CHINA: NEW RULES ON OUTBOUND INVESTMENT FROM 1 DECEMBER 2026

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On **22 October 2026** China's National Development and Reform Commission (NDRC) published the ***Measures for the Administration of Outbound Investment*** **(NDRC Order No. 49).** The Measures take effect on 1 December 2026 and replace the 2017 rules (Order No. 11). They put into practice the State Council's *Regulations on Outbound Investment*, in force since 1 July 2026.

For Chinese companies planning to invest in Europe or Southeast Asia, the main change is that oversight no longer stops once the investment is made. It now follows the investment through its whole life cycle, and it reaches more types of investors than before.

WHAT CHANGES

i. **More investors are covered.** Individuals are now explicitly inside the regime, alongside companies and other organizations. The rules also apply to investments made "directly or indirectly", which can bring in structures such as SPVs and fund channels, depending on actual ownership, control and the source of funds.

ii. **Reinvestments through overseas subsidiaries are covered.** Under the old rules a report was needed only for large reinvestments. The USD 300 million threshold has been removed, so any non-sensitive reinvestment through a controlled overseas entity, including qualifying round-trip investments, must be reported online at least 10 working days before it is carried out.

iii. **Data counts as investment value.** Data is now listed among the assets that make up the Chinese party's contribution, together with currency, securities, technology, intellectual property, equity and debt claims. This can affect how a project is valued and whether it crosses a reporting threshold.

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THE THREE-TIER SYSTEM

TYPE OF INVESTMENT	WHAT IS REQUIRED
Sensitive regions or industries	Prior approval from the NDRC
Non-sensitive direct investment (equity, assets, financing or guarantees)	Filing and a Notice of Filing before implementation; the filing authority depends on the investor and the amount (for individuals, the provincial development and reform department)
Non-sensitive investment through controlled overseas entities	Online reinvestment report at least 10 working days beforehand

Investments made through the QDII scheme, Stock Connect or the Cross-boundary Wealth Management Connect are exempt, unless the investor obtains control of the target or a stake or voting rights equal to a whole multiple of 10%.

NEW OBLIGATIONS DURING THE LIFE OF THE INVESTMENT

- **Preliminary report:** where the Chinese investment is USD 100 million or more, or the project concerns China's diplomatic relations with the host country, a report is due at least 10 working days before significant preparatory work begins (for example, commitments to the host government or signing investment agreements)
- **Annual report:** by 30 June each year, covering the position at 31 December of the previous year.
- **Completion or termination report:** within 10 working days. Termination now expressly includes losing ownership, control or management rights.
- **Major adverse events:** an immediate report, for example in case of significant casualties or asset losses, damage to diplomatic relations, or foreign requests for technology, data or asset transfers that could harm China's national security or interests. The previous deadline was five working days.

PENALTIES

Failing to obtain the required approval or filing, or submitting false materials, can lead to a fine of 0.5% to 1% of the Chinese party's investment. Responsible individuals may be fined RMB 20,000 to 50,000, and criminal liability is possible in serious cases.

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WHAT TO DO NOW

1. Map your structure. Check whether existing holdings and planned investments, including those through SPVs or overseas subsidiaries, fall inside the new scope.
2. Recheck valuations. If data is part of the contribution, it may change which thresholds apply.
3. Plan the calendar. Build the 10-working-day lead times, the 30 June annual report and the completion and termination reports into the project timeline.
4. Coordinate with the host country. NDRC procedures do not replace other requirements, such as MOFCOM and SAFE rules, export controls, data and tax compliance, or the approvals of the destination country (investment registration, foreign investment screening, merger control).
5. Watch for templates. According to an NDRC official Q&A, standardized templates for approval, record-keeping and reporting will be updated and published.

WHY IT MATTERS FOR INVESTMENT IN EUROPE AND SOUTHEAST ASIA

Chinese outbound direct investment reached USD 128.62 billion in the first three quarters of 2026, according to Chinese official figures. More structured home-country reporting, combined with host-country screening in Europe and Southeast Asia, makes early planning of timing and documents essential. GWA assists Chinese companies with both sides of the process: compliance in China and establishment and structuring in the destination country.

Official sources

- NDRC, *Measures for the Administration of Outbound Investment*: https://www.ndrc.gov.cn/xxgk/zcfb/fzggwl/202610/t20261022_1408298.html
- NDRC official Q&A: https://www.ndrc.gov.cn/xxgk/jd/jd/202610/t20261022_1408302.html
- Xinhua / People's Daily, 23 October 2026: http://en.people.cn/n3/2026/1023/c90000-20511530.html

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