register at the local police station that governs the area where they are going to reside within 24 hours, and pass a medical verification as soon as possible.

A Work Permit must be acquired first, and this is overseen by the Ministry of Human Resources and the Social Insurance; the process can take up to 10 days, and the employer can help with that. After receiving the permit, the Residence Permit has to be obtained by the individual in person at the Exit-Entry Administration Bureau – after that, the individual is considered a resident in China.

Social Security Registration

Registration for Social Security is compulsory, and must be done by the employer within 30 days of the date the employee started work.

Public Holidays

- **New Year’s Day,** 01 Jan
- **Chinese New Year / Spring Festival,** 10 Feb – 17 Feb
- **Quingming Festival / Tomb Sweeping Day,** 04 Apr
- **Labour Day,** 01 May – 05 May
- **Dragon Boat Festival,** 10 – 12 Jun
- **Mid-Autumn Festival,** 15 – 17 Sept
- **National Day,** 01 – 07 Oct

Working Hours

According to labor laws, a standard working week in China is 8 hours/day, with a maximum of 44 hours/week; any other overtime must be compensated. However, this is not very well enforced.

Vacation Allowance

The vacation allowance in China is dependent on the employee’s years of work experience. If an employee does not use all the allowance, the employer is required to compensate them 200% of their daily wage per day of leave that they did not take.

Number of Years Worked	Leave Amount (Days)
< 1	0
1 - 10	5
10 - 20	10
20 +	15

Maternity / Paternity Leave

Maternity: 158 days (May differ slightly depending on the province)
Paternity: 14 days (May differ slightly depending on the province)
Childcare Leave: 5 - 15 days / year for each parent until the child reaches 3 / 6 years old (depending on province)

Sick Leave

The amount of sick leave an employee is entitled to in China depends on their seniority in the company and amount of years worked; the compensation is also calculated based on these rules.

Work Experience	Years with current employer	Allowed sick leave
< 10 years	< 5 years	3 months
< 10 years	≥ 5 years	6 months
< 10 years	< 5 years	6 months
≥ 10 years	≥ 5 years, < 10 years	9 months
≥ 10 years	≥ 10 years, < 15 years	12 months
≥ 10 years	≥ 15 years, < 20 years	18 months
≥ 10 years	≥ 20 years	24 months

Years of consecutive service at the company	Sick-leave wage as a percentage of an employee’s salary
During the first 6 months	
< 2 years	60%
2–4 years	70%
4–6 years	80%
6–8 years	90%
> 8 years	100%
Consecutive leave more than 6 months	
< 1 year	40%
1–3 years	50%
> 3 years	60%

Termination & Severance

Upon employment termination, the employee is entitled to severance pay as long as they worked at the company for more than 6 months, and amounts to a month’s pay per year worked in the company (6-12 months counts as one year). This amount can be negotiated with the employer during the signing of the employment contract.

Notice Period

The standard notice period is 1 month for both employer and employee; however, if the termination is coming from the side of the employer, they may choose to pay the employee a month’s wages instead.

Pension

Pension in China is covered by Social Security contributions, and all individuals working in the country are eligible to the benefits regardless of their nationality, provided they have reached the required age and have completed a 15 year pension insurance period.

Social Security

Employee social insurance contributions are deducted automatically from the wage and paid by the employer. The contribution amounts vary slightly depending on the local jurisdiction of the company.

City	Shanghai		Beijing		Guangzhou	
Insurance Type	Employee	Employer	Employee	Employer	Employee	Employer
Pension	8.00%	16.00%	8.00%	16.00%	8.00%	14.00%
Medical	2.00%	10.50%	2.00%	9.80%	2.00%	6.35%
Unemployment	0.50%	0.50%	0.50%	0.50%	0.20%	0.32% - 0.8%
Work-related injury	0.00%	0.16% - 1.52%	0.00%	0.2% - 1.9%	0.00%	0.1% - 0.7%
Total	10.50%	27.16% - 28.52%	10.50%	26.5% - 28.2%	10.20%	20.77% - 21.85%
Ceiling for monthly salary base	CNY 31,014		CNY 28,221		CNY 22,941 – Pension CNY 33,786 - Other	

Health Insurance

While China does have public health care that is available to foreigners, it is possible to obtain private insurance coverage. Some companies also offer their employees benefits from their worldwide group health insurance scheme.

Cost of Living

The cost of living in China is generally on the low side; however, it does depend on the province. The estimated monthly cost for a single person is around CNY 3,300 – 6,700, with 2,600 – 4,600 going to rent.

Taxation

The Chinese fiscal year runs from January 1 to December 31.

Tax Rates

The following progressive rates apply for 2024:

Tax payable is calculated by:

(Taxable Income * Tax Rate) – (Quick Deduction).

Taxable Income (CNY)	Rate (%)	Quick Deduction (CNY)
0 – 36,000	3%	0
36,001 – 144,000	10%	2,250
144,001 – 300,000	20%	16,920
300,001 – 420,000	25%	31,920
420,001 – 660,000	30%	52,920
660,001 – 960,000	35%	85,920
960,001 +	45%	181,920

Tax Returns

The annual income tax return must be filed between 1 March and 30 June of the following year, either online or by visiting the local Tax Office.

Double Taxation

China has tax treaties with multiple other countries, which can reduce payable tax on certain incomes.

How We Can Help

It can be challenging to figure out how to employ a team and set up payroll in China; it requires great attention to detail and a deep understanding of local best practices.

We provide a full set of services in China allowing corporate clients, recruitment agencies and professional contractors to operate in an optimal manner while ensuring that all local employment obligations are taken care of.

Access Financial offers the following solutions in China:

- Employed
- Employer of Record (EOR)

If you would like to discuss how Access Financial can help, please [contact us](#).

Disclaimer

We have prepared this as a guide only; it does not form part of an offer. Please request illustrations based on your specific case from one of our solution managers.





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