

TAX RATES | 2018 CHINA

A	Companies
1	Resident companies
	<p>Corporate tax rates</p> <ul style="list-style-type: none"> ■ 25% ■ 20% for low-profit enterprises (only applicable to resident enterprises) <p>Tax base</p> <ul style="list-style-type: none"> ■ worldwide <p>Capital gains</p> <ul style="list-style-type: none"> ■ Yes, part of business income (except in certain cases of merger and acquisition)
2	Non-resident companies
	<p>Corporate tax rates</p> <ul style="list-style-type: none"> ■ 25% <p>Capital gains (sale of shares in resident companies)</p> <ul style="list-style-type: none"> ■ Part of business income (except in certain cases of merger and acquisition) <p>Final withholding tax rates</p> <p>Branch profits</p> <ul style="list-style-type: none"> ■ No <p>Dividends</p> <ul style="list-style-type: none"> ■ 10% (the tax may, subject to certain conditions, be deferred if received dividends of profits are re-invested in China) <p>Interest</p> <ul style="list-style-type: none"> ■ 10% (interest on state bonds is exempt) <p>Royalties</p> <ul style="list-style-type: none"> ■ 10% <p>Fees (technical)</p> <ul style="list-style-type: none"> ■ No <p>Fees (management)</p> <ul style="list-style-type: none"> ■ No
B	Individuals
1	Resident individuals
	<p>Income tax rates</p> <ul style="list-style-type: none"> ■ Progressive (employment and business income) ■ Wages and salaries: top rate 45% (income over CNY 80,000 per month) ■ Business income: top rate 35% (income over CNY 100,000 per year) ■ Personal services: top rate 40% (income over CNY 50,000 per transaction) <p>Dividends from 20% to 0% (reduced tax base depending on holding period) Interest (interest on savings is exempt) and royalties: 20%</p> <p>Capital gains</p> <ul style="list-style-type: none"> ■ 20% <p>0% on sale of shares of listed companies or on the trading of participations in recognized Hong Kong investment funds until 17 December 2018 and residential home self-occupied for more than 5 years</p>

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B	Individuals	
2	Non-resident individuals	
	Income tax rates	<ul style="list-style-type: none"> ■ Employment and business income Wages and salaries: top rate 45% (income over CNY 80,000 per month) Business income: top rate 35% (income over CNY 100,000 per year)
	Capital gains (sale of shares in resident companies)	<ul style="list-style-type: none"> ■ 20% ■ 0% on capital gains derived from the trading of participations in recognized Chinese investment funds realized by Hong Kong individuals until 17 December 2018
	Final withholding tax rates	
	Employment income	<ul style="list-style-type: none"> ■ General wage withholding applies
	Dividends	<ul style="list-style-type: none"> ■ 20% (dividends derived by foreign individuals from foreign invested enterprises and B shares are exempt from individual income tax)
	Interest	<ul style="list-style-type: none"> ■ 20% (interest on state bonds and interest on savings are currently exempt)
	Royalties	<ul style="list-style-type: none"> ■ 20%
	Fees (technical)	<ul style="list-style-type: none"> ■ No
	Fees (management)	<ul style="list-style-type: none"> ■ Taxed as employment income if there is an employment relationship or as services in the rates from 20% to 40%
C	Turnover Taxes	
	VAT/GST (standard)	<ul style="list-style-type: none"> ■ 17%
	VAT/GST (standard)	<ul style="list-style-type: none"> ■ 0%, 3%, 6%, 11%
	VAT/GST (increased)	<ul style="list-style-type: none"> ■ No
	Capital gains	<ul style="list-style-type: none"> ■ Other