

CBBC COVID-19 (coronavirus) Regional Response Update

21 February 2020

This is the second regional update on local policies dealing with the economic fallout of the COVID-19 epidemic. Compared to last week, when most policies had just been released, we have obtained a clearer picture of how businesses can receive support from provincial and municipal governments.

General Measures

Most provinces have issued temporary tax cuts and fee exemptions for businesses. In general, there is a 50% subsidy for unemployment benefits, which is valid at least until the end of March.

Tax and social security filing deadlines have been deferred, too, with the usual deadline now being 31 March 2020.

Currently, the four main problems for companies are logistics, work approval, cash-flow, and staff shortage.

Logistics

Following the escalation of prevention measures on 23 January 2020, many provinces have imposed severe restrictions on travel and individual movements. In many places, these policies remain in place. Following the central government's call to support the economy, several provinces and cities have relaxed their controls and are encouraging workers and transport companies to return to work.

Work Approval

Most local governments require businesses to submit a special application and the implementation of preventive measures before resuming work. In some places, the demands have been excessive. But our regional reports also show that most authorities have adopted a supportive stance towards businesses which want to reopen their offices.

Cash-Flow

With businesses closed, several companies have encountered serious cash-flow problems. Most provinces have set up special funds and ordered banks to provide financial support in a fast and non-bureaucratic manner.

Stabilising employment is a key priority for Chinese authorities. Thus most subsidies and benefits are conditional upon businesses keeping employees on their payroll, although salary adjustments are allowed.

Staff shortages

With many localities still under lock-down, several companies are struggling with a lack of workers. Some provinces and larger companies have chartered busses and airplanes to allow workers in inland provinces to return to the industrial centres in the coastal provinces. Nonetheless, most cities, such as Shanghai, continue to require a work certificate or residence permit, making it difficult for migrant workers to return.

Overall, policies still vary between provinces, cities, and even districts. Businesses are advised to consult local government websites and hotlines for further details.

Disclaimer

Given the fluidity of the situation on the ground and difficult work situation for colleagues in China, these regional reports can only provide a snapshot of the current situation. Nonetheless, we are striving to continue to improve our reporting during this unfolding crisis and aim to provide members with an accurate picture of the situation on the ground.

Data

The data of confirmed, recovered, and deceased persons refers to the province as of 21 February 2020.

Content	Beijing (Beijing)		Shanghai (Shanghai)		Tianjin (Tianjin)		Shenyang (Liaoning)		Xi'an (Sha'anxi)	
Status	Confirmed:	396	Confirmed:	334	Confirmed:	132	Confirmed:	121	Confirmed:	245
	Recovered:	169	Recovered:	211	Recovered:	62	Recovered:	61	Recovered:	134
	Deaths:	4	Deaths:	2	Deaths:	3	Deaths:	1	Deaths:	1
Opening Dates/ Return to Work	Since 10th Feb 2020		Since 10 th Feb 2020 Schools: 2 March 2020 (Online Teaching)		Since 6 th Feb 2020		Since 10 th Feb 2020 Schools: 17 Feb 2020		Since 10 th Feb 2020	
General Information	<p>No collective gathering and dining activities during epidemic.</p> <p>Hot Line for companies facing difficulties relaunching operations (Tel.: 12345)</p>		<p>1) Key industries such as utility, virus prevention and high GDP contributing industries resumed work.</p> <p>2) Prevention and economic recovery are both top priorities.</p> <p>3) Different districts have different procedures.</p> <p>Almost all districts adopt an pre-approval process for work resumption.</p> <p>All residential compounds adopt measures to restrict access.</p> <p>Link: http://www.shanghai.gov.cn/nw2/nw2314/nw32419/nw48516/nw48545/nw48607/u26aw63499.html</p>		<p>1) Ensure funding for prevention and control projects</p> <p>2) Green channel approval process (use online applications, avoid direct contact)</p> <p>3) Secure food supply</p> <p>4) Support enterprises in critical sectors to return to work</p> <p>5) Special Fund of RMB 12.4 million for protection of high risk groups</p>		<p>Policies vary from district to district</p> <p>For detailed information: http://www.shenyang.gov.cn/html/SY/1580566660026158053947304146/nul/6600261687718564.html</p>		<p>1) Enterprises in critical sectors are exempt from work restrictions</p> <p>2) Work resumption approval to be handled within 48 hours</p> <p>3) Shopping malls, cultural facilities and service enterprises are closed until further notice</p> <p>4) Approval and two week self-quarantine required for travellers returning to Xi'an</p>	

<p>HR & Tax</p>	<p>1) Flexible work arrangements 2) Paid leave for one parent during school and kindergarten closure period 3) Deferral of tax and social insurance filing deadline 4) Self-quarantine of 14 days for non-local employees after return to Beijing 5) Companies treat remote work as normal work but might adjust salaries</p>	<p>1) Preferential tax arrangements for imported supplies for epidemic prevention 2) Tax and social insurance filing deferred for up to 3 months 3) Carry-forward period of annual losses in 2020 from a maximum of 5 years to 8 years (some companies) 4) 50% of the total actual unemployment insurance premium paid by employers and their employees in the previous year (conditional) 5) Start and end dates that mark the year of the employee's social security contribution is adjusted to 1 July 2020 and 30 June 2021 6) Medical insurance is to be temporarily reduced by 0.5% in 2020. 7) Salary and work adjustments are encouraged to avoid layoffs</p>	<p>1. Green channel for work injury claims for infected employees</p>	<p>1) National rules for remuneration during holiday season applies to extended holidays 2) Normal salary for remote work arrangements 3) Filing deadlines are deferred at least until end of March</p> <p>Further information: http://rst.ln.gov.cn/zxzx/gsgg_140515/202002/t20200216_3742113.html</p>	<p>1) Social Benefit Payments can be delayed for up to six months 2) Application for tax deadline extension of up to 3 months 3) Tax exemptions for heavily affected businesses 4) Enterprises in critical sectors shall benefit from preferential tax policies 5) Subsidies for employment training programmes</p>
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Content	Beijing (Beijing)	Shanghai (Shanghai)	Tianjin (Tianjin)	Shenyang (Liaoning)	Xi'an (Sha'anxi)
Business Support	<ul style="list-style-type: none"> 1) Suspension of administrative fee collection 2) Rent reduction 3) Preferential tax and Social Security policies 4) Subsidize R&D expenses of SMEs (esp. in Zhongguancun). 5) Preferential Loan and Financing Policy for SME 6) Subsidize utility costs 7) Work and employment Support for Affected Personal 8) Support companies to relaunch operations 9) Provide 'liability insurance' for companies following preventive measures guidelines 	<ul style="list-style-type: none"> 1) Intensified fiscal support 2. Strengthened special financial and credit support 3) More direct financing channels 4) R&D support 5) Diversified channels to offer financial support for enterprises. 6) Bigger support to enterprises that have cash-flow problems 	<ul style="list-style-type: none"> 1) Rent reduction for Businesses 2) Maintain and ensure urban management and prevention measures 3) Work and Employment Support for Affected Personal 4) Encourage enterprises to stabilize the workforce 5) Preferential Loan and Financing Policy (RMB 6 billion emergency fund) 6) Technical Support in Hygiene and Preventive Measures 7) R&D support for healthcare related businesses 8) Preferential tax policies 9) Support port logistics 10) Support insurance and leasing sector in support of businesses 	<ul style="list-style-type: none"> 1. 24-hour emergency hot line 12345-1-6 and WeChat Channel 2. Subsidies for emergency related industries 3. Set up testing lab and test service platform. 4. Subsidies for unemployment contributions 5. Preferential tax policies 6. Preferential loan policies 7. Deferred utility payment deadline 	<ul style="list-style-type: none"> 1) Subsidies for emergency related industries (50% of technical procurement) 2) Support heavily affected industries (Wholesale and retail, accommodation and catering, logistics and transportation, cultural tourism, exhibition and other industries) 3) Cash in the supporting policies for advanced manufacturing 4) Rent reductions and exemptions (government-owned property) 6) R&D support 7) Special support for cultural and tourism companies 8) RMB 300 million fund for support of tourism industry 9) 50% reimbursement for losses due to cancelled trade shows and 80% subsidies for trade show participation in 2020
Customs and Logistics	<ul style="list-style-type: none"> Establish Green Channel for Imports and emergency-related goods 	<ul style="list-style-type: none"> 1) Green Channel for emergency-related goods 2) Special counters with 24/7 service guaranteed at major import ports. 3) Priority will be given to imported supplies that warrant examination at inspection check points, ensuring timely and rapid inspection. 	<ul style="list-style-type: none"> 1) Green Channel for emergency-related goods 2) Support reduced loading and unloading time within 24 hours of arrival 	<ul style="list-style-type: none"> 1) Mandatory health status declaration (online or offline) 2) Green channel clearance mechanism for emergency-related products 3) No tariffs on emergency-related donations 4) Preferential Policies and online registration for eCommerce deliveries 	<ul style="list-style-type: none"> 1.) Green channel clearance mechanism for emergency-related products 2) No tariffs on emergency-related donations

Content	Beijing (Beijing)	Shanghai (Shanghai)	Tianjin (Tianjin)	Shenyang (Liaoning)	Xi'an (Sha'anxi)
Public Transport	<p>Disinfection and control measures (temperature checks, mandatory masks) on all public transport</p> <p>Flight 1) Partly suspended 2) WeChat/App-based online application for travel permit</p> <p>Railways Set-up separate isolation zones and transfer to hospitals</p> <p>Busses Disinfection twice a day; Drivers required to wear masks</p> <p>Metro All personnel are required to wear masks; all lines in service</p>	<p>Highways Temperature Checks and Registration. Access denied to people without proof of residency and work.</p> <p>Flights Partly suspended; China Eastern still operates commercial flights between Shanghai and London for now.</p> <p>Trains Trains to and from Shanghai mostly operate as usual with some cancellations</p> <p>Busses Long-distance busses are suspended</p> <p>Metro In service</p>	<p>Buses Bus lines in Binhai New Area partly suspended</p> <p>Metro Since 3 February 2020, Tianjin Metro entrances and exits partly suspended, otherwise normal operation</p>	<p>1) Disinfection and control measures (temperature checks, mandatory masks) on all public transport 2) ID check before boarding</p> <p>Flight Partly suspended; Airport shuttle suspended</p> <p>Railways Partly suspended</p> <p>Long Distant Busses In service with longer intervals</p> <p>Metro In service</p>	<p>1) Disinfection and control measures (temperature checks, mandatory masks) on all public transport 2) Mandatory Travel Documentation Form for long-distance travel</p> <p>Metro Normal operation with frequent ID checks</p>

Content	Qingdao (Shangdong)		Nanjing (Jiangsu)		Hangzhou (Zhejiang)		Wuhan (Hubei)		Chongqing (Chongqing)	
Status	Confirmed:	749	Confirmed:	631	Confirmed:	1,203	Confirmed:	62,662	Confirmed:	567
	Recovered:	281	Recovered:	373	Recovered:	679	Recovered:	11,881	Recovered:	299
	Deaths:	4	Deaths:	0	Deaths:	1	Deaths:	2,144	Deaths:	6
Opening Dates/ Return to Work	Since 10th Feb 2020 Schools: 1 March 2020		Since 10th Feb 2020 Schools: 1 March 2020		Since 10th Feb 2020 Schools: 1 March 2020		Scheduled for 11 March 2020 Schools: Closed until further notice		Since 10th Feb 2020 Schools: Closed until Further Notice	
General Information	<p>1) Approval needed for resumption of business operation</p> <p>2) Health Care and Prevention Plan needed</p> <p>3) Main urban areas adopted real-name registration system for public transport (since 18 February 2020)</p>		<p>1) Gradual resumption of work</p> <p>3) Approval and preventive measures required</p> <p>3) Bus lines resume operations during peak hours, and Nanjing Transportation Group provides charter bus services to enterprises</p> <p>5) Real ID verification on public transport</p> <p>6) Tourist attractions Nanjing are gradually reopening</p> <p>http://www.nanjing.gov.cn/zt/yqfk/zccs/202002/t20200219_1794881.html</p>		<p>1) Approval needed for resumption of business operation</p> <p>2) Some businesses resumed work from 17 February onwards</p> <p>3) Main urban areas are re-opened; Citizens need to carry Green 'Health Code' Booklet + ID card</p> <p>4) Most trade fair/events originally scheduled in February and March are either delayed or cancelled</p> <p>District requirements: http://ori.hangzhou.com.cn/ornews/content/2020-02/15/content_7677001.html</p>		<p>Currently under Lock-Down</p> <p>All businesses and residents are required to stay at home or work remotely</p>		<p>Approval and Healthcare Plan needed for return to operations (exemptions for emergency-related industries)</p>	
HR & Tax	<p>Reduced or exempted social insurance fee until June</p>		<p>1) Preferential tax and social security policies</p> <p>2) Employment and recruitment support</p> <p>3) 50% unemployment insurance subsidies</p> <p>4) Special support for workers from Hubei province</p>		<p>1. Preferential tax and social security policies for SMEs with tax and social security deferrals up to 3 months.</p> <p>2. Special HR provisions concerning work contracts of infected employees</p>		<p>Tax and social security payment deadline has been postponed until 6 March 2020</p>		<p>1) Flexible work arrangements are encouraged</p> <p>2) Preferential tax and social security policies + suspension and postponement of filling deadlines</p> <p>3) Employment support</p>	

Business Support	<p>18 policies aiming to help SMEs, including</p> <ol style="list-style-type: none"> 1) Deferral of tax and social insurance for up to 3 months; 2) Special legal aid mechanism for trade dispute; 3) Preferential loan and financing policy <p>http://www.qingdao.gov.cn/n172/n24624151/n24672217/n24673564/n24676498/200204091903726640.html</p>	<ol style="list-style-type: none"> 1) Financial support for purchasing and R&D investment. 2) Increase credit and cash support 3) Rent reduction 4) Legal aid and administrative support 5) Special regional fund for emergency-related businesses 	<ol style="list-style-type: none"> 1) Preferential tax and social security policies 2) Flexible work arrangements 3) Rent free policy for state-owned property operated tenements 4) Preferential Loan and Financing Policies 5) Legal and Administrative Aid for SMEs 	<ol style="list-style-type: none"> 1) Legal and administrative aid for foreign businesses 2) Preferential tax and social security policies 	<ol style="list-style-type: none"> 1) Preferential loan and financing policies 2) Rent reduction 3) Reduced utility costs
Customs and Logistics	<p>Green Channel for emergency related goods and imports</p>	<ol style="list-style-type: none"> 1) Green Channel for emergency related goods and imports 2) Jinling Customes relaxed restrictions on personal hygienic products 	<ol style="list-style-type: none"> 1) Online approval platform 2) Green channel for emergency-related goods 3) Ningbo Port: 90% back to normal; Cargoes which arrived between 24 Jan and 9 Feb are granted an extended storage for up to 20 days 4) Congestion of refrigerated containers congestion at Shanghai/Ningbo ports 5) Shortage of truckers 	<p>Not in service</p>	<ol style="list-style-type: none"> 1) Green channel for emergency-related goods 2) Tax exemptions for donated goods
Public Transport	<p>Trains Partly suspended with many cancelations until end of February</p> <p>Long-Distance Bus Partly operational with restrictions in some areas (e.g. Jimo district)</p> <p>Metro Normal service</p>	<p>Busses Normal operations from 7am to 7pm</p> <p>Metro Main line operation time between 6am and 10pm; S-lines finish at the different times, but no later than 9:30pm</p>	<p>Flights & Trains Partly suspended, especially from and to highly affected areas (e.g. Wenzhou)</p> <p>Busses & Metro In service</p>	<p>Not in service</p>	<p>Normal service</p> <p>Tourism related services are suspended until further notice</p>

Content	Chengdu (Sichuan)	Changcha (Hunan)	Guangzhou (Guangdong)	Shenzhen (Guangdong)		
Status	Confirmed:	525	Confirmed:	1,011	Confirmed:	1,333
	Recovered:	231	Recovered:	660	Recovered:	690
	Deaths:	3	Deaths:	4	Deaths:	5
Opening Dates/ Return to Work	Since 10 February 2020 Schools: Closed until further notice	Since 10 February 2020 Schools: 1 March 2020	Since 10 February 2020	Since 10 February 2020		
General Information	<p>1) Priority is shifting from preventive measures to economic support and the restoration of business activity</p> <p>2) Trade fairs are expected to be resumed in May</p>	<p>1) Rental reduction from February to March 2020 (government property)</p> <p>2) Preferential Interest rates and green channel for enterprise loans</p> <p>3) No credit line cuts until further notice</p> <p>4) Credit payment deferrals for COVID-19 patients and special insurance support</p> <p>5) Legal and administrative support for labour related issues</p>	<p>1) Approval needed for resumption of work. Applying companies need to provide:</p> <p>a. Internal responsibility mechanism, specifying a dedicated person to be in charge</p> <p>b. Written travel record for the last 14 days. Self-segregation for 14 days is mandatory</p> <p>c. Sufficient preventive equipment (ie. masks)</p> <p>d. Monitoring mechanism</p> <p>2) Companies must report to Epidemic Prevention and Control Headquarters of the district level at least 5 days before working.</p>	<p>1) Approval needed for resumption of work. Companies applying need to provide:</p> <p>a. internal responsibility mechanism, specifying a dedicated person to be in charge</p> <p>b. Written travel record for the last 14 days. Self-segregation for 14 days is mandatory</p> <p>c. Sufficient preventive equipment (ie. masks)</p> <p>d. Monitoring mechanism</p> <p>2) Companies must report to Epidemic Prevention and Control Headquarters of the district level at least 5 days before working.</p>		
HR & Tax	<p>1) Emergency-related logistics companies are exempt from vehicle and vessel tax in 2020</p> <p>2) Deferral of tax and social security contributions</p>	<p>1) Companies can apply for property tax and urban land use tax exemptions</p> <p>2) 50% refund of 2019 unemployment insurance (conditional)</p> <p>3) Government subsidies for employment support</p> <p>4) Value of donations can be deducted from CIT</p>	<p>1) Deferral of tax and social security filing deadlines</p> <p>2) Preferential tax and social security policies</p>	<p>1) Deferral of tax and social security filing deadlines</p> <p>2) Preferential tax and social security policies</p>		

Content	Chengdu (Sichuan)	Changcha (Hunan)	Guangzhou (Guangdong)	Shenzhen (Guangdong)
Business Support	<ul style="list-style-type: none"> 1) Financial support for emergency-related businesses 2) Rent reductions 3) Preferential loan and financing Policies 4) Preferential insurance policies for affected businesses 	<ul style="list-style-type: none"> 1) Subsidies to enterprises manufacturing epidemic prevention materials 2) Subsidies to supermarkets (above 1000 ㎡) which remained open after 25 January 2020 3) 10% subsidy on machinery purchases emergency-related production (max. RMB 1 million) 4) Subsidies for raw material purchases 5) Other promotional investment (max. RMB 2 millions) 	<ul style="list-style-type: none"> 1) Preferential loan and financing policies 2) Support for insurance sector 3) State grants for SMEs and affected businesses 	<ul style="list-style-type: none"> 1) Support for emergency related services 2) Rent reduction or suspension 3) 3-month deferral of social security contributions 4) Reduced housing fund payments 5) Reduced utility fees 6) Tax reductions 7) Preferential loan and short-term financial support
Customs and Logistics	<ul style="list-style-type: none"> 1) 24/7 Green Channel at Chengdu Shuangliu Airport Customs 2) List with 22 priority items for facilitated import procedure 3) Until 31 March: Imported donations are exempted from tariffs <p>http://chengdu.customs.gov.cn/chengdu_customs/519405/519407/519408/2864557/index.html</p>	<ul style="list-style-type: none"> 1) Green channel for emergency-related imports 2) No tariffs on donations 3) Approval for drivers needed 	N/A	N/A
Public Transport	<p>Trains Partly suspended until 1 March 2020</p> <p>Busses Partly suspended</p> <p>Metro In Service</p>	<p>Air Regular disinfection and screening at airport</p> <p>Trains Partly suspended</p> <p>Busses Long-distance lines partly suspended</p> <p>Urban transport Partly suspended with longer intervals between services</p>	<p>Air Partly suspended</p> <p>Trains Partly suspended</p> <p>Other Normal operation</p>	<p>Air Partly suspended</p> <p>Trains Partly suspended</p> <p>Other Normal operation</p>

Content	Hong Kong	Macau		
Status	Confirmed:	68	Confirmed:	10
	Recovered:	5	Recovered:	6
	Deaths:	2	Deaths:	0
Opening Dates/ Return to Work	N/A	N/A		
General Information	Three Measures: 1) Increased screening at transport nodes 2) Reporting mechanism 3) Healthcare emergency measures 14-days self-quarantine for travellers from Mainland China	1) Establishment of Emergency Response Coordination Centre 2) Casinos are open again		
HR & Tax	N/A	Deferral of tax and social security filing deadline		
Business Support	Business support for major banks (Bank of China (Hong Kong), BOC Life, HSBC, Hang Seng Bank, Bank of East Asia, Standard Chartered, OCBC Wing Hang Bank	1) Rent reduction and suspension for government-owned property 2) Financial support for affected businesses		
Customs and Logistics	Special measures apply	Limited postal service		
Public Transport	Air Partly Suspended Trains High-speed terminal closed until further notice Local transport Normal service Border Port of Entries partly closed	Air Partly suspended Trains Normal service Busses Partly suspended Metro Normal Service		