

Document of Jiaozuo Municipal People's Government

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Notice of Jiaozuo Municipal People's Government on Issuing the Policies of Preferential Support for Investment Promotion of Jiaozuo City

To the people's governments of all counties (county-level cities and districts), the Management Committee of Jiaozuo Urban-Rural Integration Demonstration Area, all departments of Jiaozuo Municipal People's Government, and all other relevant departments concerned,

The *Policies of Preferential Support for Investment Promotion of Jiaozuo City* has been approved by the municipal government. It is hereby issued to you, please implement it seriously.



(Seal: Jiaozuo Municipal People's Government)

August 16, 2022

Policies of Preferential Support for Investment Promotion of Jiaozuo City

Combining with the actual situation of Jiaozuo City, these support policies are formulated, so as to realize the opening-up at a higher level, strengthen the efforts to investment promotion, further expand effective investment, and facilitate the high-quality development of economy and society.

Chapter I Scope of Application

Article 1 These policies apply to extramural investors who conform to the industrial policies of Jiaozuo City and are newly established enterprises with their places of industrial and commercial registration and tax registration as well as statistical relationship within Jiaozuo City, independent legal personality, sound financial system, and independent accounting. An enterprise which is invested by any extramural investor together with any enterprise in Jiaozuo City, with the newly invested capital accounting for more than 40% of the capital funds after reorganization of the enterprise, will be identified as a newly established enterprise.

Chapter II Support Policies for Projects

Article 2 A newly introduced industrial project with the fixed-asset investment of more than RMB 50 million yuan will be rewarded according to the contribution amount of the enterprise to Jiaozuo City in the fiscal year since the tax payment date.

(1) An enterprise with an annual local financial contribution of less than RMB 10 million yuan will be rewarded at an annual amount equivalent to 50%-100% of the contribution within 1-5 years.

(2) Projects with an annual local financial contribution of more than RMB 10 million yuan are subject to the Case-by-Case Approval System.

(3) Major investment promotion projects introduced from outside Henan Province will enjoy the support policies of Jiaozuo City and be rewarded with provincial special funds for investment promotion. An introduced project settled with the paid-in capital of RMB 100 million yuan will be rewarded with RMB 1 million yuan; the reward will be increased by RMB 100,000 yuan for an increment of RMB 10 million yuan.

Article 3 A newly introduced project in modern service will be rewarded according to the contribution amount of the enterprise to Jiaozuo City in the fiscal year for three consecutive years since the tax payment date.

(1) A project with an annual local financial contribution of more than RMB 1 million yuan and less than RMB 10 million yuan will be rewarded at an annual amount equivalent to not more than 50% of the contribution.

(2) Projects with an annual local financial contribution of more than RMB 10 million yuan are subject to the Case-by-Case Approval System.

Article 4 A newly introduced provincial enterprise of headquarters economy or above (with the marketing, data, settlement, and R&D centers in Jiaozuo City; the regional headquarters and back-office business headquarters newly established by a financial institution in Jiaozuo City, etc.)

will be rewarded according to the contribution amount of the enterprise to Jiaozuo City in the fiscal year.

(1) An enterprise with an annual local financial contribution of less than RMB 10 million yuan will be rewarded at an annual amount equivalent to 100% of the contribution in the first two years and to 50% of the contribution in the last three years.

(2) Projects with an annual local financial contribution of more than RMB 10 million yuan are subject to the Case-by-Case Approval System.

(3) An overseas enterprise or an enterprise outside Henan Province which establishes a regional headquarters or a function in Jiaozuo City will be rewarded with the provincial special funds for investment promotion of not more than RMB 10 million yuan after review and approval.

Article 5 A foreign funded project which is newly introduced, has a capital increase, or participates in enterprise transformation and reorganization by merger and acquisition will enjoy the following policies.

(1) To be rewarded at 1% of the paid-in offshore funds in the year; in case of being invested by an enterprise in Fortune Global 500 (subject to the release by an authority in the year), to be rewarded at 2% of the paid-in offshore funds in the year.

(2) Major investment promotion projects introduced from overseas will enjoy the support policies of Jiaozuo City and be rewarded with provincial special funds for investment promotion. An introduced project settled with the paid-in capital of USD 10 million (or equivalent in RMB) will be rewarded with RMB 1 million yuan; the reward will be increased by RMB 100,000 yuan for an increment of USD 1 million (or equivalent in RMB).

(3) A single project which complies with multiple preferential policies will be rewarded according to one of the policies whichever amount is higher, without repetition, and the maximum will not exceed RMB 10 million yuan.

Article 6 The major investment promotion projects introduced from leading enterprises which belong to Fortune Global 500, Top 500 Chinese Enterprises, Central Enterprises (supervised by State-owned Assets Supervision and Administration Commission of the State Council and Ministry of Finance of the People's Republic of China) or Hidden Champions, will be subject to the Case-by-Case Approval System and enjoy more preferential support policies.

Article 7 Newly established projects which are identified as emerging industries such as cloud computing, big data, Internet of Things and industrial Internet, as well as future oriented industries including hydrogen energy and stored energy, life health, and cutting-edge new materials, and conform to the provisions of Article 2 and Article 3, will be rewarded with an increase by 5% of the contribution based on the corresponding reward standard, but it shall not exceed 100% of the contribution. The industrial sector shall be determined according to the *Classification of Strategic Emerging Industries (2018)* and the *Development Plan of Henan Province for Strategic Emerging Industries and Future Oriented Industries under the "14th Five-Year Plan"*. Eligible projects will be rewarded provincial special funds for investment promotion.

Chapter III Support Policies for Recommended Enterprises

Article 8 Scope of support. For foreign funded projects, the contractual investment shall reach more than USD 10 million; for domestic funded projects, the contractual investment shall reach more than RMB 0.1 billion yuan. Foreign direct investment projects of enterprises in Fortune Global 500, or domestic and foreign funded projects whose contractual investment amount fails to meet the above standard but the annual taxes paid reaches more than RMB 10 million yuan within two years after being put into production, will not be limited by the investment amount.

Article 9 Rewards of settled projects.

(1) A newly introduced project with effective production will be rewarded at 3% of the paid-in registered capital by its foreign investor within three years since the registration date of the enterprise establishing the project.

(2) Advanced manufacturing projects introduced from leading enterprises which belong to Fortune Global 500, Top 500 Chinese Enterprises, Central Enterprises or Hidden Champions, and have an audited investment exceeding RMB 1 billion yuan, as well as projects of strategic emerging industry and future oriented industry with an audited investment exceeding RMB 0.1 billion yuan, will be provided with a lump-sum reward of RMB 300,000 yuan based on the above rewards if they meet the above reward standard.

(3) A newly introduced regional headquarters economy project of an enterprise will be provided with a lump-sum reward at an amount equivalent to 10% of its annual local financial contribution since the tax payment date.

(4) A single project which complies with multiple preferential policies will be rewarded according to one of the policies whichever amount is higher, without repetition, and the maximum will not exceed RMB 2 million yuan.

(5) Major investment promotion projects introduced and eligible will be rewarded with provincial special funds for investment promotion. A project will be rewarded with RMB 100,000 yuan for every RMB 50 million yuan paid-in capital funds, up to RMB 1 million yuan for an individual project.

(6) Only one referee will be identified for a single project, and the project investor shall not apply for rewards for the project it invests in the capacity of the referee.

Article 10 Financial support. We encourage enterprises to cooperate with intermediaries such as chambers of commerce and associations, investment promotion agencies, investment companies, consulting companies, and accounting firms. An intermediary which is determined after screening and entrusted by contract accordingly and participates in the investment promotion of Jiaozuo City will be provided with an annual working expenditure of RMB 100,000 yuan. The screening and performance determination standards will be jointly formulated by Jiaozuo Municipal Bureau of Commerce and Jiaozuo Municipal Bureau of Finance.

Chapter IV Service Guarantee

Article 11 The reward funds required in these support policies will be provided by the benefited finance sector, that is, by municipal and district finance sectors at the benefit ratio in the central urban area, and by the county (county-level-city) finance sector in each county (county-level city).

Article 12 A project enterprise conforming to these support policies shall make an application to the commercial and financial departments of the local county (county-level city or district) as

required. The departments will organize with the accrediting agency to carry out the accreditation, and report to the municipal bureau of finance for review and the municipal bureau of commerce for filing before public announcement and fund appropriation.

Chapter V Miscellaneous

Article 13 A newly established investment project of an existing enterprise in Jiaozuo City which conforms to these support policies will enjoy the equivalent policy support.

Article 14 Any enterprise or individual who practices fraud or provides false materials in the application process will be disqualified from the policies once found and verified, the rewards granted will be recovered, and relevant personnel will be held responsible in accordance with the laws and regulations; those who are involved in a crime will be transferred to the judicial organs for handling according to law.

Article 15 The opening-up work leading group of Jiaozuo City will be responsible for the interpretation of these policies. The policies will be implemented since the date of issuance, and the period of validity is five years. The *Notice of Jiaozuo Municipal People's Government on Issuing the Preferential Support Measures for Investment Promotion of Jiaozuo City* (JZB [2018] No. 38) and the *Notice of Jiaozuo Municipal People's Government on Issuing the Measures for Rewarding the Referees of Investment Promotion Projects of Jiaozuo City* (JZB [2018] No. 39) are abolished simultaneously.