



Measures carried out by Taicang Government to Guarantee the Work Resumption during the Coronavirus Epidemic

Taicang Investment Promotion Bureau

Speaker: Ke SU

Deputy Director of TCIP

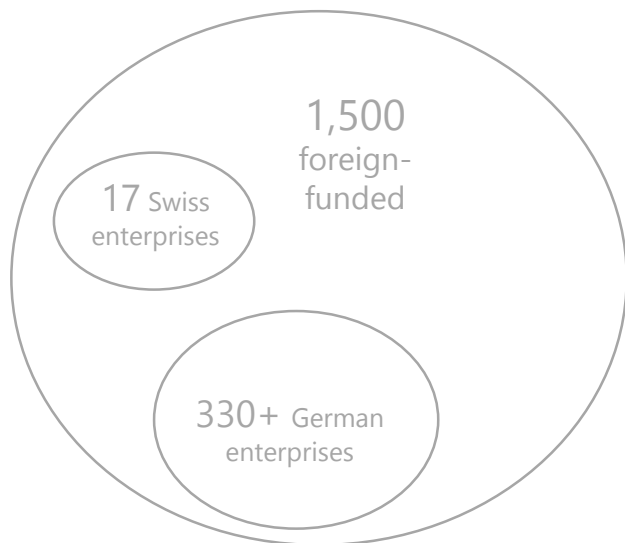
| ABOUT TAICANG |

160+

Economic
and Trade



Communications



Main Industries

Equipment
Manufacturing



New Material



Aviation

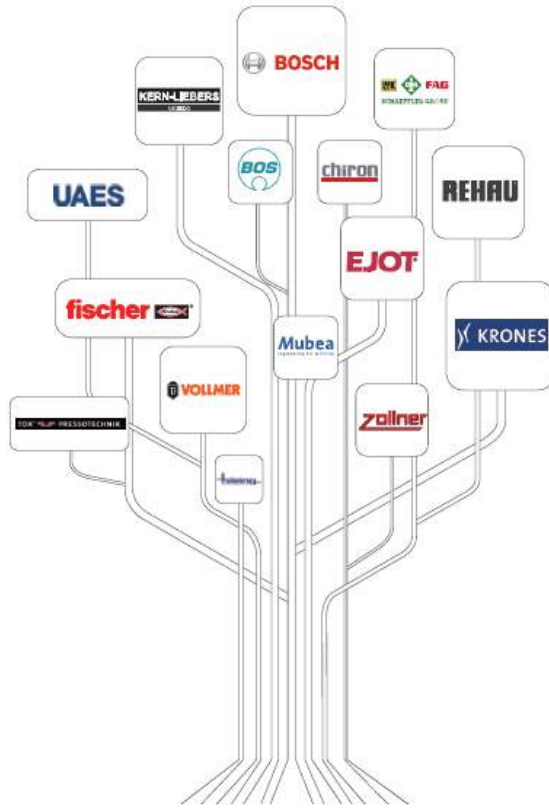


Bio-medical

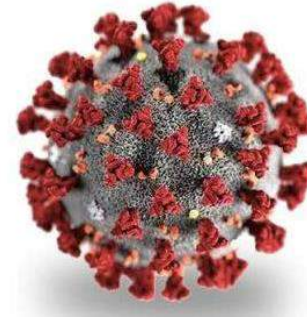
Trading
Headquarter



The SIGNIFICANCE WORK RESUMPTION



break



Enterprises in Taicang

SUPPORTING POLICIES

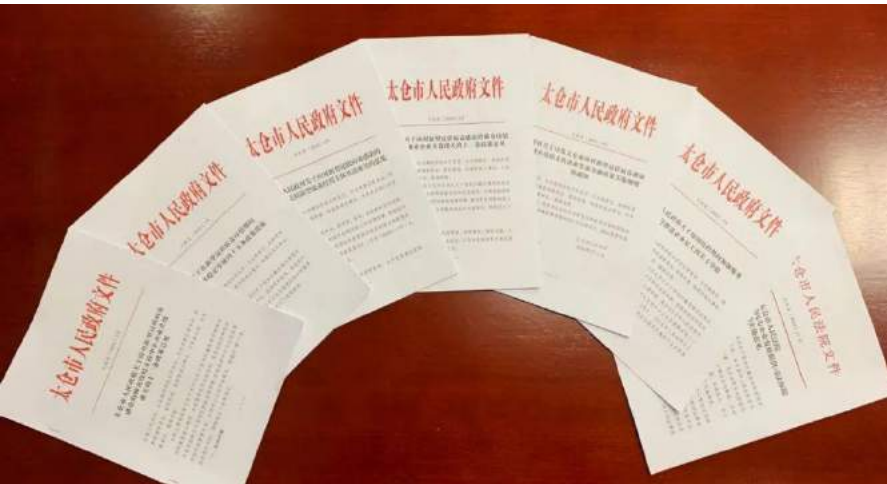
For SMEs

- ✓ 12 policies to support SMEs overcoming difficulties during the Period of Prevention and Control of the Novel Coronavirus Infected Pneumonia
- ✓ 20 Implementing Rules on Financial Support for SMEs

For FTEs

- ✓ 15 Policies & Measures on Supporting FTEs in the Fight Against Novel Coronavirus Pneumonia Outbreak

P.S. 11 Measures for the Work Resumption



Example

- extend corporate credit
- increase credit fund support
- financial guarantee services
- reduction and exemption of handling fee, land overdue fine
- reduce or eliminate property rents from one to three months
- "zero delay" in customs clearance
- exempted from taxation

Online Resumption



Epidemic Prevention Material



On-line platform

- Work resumption platform
- Each enterprise can apply for masks with a quantity of five days' needs for their on-site staff



A sufficient production capacity for sterilization alcohol



TAICANG INVEST
太仓投资促进

OUR SERVICES

Online Investment

- ✓ aerial views of carriers
- ✓ Infographic Guide
- ✓ video conferences



Labor Security

- ✓ labor contract
- ✓ employee salary
- ✓ holiday regulation
- ✓ employment management
- ✓ labor dispute and arbitration



Scan for
Infographic Guide
of Taicang





TAICANG INVEST
太仓投资促进

| OUR SERVICES |

Transportation



工作通勤证

NO. _____

姓名: _____

性别: ☐ 男 ☐ 女

籍贯: _____ 省(市) _____ 市(区)

身份证号: _____

联系电话: _____

居住地址: _____

工作单位: _____

发证日期: _____ 年 _____ 月 _____ 日

申请企业 (盖章) 管理部门 (盖章)

太仓市新型冠状病毒肺炎疫情防控工作指挥部 交通管控组

抗击疫情 守护平安

车辆通勤证

企业名称: _____

车牌号码: _____

编号: **TGX001**

15th Feb

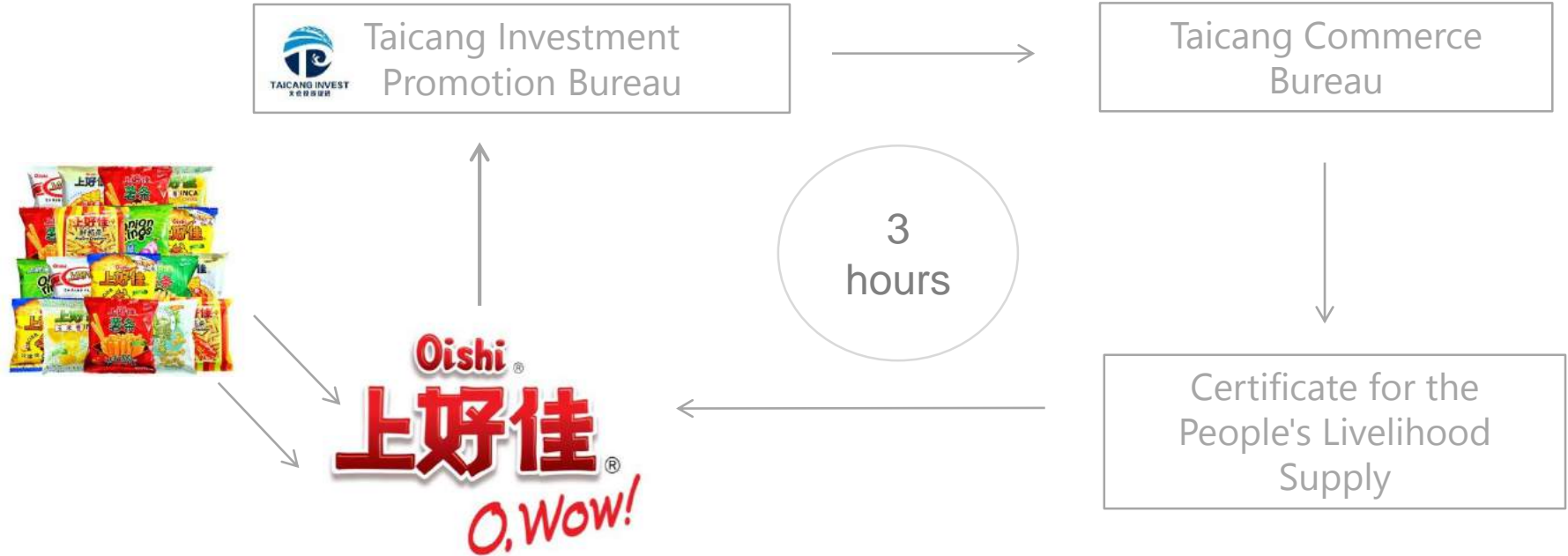
Signed agreement with Jiading District of Shanghai on intercity transportation cooperation and issued pass permit for those who work and live between Taicang and Jiading

20th Feb

This pass permit has extended to Baoshan District and Putuo District of Shanghai

| WORK RESUMPTION |

Case Study





TAICANG INVEST
太仓投资促进

WORK RESUMPTION |

➤ Resumption Rate

the city's industrial enterprises



95.3%

the scale of industrial enterprises



97%

the top 100 industrial enterprises



100%

➤ Media Focus

CCTV 1
综合



CCTV 2
财经



CCTV 13
新闻



| CONTACT US |



Taicang-SwissCham member

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Changzhou **N**ational Hi-tech **D**istrict

Policy Interpretation

on Supporting Resume Work and Production
under 2019-nCoV Epidemic

Jay JIANG

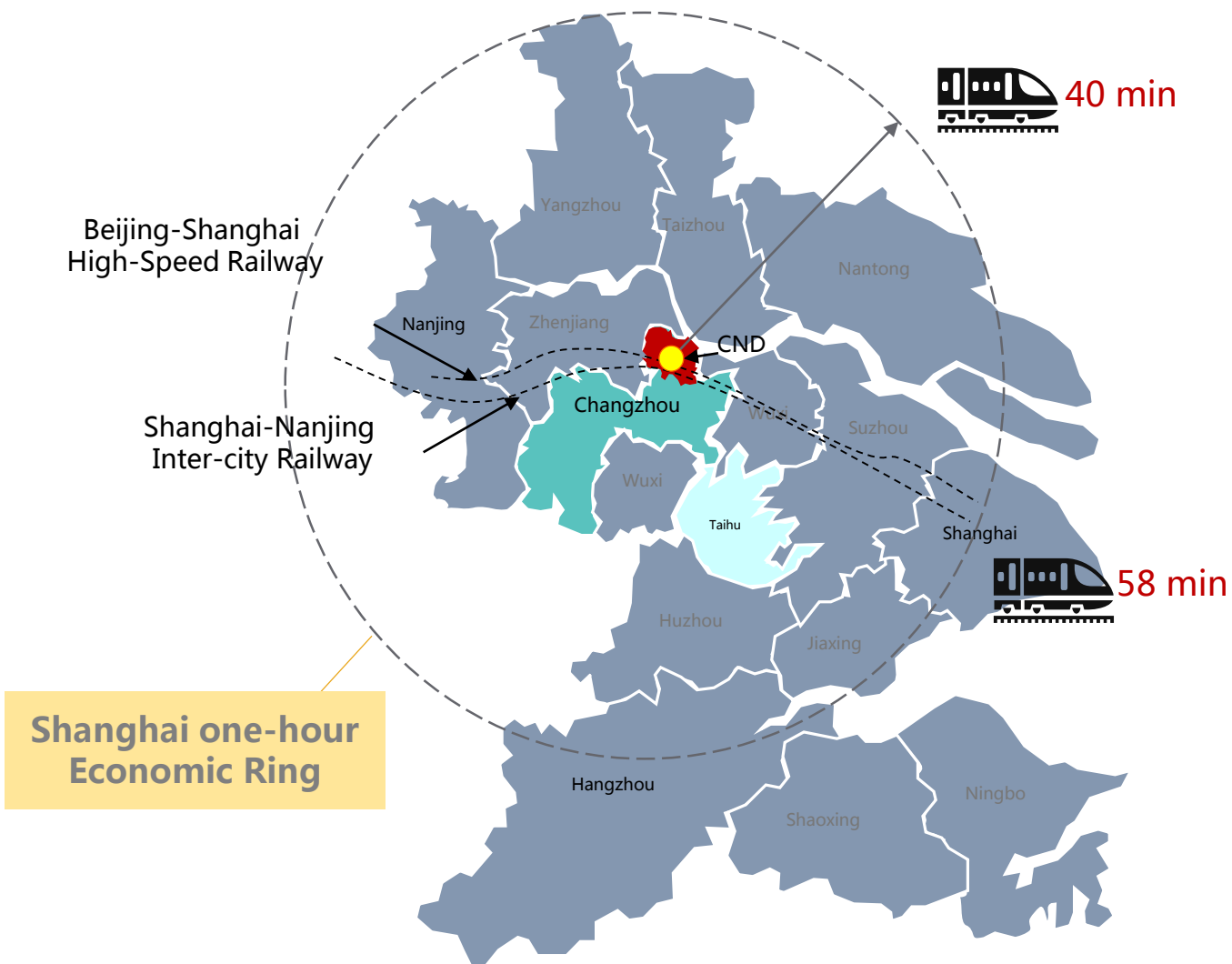
Deputy Director of
Foreign Investment Promotion Bureau
of Changzhou National Hi-tech District



Changzhou is one of the cities in Yangtze River Delta with most concentrated Swiss enterprises.
So far, there have been **31** Swiss enterprises in Changzhou and registered capital has reached **USD 360 million**.



100% Swiss Enterprise
Resume Work Ratio



BOBST

+GF+

medela

METTLER TOLEDO

RIETER

VZUG

Bräcker

Graf

Novibra

Suessen

Givaudan

HUBER+SUHNER

BÜHLER

FOAMPARTNER



2019 **SWISS+**
INNOVATION DAY



swissnex
China



venturelab
World-class Startups. Swiss made.

RIETER





CONTENTS

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Policy Interpretation

2

Government Services

江苏省人民政府公报

江苏省人民政府关于应对新型冠状病毒肺炎疫情影响 推动经济循环畅通和稳定持续发展的若干政策措施

苏政发〔2020〕15号

各市、县(市、区)人民政府,省各委办厅局,省各直属单位:

为深入贯彻落实习近平总书记关于坚决打赢疫情防控阻击战的重要指示精神,全面落实党中央、国务院各项决策部署,在严密做好疫情防控工作的同时,扎扎实实做好“六稳”工作,聚焦疫情对当前经济运行带来的冲击和影响,统筹兼顾、远近结合,科学施策、分类施策、精准施策,助力促进经济循环畅通运行,有力帮助受影响较重行业和企业纾困解难,努力推动经济稳定持续高质量发展,为顺利实现今年经济社会发展目标任务打下坚实基础,现提出如下政策措施。

Resume work in an orderly manner

Strengthen financial support

Ensure supply chain connectivity &
people's livelihood

Vigorously promote the construction of
major projects

Intensify monitoring & regulation of
economic performance

Enhance security manufacturing

Strengthen fiscal & tax policies

Increase employment security

Implement temporary electricity price
support policy

Tackle with scientific & research team

Prevent potential risks
caused by corona virus

Improve business environment & order

Policy Interpretation

Changzhou Resume Work Measures

Strengthen financial support

- credit no less than RMB 100 billion Yuan in 2020
- balance of manufacturing loans above RMB 143 billion Yuan at the end of 2020



**Strengthen
financial
support**

**Implement
a stable
employment
policy**

Implement a stable employment policy

- refund 50% of actually paid unemployment insurance premium in 2019 to enterprise that does not or only lay off few staff
- suspend to levy endowment, work injury and unemployment insurance premium



**Effectively
reduce the
burden on
enterprises**



**Provide
sound
service to
enterprise**

**Implement
fiscal
support
policies**

Effectively reduce the burden on enterprises

- no value-added tax shall be levied on revenue derived from government subsidies in accordance with the provisions of the tax law
- three-month rental free for companies leasing state-owned assets
- reduce cost of water, electricity & natural gas

Provide sound service to enterprise

- extend tax declaration
- reduce commercial dispute and loss of export business caused by delayed delivery

Implement fiscal support policies

- reduce the rent for leasing enterprises during the epidemic

Policy Interpretation

Strengthen Employment Security



Support enterprises in stabilizing and expanding production

- one-off subsidy of RMB 500 Yuan per person for enterprise based on net additional insured person in 2020 if the enterprise recruits new employees and finds employment steadily

Coordinate and solve the staff transitional accommodation problem

- no more than seven-day free accommodation for those who are really in need of intensive health observation and those who have no rented house

Encourage enterprises to take a centralized shuttle bus

- subsidy of RMB 200 Yuan per person for transportation in Jiangsu Province
- subsidy of RMB 300 Yuan per person for transportation out of Jiangsu Province

Bring into full play the role of intermediary

- subsidy for human resource service agencies that introduce migrant workers in low-risk areas under epidemic diseases



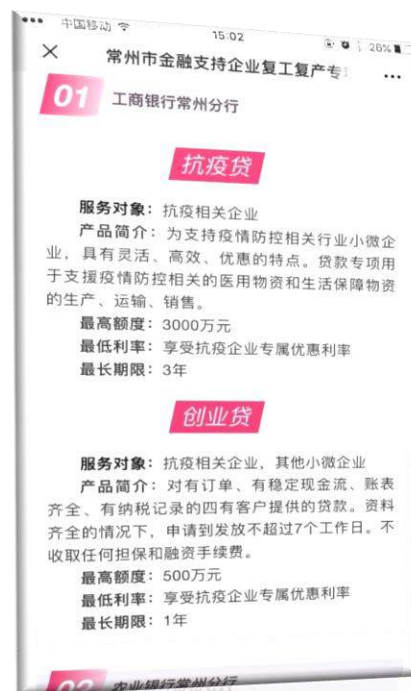
Policy Interpretation

Innovative Solution from CND



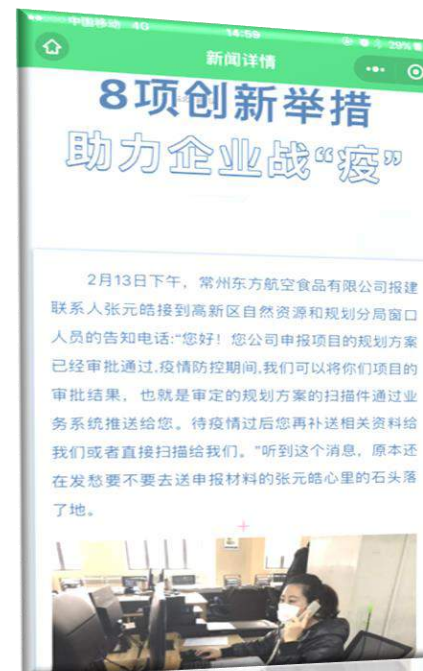
Supervision & Management Bureau

- online pre-approval+ bilateral express
- annual report through APP
- 24-hour consulting service



Financial Institution

- launched special financing products like leasing service and kinds of low-rate debts for resume work



Natural Recourse & Planning Bureau

Four service measures:

- one-to-one specialized service
 - WeChat public service platform
 - online declaration & real-time approval
 - free documents express
- #### Four convenient mechanisms:
- key industrial enterprises declared by agent
 - performance guarantee issued by bank or insurance institution instead of constriction opening and completion deposit paid by enterprise
 - application and approval papers to be simplified
 - joint surveying & mapping after commission, results sharing finally



90% Foreign-funded Industrial Enterprise Resume Work Ratio (until Feb. 24th)

01

Solve Problems of Enterprises

- send 71 investment promotion specialists
- survey 193 foreign-funded and foreign trade enterprises
- solve 434 staffs' problems from 41 enterprises on intercity commuting

02

Humanistic Services

- specify the return process for corporate executives at the first time
- establish one-to-one service mechanism
- set special teams at high speed crossing to shuttle executives
- 42 executives return to Changzhou smoothly
- commerce Bureau of CND visited executives of Mitsubishi, THK, PMP, etc.

02

Government Service



03

Raise Supplies for Epidemic Prevention

Raise supplies for foreign-funded and foreign trade enterprises:

- over 58,000 masks
- nearly 100 thermometer guns
- over 1,600 bottles of disinfectant
- purchased intention agreement of 3,500,000 masks with BYD

04

Ensure Commerce and Trade Circulation

- inspect shopping malls, supermarkets and vegetable markets everyday
- accumulated 104 times and 334 person-times of inspections
- ensure supplies adequate and logistics unobstructed

02

Government Service



05

Company Establishing Registration

- Feb. 17th, with "Cloud Service + Business Appointment" mode, SCHNEEBERGER accomplished company establishing registration, and acquired enterprise legal person license.

06

Construction Resume Work

- Feb. 21st, STAPHARMA acquired *Construction Resume Work Record Submission*.



07

Release Related Policy Interpretation Actively

- one-page interpretation of enterprise resume work process
- one-page interpretation of construction resume work process
- multi-language tips on prevention and control of NCP
- multi-language daily report on new confirmed cases in Jiangsu

08

Volunteer Activities

- support prevention and control activities at Changzhou Airport
- volunteer activities at first-line crossings
- visit resumed work enterprises, pay close attention to staffs returning work



Thanks !

Changzhou **N**ational Hi-tech **D**istrict
Policy interpretation on supporting resume work and production



CND



Invest in CND



Overcoming the Corona
Crisis:

Back to Work

Legal Updates

Luther Shanghai, February 26, 2020

Key Topics Covered

- **Compliance and Responsibility**
- **Human Resources**
- **Government Relief & Support Measures**
- **[Performance of Contracts and Damages]**

Luther.



I – Compliance & Responsibility

■ Legal basis

National Legislation

- Law of the People's Republic of China on Prevention and Treatment of Infectious Diseases
- Emergency Response Law of the People's Republic of China
- Ordinance on Public Health Emergencies

Provincial Legislation (eg Jiangsu Province)

- Notice of the General Office of the People's Government of Jiangsu Province on Issuing the Emergency Plan for Public Health Emergencies in Jiangsu Province
- Notice of the General Office of the People's Government of Jiangsu Province on Issuing the Notice of delay in resumption of work

■ When and How to resume work and production

When

- In general, enterprises are allowed to resume work and production **no earlier than Feb.9, 2020**
- Earlier resumption of work are allowed for four types of enterprise, respectively:
 - enterprises necessary for guarantee the operation of public utilities, e.g. China Power;
 - enterprises necessary for epidemic prevention and control, e.g. 3M;
 - enterprises necessary for supply of goods for daily life, e.g. Costco;
 - enterprises involved in important national economy and people's livelihood.

How

- Condition:
 - qualified prevention and control mechanism: work plan, epidemic control plan etc.;
 - qualified staff information investigation; enough facility supplies, such as masks, thermometers, disinfection water etc.;
 - organized internal management.
- Procedure
Put-on-record formalities is needed for application of resumption of work and production by submitting a series of forms and commitment letter (substantial review may be conducted) .

■ Prevention and Control Compliance Framework

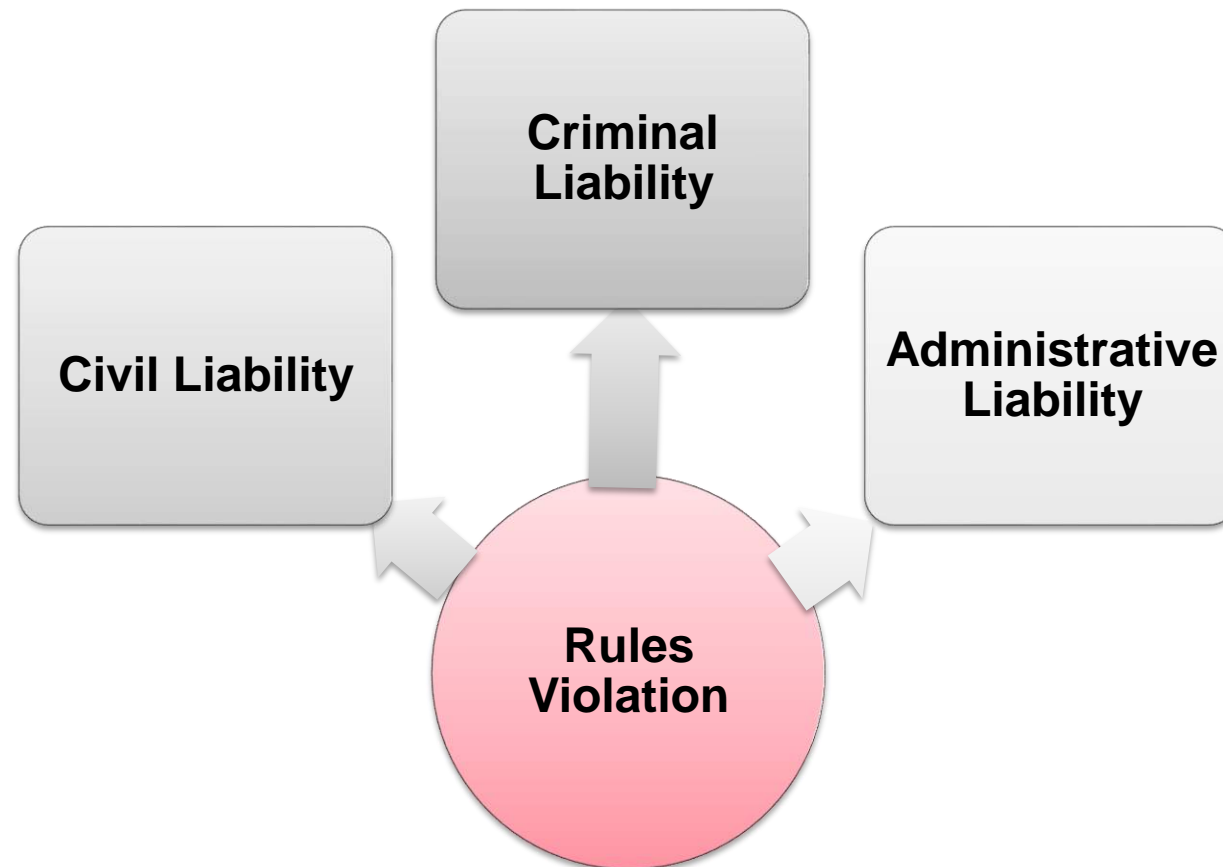
- Strengthen employee health monitoring
- Do well in workplace prevention and control
- Instruct employees on personal protection
- Prepare for infection incidents or emergency situations



Notice of the State Council on Joint Prevention and Control of New Coronavirus Infection and Pneumonia Notice on Printing and Distributing Guidance on Prevention and Control of Epidemic Situations in enterprises and institutions *(issued on February 21, 2020)*.



■ Legal consequence



➤ Legal consequence - Civil Liability

- ✓ Legal Basis: Art.77 of Law of the People's Republic of China on Prevention and Treatment of Infectious Diseases
- ✓ Who is to be held liability: Enterprise
- ✓ How to determine the liability:
 - Resulting to the spread and prevalence of infectious diseases or causing harm or property losses to another person.

➤ Legal consequence - Administrative Liability

- ✓ Legal Basis: Art. 50 of Law of the People's Republic of China on Administrative Penalties for Public Security & Art.64 of Emergency Response Law of the People's Republic of China
- ✓ Who is to be held liability: Enterprise and Individuals
- ✓ How to determine the liability and punishment:
 - Individual: warning and/or a fine (RMB 200~RMB 500) and/or detainment if refuses to carry out the decision or order issued according to law by the people's government in a state of emergency;
 - Enterprise: permit or business license suspended or revoked and/or fine (RMB 5000~RMB 20000) if
 - failing to take preventive measures + occurrence of a serious emergency;
 - failing to remove the hidden danger + occurrence of a serious emergency;
 - failing to do a good job of the routine maintenance and testing of the emergency equipment and facilities + occurrence of a serious emergency or the expansion of the scale of the damage inflicted by the emergency; or
 - failing to organize and carry out emergency rescue after the occurrence of an emergency + serious consequences.

➤ Legal consequence - Criminal Liability

- ✓ Legal Basis: Art. 330 of the Criminal Law of the People's Republic of China
- ✓ Who is to be held liability: Enterprise and Responsible Persons
- ✓ How to determine the liability and punishment:
 - Behavior: Refuse to implement the preventive and control measures proposed by the health and epidemic prevention agencies in accordance with the Law on the Prevention and Control of Infectious Diseases
 - Once convicted, both the company and the responsible persons are liable for the violation as follows:
 - To the company: A fine;
 - To responsible individuals: Fixed-term imprisonment of not more than three years or criminal detention, if convicted; or not less than three years but not more than seven years if the serious violation.

Luther.



II – Human Resource Issues

Most Frequently Asked:

- **Employee attendance and salary**
- **Salary reduction**
- **Workforce reduction**

■ Labor Related Q&A /1

Q:

Do I need to pay salary, if an employee does not return to work?

A:



If the employee is proved to be a Covid-19 patient, a suspected patient, or a person in close contact with a patient, or is subject to governmental isolation measures or other emergency measures, the company must pay him/her normal salary during the medical treatment period, medical observation period, or relevant periods of isolation measures or other emergency measures.

If the employee is unable to return to work due to objective reasons in relation to epidemic control measures e.g. home-based observation as required by the industry park, or the employee claims that he/she needs to take care of children at home, the company may arrange the employee to take annual leave or work from home. If it is impossible for certain employee to work from home and he/she has used up his/her annual leave, the company may negotiate with the employee for a salary payment solution, by taking the salary payment standard during business suspension period for reference i.e. paying normal salary within one salary payment cycle, and living allowance since the second salary payment cycle (with the standards stipulated in the relevant provincial regulations e.g. in Jiangsu, no less than 80% of local minimum salary).

■ Labor Related Q&A /2

Q:

**If we suffer operating difficulties due to the epidemic, can we lay off our employees?
Or reduce salary?**

A:

Companies are allowed to lay off employees under fulfillment of conditions and procedures listed under the Labor Contract Law. For example, if a company intends to lay off 20 employees or more, or lay off more than 10% of all the employees, it needs to notify the labor union or all the employees with the decision 30 days in advance and collect their opinion/feedback, and file the layoff plan to the competent labor administrative authority in accordance with Article 41 of the Labor Contract Law.

Instead of laying off employees, companies are recommended to negotiate with the employees to counter the business difficulties together by reducing salary, postponing salary payment etc.

■ Labor Related Q&A /3



Q:

If an employee contracts COVID-19 while at work, is that a work-related injury?

A:

According to the opinion from the Ministry of Human Resources and Social Security, except for the infection cases with regard to medical personnel and relevant personnel who engage in Covid-19 prevention and treatment activities, other infection cases e.g. a lawyer got infected by his/her colleague in the office, could not be identified as work-related injury.

But it remains open to doubt whether the identification of work-related injury with respect to Covid-19 infection cases will be conducted in such a “one size fits all” manner. According to rules under Regulations on Work-Related Injury Insurance, if an employee, due to illness, died suddenly during working hours and while on the job, or died within 48 hours despite emergency rescue efforts, the situation should be deemed as work-related injury (death). As the regulation makes no difference between various diseases, we find at least under such circumstance – i.e. the employee infected with Covid-19 died within 48 hours despite rescue efforts – the rules and regulations regarding the work-related injury should apply.

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III – Key Relief Measures

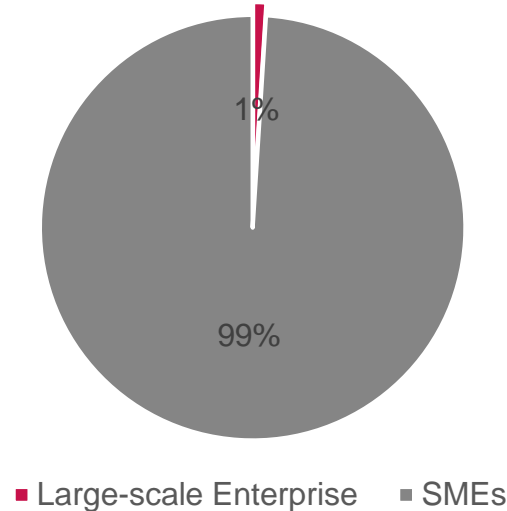
■ Social Insurance Premiums Exemption

Location & Scale Relief Policies	China (excluding Hubei province)		Hubei Province	
	Large-scale Enterprises	SMEs	Large-scale Enterprises	SMEs
100% Exemption- Five Months		x	x	x
50% Exemption- Three Months	x			

- Exemption covers only employer contribution of three major Social Insurance Premiums (“SIP”), i.e. pension, work-related injury and unemployment insurance.
- Salaries of employees are not affected, but the companies have less cash out for SIP, shortage of cash flow can be mitigated.

■ Classification for Small and Medium-sized Enterprises (“SMEs”)

Proportion of SMEs account for total number of Enterprises in China
(As of 2018)



Either of the three criteria is used to classify the SMEs, varies from industry to industry.

Number of Employees
(e.g. for industrial, staff less than 1000)



Total Assets
(e.g. for construction industry, total assets less than RMB800 million)



Business Revenue
(e.g. for industrial, business revenue less than RMB 400 million)

■ Social Insurance Contribution Refunds and Deferred Payment

- ✓ Refund of unemployment insurance contributions
 - Applies to enterprises that commit to avoid lay-offs.
 - 50% of the total unemployment insurance premiums actually paid by the employer and its employees in the preceding year would be refundable in certain areas such as Shanghai;
 - Calculation base and proportion of refunds of unemployment insurance premium varies from region to region. However, unemployment insurance is only 1% of the calculation base;
- ✓ Deferred contributions
 - Applies to enterprises with severe difficulties in production and operation affected by the epidemic.
 - Only temporary relief
 - Deferred payment period shall not exceed 6 months.
 - No late payment fee will be charged within deferred payment period.
 - in addition to SIP, before June 2020, all enterprises can apply for deferred contribution for housing provident fund.

■ Tax Relief and Financial Support Policies

- ✓ Up to now (February 26): very targeted policies that will benefit a narrowly defined group of tax payers such as companies involved in the epidemic control effort; travel industry and certain services.
- ✓ Possible cancellation of foreign-debt quotas for FIEs where necessary;
- ✓ Provision of temporary repayment arrangements for MSMEs, interest payments can be postponed until June 30; commercial lenders are told to go soft on debtors that are struck by the crisis.
- ✓ Special “re-lending” funds made available by PBoC will only benefit a select group of companies.

Your Contact



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Thank you