

Three reporting horizons for a company in China

Month

- VAT
- Individual income tax on salaries
- Withholding tax

Deadline: the 15th

Quarter

- Advance corporate income tax payment

Deadline: 15 days after quarter end

Year

- Annual CIT reconciliation
- IIT reconciliation

Deadline: 31 May and 30 June

Everyone shares one reference point — the tax year closes on 31 December

A company's year in China: deadline calendar

15th of every month

VAT, individual income tax, withholding tax

15 January

CIT advance for Q4

1 March – 30 June

annual IIT reconciliation window

15 April

CIT advance for Q1

31 May

annual CIT return and final settlement

15 July

advance for Q2

15 October

advance for Q3

Tip

Set a reminder 5 days before each deadline

VAT in China: filing frequency depends on status

Threshold

Annual turnover — CNY 5 million

Below threshold — small-scale taxpayer

- Simplified regime
- Quarterly filing by agreement with the tax office
- No input VAT credit

Above threshold — general taxpayer

- Monthly return, by the 15th
- Input VAT credit available
- Export refund available

Exemption

Turnover up to CNY 100,000 per month or CNY 300,000 per quarter — no VAT arises

VAT rates in China

13% most goods, imports, processing and repairs

9% transport, construction, real estate, basic foodstuffs

6% consulting, IT, financial and modern services

1% reduced rate for small-scale taxpayers, valid until 31 December 2027

0% export of goods and certain services with input tax refund

Corporate income tax: advances and annual settlement

Stage 1

Quarterly advance

- Deadline: **15 days** after quarter end
- Calculated on actual profit for the period
- Large taxpayers may be moved to monthly advances



Stage 2

Annual settlement

- Deadline: **31 May** (five months after year end)
- Audit report from a licensed Chinese firm
- Reconciliation with advances paid: top-up or offset

Rates on the annual return

25%	standard
15%	high-tech enterprise (HNTE)
5%	small low-profit enterprise with profit up to CNY 3 million

Important

Certificate expired by the filing date — the rate reverts to 25%

Monthly company withholdings



Individual income tax on salaries

The company acts as withholding agent

15 days after month end



Social contributions for Chinese staff

Same monthly cycle



Withholding tax on payments to non-residents

Dividends, interest, royalties — 10%, lower under a double tax treaty

By the 15th of the following month

Once a year

Resident's comprehensive income reconciliation — window from 1 March to 30 June. Mandatory for foreigners with 183 days or more

What a late payment costs

0.05% per day

late fee on the unpaid amount, starting the day after the deadline

50–500%

penalty range for proven evasion, plus closer oversight of the company

10 years

minimum retention period for source documents and fapiao

Sanctions are imposed not by an inspector but by the system: **"Golden Tax"** automatically cross-checks tax, customs and bank data

CONTACTS

VITA LIBERTA LIMITED

www.vitaliberta.hk

Office room 68, 7/F, Woon Lee Commercial Building, 7 Austin Ave, Tsim Sha Tsui, Kowloon, Hong Kong

+852 6841 6177



legal@vitaliberta.com



Hangzhou office (China):

Room 815, Building 3, Zhonghao Wangjiang International, No. 332 Wangjiang East Road, Shangcheng District, Hangzhou City

Direct line:

+86 130 7361 7169