

Document of Management Committee of Guangzhou Pazhou Artificial Intelligence and Digital Economy Pilot Zone Haizhu District Bureau of Science, Technology, Industry, Commerce and Information Technology

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**Notice of Management Committee of Guangzhou Pazhou Artificial Intelligence and Digital Economy Pilot Zone and Haizhu District Bureau of Science, Technology, Industry, Commerce and Information Technology on Issuing the Several Measures of Haizhu District in Guangzhou for Promoting the Construction of "Pazhou Algorithmic Silicon Valley"**

To all units concerned,

In order to promote the development of the algorithm industry in Haizhu District and strengthen the industrial core of Pazhou Artificial Intelligence and Digital Economy Pilot Zone, the *Several Measures of Haizhu District in Guangzhou for Promoting the Construction of "Pazhou Algorithmic Silicon Valley"* is hereby issued to you for your compliance and implementation.

Management Committee of Guangzhou Pazhou Artificial Intelligence and Digital Economy Pilot Zone

Haizhu District Bureau of Science, Technology, Industry, Commerce and Information Technology  
July 1, 2022

# Several Measures of Haizhu District in Guangzhou for Promoting the Construction of "Pazhou Algorithmic Silicon Valley"

## Chapter I General Provisions

**Article 1** In order to fully implement the national strategy for digital economy development, pursue innovation-driven high-quality development, strengthen the industrial core of Pazhou Artificial Intelligence and Digital Economy Pilot Zone ("Pazhou Pilot Zone"), accelerate the construction of "Pazhou Algorithmic Silicon Valley" by gathering leading enterprises, fostering a group of small and medium-sized enterprises, attracting key talents, creating featured development vehicles, with a focus on the three pillars of artificial intelligence development, i.e., algorithm, computing power, and data, these Measures are formulated in accordance with the *Notice of the State Council on Issuing the 14<sup>th</sup> Five-Year Development Plan for the Digital Economy* (Guo Fa [2021] No. 29), *Regulations of Guangdong Province for Promotion of Digital Economy*, and *Regulations of Guangzhou Municipality for Promotion of Digital Economy* as well as the realities of Haizhu District (the "District").

## Chapter II Scope of Application

**Article 2** These Measures shall apply to enterprises that are registered, pay taxes, and are included in statistics as per law with a sound financial system, independent legal person status, and independent accounting, whose principal businesses are technologies, products, services, and supporting infrastructure closely related to the development of the algorithm industry, as well as the relevant scientific research institutions, featured vehicles, etc. included in the support scope. Support shall be provided primarily for the following fields:

- (I) Integrated circuit (IC) design;
- (II) Chip manufacturing or sales;
- (III) High-end software development;
- (IV) Intelligent computing infrastructure projects;
- (V) Algorithm-featured buildings or parks.

## Chapter III Rewards

### Article 3 [R&D Investment Subsidy]

(I) Enterprises in Pazhou Pilot Zone that have purchased electronic design automation (EDA) tools for R&D purposes shall be granted a subsidy at 50% of the actual purchase cost of the previous year, up to RMB 1 million per annum.

(II) Enterprises in the Pazhou Pilot Zone that are engaged in the R&D of EDA tools for IC shall be granted a subsidy at 50% of the EDA R&D cost of the previous year, up to RMB 5 million per annum.

(III) For the public service platforms of IC design, manufacturing, packaging, and testing that provide EDA tools and intellectual property (IP), design solutions, advanced process tape-out, advanced packaging & testing service, testing & verification equipment, etc. to support chip R&D services for enterprises in the District, the enterprises that construct such platforms shall be granted a one-time subsidy at 20% of the actual construction cost, up to RMB 3 million.

### Article 4 [Enterprise Scale-up Reward]

(I) Enterprises newly settled in the District (newly registered in or relocated to the District, the same below) and engaged in principal businesses such as IC design, chip manufacturing or sales, EDA, high-end software development, computing power

O&M services, etc. in Pazhou Pilot Zone, whose principal business revenue in the District of the previous year is over RMB 50 million, RMB 100 million, RMB 500 million, and RMB 1 billion for the first time, shall be granted a reward of RMB 300,000, RMB 500,000, RMB 2 million, and RMB 5 million, respectively.

If an enterprise fails to meet the reward criteria in the settlement year, it may be rewarded from the year in which it meets the reward criteria, and the reward year shall be within the validity period of these Measures.

(II) Enterprises engaged in principal businesses such as IC design, chip manufacturing or sales, EDA, high-end software development, computing power O&M services, etc. in Pazhou Pilot Zone, whose previous year's principal business revenue increment in the District is over RMB 50 million, RMB 100 million, RMB 500 million, and RMB 1 billion for the first time, shall be granted a reward of RMB 500,000, RMB 1 million, RMB 2 million, and RMB 5 million, respectively. If an enterprise's principal business revenue meets the reward criteria grade by grade, the difference between each two reward grades shall be made up for the enterprise.

#### **Article 5 [Product Breakthrough & Innovation Reward]**

IC design enterprises shall be encouraged to accelerate product breakthroughs and mass production. An enterprise that meets the chip production criteria for the first tape out of multi-project wafers shall be granted a reward of 50% of the cost for the first tape out of the product, up to RMB 2 million. IC enterprises that have developed and produced products included in the catalogs of first batch of new materials or the first version of software issued by the Ministry of Industry and Information Technology (MIIT) and the products are placed on the market, shall be granted a reward of 10% of the sales contract amount of the first batch or the first version, up to RMB 2 million.

#### **Article 6 [Reward for Application Scenario Demonstration Projects]**

(I) Enterprises shall be encouraged to apply digital technologies to create application scenario demonstration projects in Pazhou Pilot Zone with a focus on emerging industries, city management, living standards improvement, etc. Enterprises that have constructed projects with their own funds shall be granted a reward of 20% of the total construction investment amount, up to RMB 1 million.

(II) A project recognized as a national-level application demonstration project shall be granted a one-time reward of up to RMB 1 million.

The same application demonstration project meeting relevant criteria may be granted both the above two rewards.

#### **Article 7 [AI Computing Infrastructure Subsidy]**

(I) Enterprises shall be encouraged to construct AI computing power infrastructures that are efficient, intelligent, safe, reliable, green, low-carbon, inclusive and open, and to build public computing power service platforms. Enterprises that have built AI computing power center projects with their own funds shall be granted a one-time subsidy of up to RMB 5 million according to the construction investment amount and computing power scale.

(II) Enterprises in Pazhou Pilot Zone that have purchased computing power services of AI computing power centers in the District shall be granted a subsidy of 30% of the fees of services actually purchased and paid in the previous year, up to RMB 500,000 per annum.

#### **Article 8 [Key Talent Contribution Reward]**

(I) Enterprises shall be encouraged to utilize over 50% of the total reward granted by the District as corporate key talent reward. As per enterprise requirements, the reward may be transferred to personal accounts of key talents in a lump sum after

personal income tax deduction. The specific allocation plan for the reward shall be determined by the enterprise itself. Key talent recommendation shall be subject to an enterprise commitment system, under which enterprises recommend the key talents to be rewarded and reward plans and are responsible for the talent eligibility.

(II) Key talents in key algorithm enterprises shall be entitled to policy supports in terms of application for permanent residency, children's schooling, talent apartments, and talent green cards in accordance with the law.

#### **Article 9 [Office Space Subsidy]**

Resource supports shall be granted to key algorithm enterprises in the District that require land and property to increase capital investment and productivity. Algorithm enterprises newly settled in the District that have leased office space for self-use in Pazhou Pilot Zone, completed house lease registration and filing, and paid the rent as required, shall be granted an office space subsidy for two consecutive years.

(I) Enterprises in the District with previous year's principal business revenue of over RMB 50 million shall be granted a subsidy of RMB 20/m<sup>2</sup>/month, up to RMB 500,000 per annum, on the basis of the floor area.

(II) Enterprises in the District with previous year's principal business revenue of over RMB 100 million shall be granted a subsidy of RMB 30/m<sup>2</sup>/month, up to RMB 1 million per annum, on the basis of the floor area.

(III) Enterprises in the District with previous year's principal business revenue of over RMB 500 million shall be granted a subsidy of 100% of their office space leased, up to RMB 2 million per annum, on the basis of the floor area.

If an enterprise fails to meet the subsidy criteria in the settlement year, it may be granted a subsidy from the year in which it meets the subsidy criteria, and the subsidy period shall be shortened accordingly, i.e., the office space subsidy will not be granted after two years from the settlement year.

The maximum subsidizable office space area for a single enterprise is 1,000 square meters, and the aggregate subsidized area in the District shall not exceed 50,000 square meters in three years.

#### **Article 10 [Investment Promoting Vehicle Reward]**

Buildings and parks in Pazhou Pilot Zone that focus on bringing in algorithm companies to shape an algorithm-featured industrial ecosystem shall be awarded the title of algorithm-featured buildings and parks. If such a building or park meets any of the following criteria, the relevant investment promoting team shall be granted a reward of up to RMB 500,000.

(I) Over five algorithm enterprises were settled in the building or the park in the previous year, and each enterprise's principal business revenue in the District is over RMB 20 million;

(II) The office space rented by the algorithm enterprises settled in the District in the previous year with offices in the building or the park is over 10,000 square meters;

(III) The combined principal business revenue of the algorithm enterprises settled in the District in the previous year with offices in the building or the park is over RMB 100 million.

#### **Article 11 [Major Conference & Event Subsidy]**

Enterprises shall be encouraged to hold or host high-level summits, major forums, innovation competitions, and other events in the algorithm industry in Pazhou Pilot Zone. Events that have a significant influence on and play an important role in promoting the development of the algorithm industry shall be granted a subsidy of 30% of the venue rent actually signed and paid by law, up to RMB 500,000 per event.

### **Article 12 [Support for Vertical Integration of Industrial Chain]**

IC enterprises in Pazhou Pilot Zone shall be encouraged to merge and acquire non-associated enterprises at home and abroad. An IC enterprise that has merged and acquired an IC industrial chain-related enterprise or key R&D institution at home and abroad where the single project amount is over RMB 10 million, shall be granted a subsidy of 10% of the actual amount incurred in the previous year, up to RMB 5 million per annum. An IC enterprise that has merged and reorganized a domestic or foreign listed company and relocates it to the District shall be granted a one-time M&A subsidy of up to RMB 10 million.

### **Chapter IV Supplementary Provisions**

**Article 13** These Measures shall be interpreted by the Guangzhou Pazhou Artificial Intelligence and Digital Economy Pilot Zone Management Committee ("Pazhou Management Committee") and Haizhu District Bureau of Science, Technology, Industry, Commerce and Information Technology, and be implemented by Pazhou Management Committee. The specific operating guidelines shall be formulated separately by Pazhou Management Committee.

**Article 14** For the purposes of these Measures, the geographic scope of "Pazhou Pilot Zone" shall mean the area from Guangzhou Avenue in the west to the intersection of the Pearl River Front Waterway and Guanzhou Waterway in the east, to the Pearl River Front Waterway in the north, and to the Xinjiao Road-Chishachong-Guanzhou Waterway in the south.

**Article 15** For the purposes of these Measures, "construction investment amount" shall mean the settlement price of a project, which is fully utilized for the construction of the project.

**Article 16** For the purposes of these Measures, "previous year" shall mean the previous natural year, i.e., from January 1 to December 31 of the solar calendar.

**Article 17** For the purposes of these Measures, "over" shall include the given figure.

**Article 18** Enterprises may voluntarily apply for rewards and subsidies according to these Measures. The total amount of financial support received by one enterprise or project in the District shall not be higher than its comprehensive economic contribution to the development of the District in the previous year.

**Article 19** Recipients of the rewards and subsidies shall utilize the proceeds in compliance with laws and regulations, be cooperative in the supervision, inspection, and audit by relevant competent government agencies, and fulfill their social responsibilities. Enterprises applying for rewards and subsidies hereunder shall have no bad credit records and sign relevant letters of commitment. In case of breach of its commitment, an enterprise shall return the reward and subsidy funds it has received.

**Article 20** These Measures shall enter into force as of the date of promulgation and remain in force for three years. Upon expiry of the validity period or in case of change in the basis of relevant laws and policies, these Measures shall be assessed and amended based on the implementation results. If force majeure, the actions of higher governments or authorities, or the promulgation of relevant laws, regulations, rules and policies result in the unenforceability of these Measures, the provision of relevant rewards and subsidies shall be ceased. If any changes in the laws, regulations, rules, and policies of the higher governments or authorities render these Measures inconsistent with the regulations of the higher governments or authorities, the former shall apply, and the corresponding clauses herein shall cease to apply.

**Disclosure method:** Voluntary disclosure

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General Affairs Division of Management Committee of Guangzhou Pazhou Artificial  
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