



State Taxation Administration Annual Report

(2025)

State Taxation Administration
People's Republic of China

CONTENTS

Commissioner's Message	1
 Overview of the STA's Work in 2025	 3
Further Advancing Party Building	5
Collecting Taxes and Fees in Accordance with Laws and Regulations	6
Precisely and Efficiently Implementing Tax and Fee Incentives	8
Continuously Deepening Tax Reforms	8
Effectively Strengthening Tax Compliance Management	9
Constantly Optimizing Taxpayer and Fee Payer Services	12
Diligently Serving National Major Development Strategies	15
Earnestly Strengthening International Exchanges and Cooperation	15
Exercising Full and Rigorous Party Self-Governance and Cultivating a Competent Workforce	18
 STA's Development Strategy in 2026	 21
General Approach	22
Tasks	22

Appendices	25
Organizational Structure	26
Tax and Fee System	33
Tax Treaty and Exchange of Information Network	57

LIST OF TABLES AND FIGURES

Tables

Table 1	National Aggregate Tax Revenue (2025)	6
Table 2	Social Security Contributions Collected by Tax Authorities (2025)	7
Table 3	Non-tax Revenue Collected by Tax Authorities (2025)	8
Table 4	STA's International Exchanges (2025)	16
Table 5	Organizational Structure of Tax Authorities at the Provincial Level and Below (2025)	30
Table 6	Changes in the Number of Staff in Tax Authorities at All Levels Since 2018	32
Table 7	Current Tax System (2025)	37
Table 8	Current Social Insurance System in China (2025)	44
Table 9	Central-level Non-tax Revenues Uniformly Collected by Tax Authorities (2025)	49
Table 10	Agreements for the Avoidance of Double Taxation Between China and Other Countries	57
Table 11	Arrangements for the Avoidance of Double Taxation Between the Chinese Mainland and the Hong Kong SAR and the Macao SAR	61
Table 12	Agreement for the Avoidance of Double Taxation Between the Chinese Mainland and China's Taiwan Region	61
Table 13	Multilateral Tax Conventions Signed by the Chinese Government	62
Table 14	Tax Information Exchange Agreements Signed by the Chinese Government	62

Figures

Figure 1	Structure of Tax Revenues Including Goods and Services Tax, Income Tax, Property and Behavior Tax, etc. (2025)	7
Figure 2	Organizational Structure of the STA	27
Figure 3	Organizational Structure of Chinese Tax Authorities	31
Figure 4	Changes in the Number of Staff in Tax Authorities at All Levels Since 2018	32

LIST OF COLUMNS

Column 1	The Study Session on Learning and Education on Thoroughly Implementing the Spirit of the Eight-Point Regulation of the CPC Central Committee for Tax Authorities at All Levels Nationwide	5
Column 2	“Strengthening the Foundation Project” of Tax and Fee Administration in the Context of Digital Transformation	10
Column 3	Guidance on Compliant Filing	10
Column 4	“Bank-Tax Interaction”	11
Column 5	Inter-departmental Working Mechanism for Cracking Down on Tax Violations and Crimes	11
Column 6	“Spring Breeze Project”	12
Column 7	“Spring Rain Nurturing Sprouts” Initiative	13
Column 8	Cross-Regional Handling of Tax and Fee Matters	13
Column 9	Mechanism for Resolving Tax and Fee Requests	14
Column 10	Regulation of Professional Tax-Related Service Providers	14
Column 11	Belt and Road Initiative Tax Administration Cooperation Mechanism	16
Column 12	Cross-border Taxpayer Service Brand—“TaxExpress”	17
Column 13	China-OECD LLM Program on Taxation (COTP)	17
Column 14	Cultivation of Tax Talents	18

Column 15	National Basic Training for Chinese Tax Authorities (Strengthening the Foundation Training)	19
Column 16	National Vocational Skills Competition and Professional Training Exercises for Chinese Tax Authorities	19

Commissioner's Message

Dear readers,

The State Taxation Administration Annual Report (2025) is officially published. This annual report provides an update on the progress the State Taxation Administration (STA) of China has made in collecting taxes and fees, implementing tax and fee incentives, deepening tax reforms, strengthening tax compliance management, improving taxpayer and fee payer services, and conducting international exchanges and cooperation in 2025, fully reflecting new strides made over the past year in advancing tax practices in Chinese modernization. On behalf of the STA, I would like to extend my sincere appreciation to friends at home and abroad for supporting China's tax development.

In 2025, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Chinese tax authorities resolutely implemented the decisions and arrangements of the Communist Party of China (CPC) Central Committee, solidly implemented the requirements of the State Council, and made new achievements in tax work, contributing to the successful completion of the 14th Five-Year Plan. We collected taxes and fees in accordance with laws and regulations, with total revenue reaching 33.1 trillion yuan, further consolidating the financial foundation for national development. We intensified efforts to address irregular investment promotion practices and tax-related issues such as the “invoicing economy”, and promoted the promulgation and implementation of *Regulations on the Reporting of Tax-Related Information of Internet Platform Enterprises*, playing an active role in supporting the development of a unified national market. We thoroughly carried out the “Strengthening the Foundation Project” of tax and fee administration in the context of digital transformation, pressed ahead with core tasks such as tax filing management and policy application management, and made substantial improvements in taxpayer and fee payer services, thereby enhancing governance efficiency and effectiveness. We continued to deepen tax reforms, fully completing the reform tasks set out in *Opinions on Further Deepening the Reform of Tax Collection and Administration* issued by the General Office of the CPC Central Committee and the General Office of the State Council, promoting the promulgation of *Implementation Regulations of Value-Added Tax Law*, placing tax incentives

under better regulation, and steadily advancing reforms in the administration of social security contributions and non-tax revenues, and providing sustained support for high-quality development. We have accurately implemented structural tax and fee incentives, delivering more than 2.8 trillion yuan in tax and fee cuts and tax refunds under main policies supporting technological innovation and development of the manufacturing sector, which effectively promoted the development of new quality productive forces. We strengthened tax supervision and investigation in key areas, rigorously investigated and regularly disclosed tax violations, and significantly improved tax compliance of market entities. We actively participated in global tax governance and cooperation, continuously deepened the development of the Belt and Road Tax Administration Cooperation Mechanism, further developed the “TaxExpress” cross-border taxpayer service brand, and optimized services and administration for export tax refund and departure tax refund, actively supporting high-level opening-up.

The year 2026 marks the beginning of the 15th Five-Year Plan period. Chinese tax authorities will follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implement the guiding principles from the 20th CPC National Congress and the subsequent plenary sessions of the 20th CPC Central Committee, and make sure that tax officials have a correct understanding of what it means to perform well and act accordingly. We will uphold the rule of law, strengthen foundational work, collect taxes and fees in accordance with laws and regulations, and help keep the overall macro tax burden at reasonable levels. We will accelerate reforms in the taxation area and improve tax and fee systems that support high-quality development, social equity, and market unity. We will further address tax-related issues such as the “invoicing economy” and irregular investment promotion, enhance tax supervision and investigation in a more scientific and targeted manner, and safeguard a fair, law-based tax environment. We will step up efforts to guide and promote compliance, and continue to foster a market-oriented, law-based, and internationalized tax environment. We will advance full and rigorous Party self-governance within the tax system with higher standards and more concrete measures, comprehensively strengthen the cultivation of the tax workforce and strive to write a new chapter in advancing tax practices in Chinese modernization during the 15th Five-Year Plan period, making greater contributions to achieving decisive progress toward the basic realization of socialist modernization.

Following the right path, we will achieve harmony and shared coexistence. We stand ready to join hands with all sectors of society and tax colleagues around the world to contribute to building a fairer and more efficient global tax governance system and to promoting sustained and healthy growth of the world economy. At the same time, we sincerely hope that you will continue, as always, to pay attention to and support China’s tax reform and development.

Hu Jinglin
Commissioner
State Taxation Administration
April 2026

Overview of the STA's Work in 2025

- ◆ Further Advancing Party Building
- ◆ Collecting Taxes and Fees in Accordance with Laws and Regulations
- ◆ Precisely and Efficiently Implementing Tax and Fee Incentives
- ◆ Continuously Deepening Tax Reforms
- ◆ Effectively Strengthening Tax Compliance Management
- ◆ Constantly Optimizing Taxpayer and Fee Payer Services
- ◆ Diligently Serving National Major Development Strategies
- ◆ Earnestly Strengthening International Exchanges and Cooperation
- ◆ Exercising Full and Rigorous Party Self-Governance and Cultivating a Competent Workforce

In 2025, Chinese tax authorities, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, earnestly studied and implemented the guiding principles from the 20th CPC National Congress and the subsequent plenary sessions of the 20th CPC Central Committee. With the Party's political building as the overarching priority, Chinese tax authorities solidly carried out a learning and education campaign on thoroughly implementing the spirit of the Eight-Point Regulation of the CPC Central Committee, took resolute and practical measures to deepen the rectification of issues identified by the central inspections, and earnestly advanced the "Strengthening the Foundation Project" of tax and fee administration in the context of digital transformation. By simultaneously promoting law-based taxation, data-driven taxation, and integrity-oriented taxation, Chinese tax authorities made new, solid progress in advancing tax practices in Chinese modernization, contributing to the successful conclusion of the 14th Five-Year Plan.

Further Advancing Party Building

Taking the study and implementation of General Secretary Xi Jinping's important instructions and comments as its primary political task, the STA worked hard to ensure that those directives are thoroughly understood and faithfully implemented. To implement the spirit of the CPC Central Committee's Eight-Point Regulation on improving work conduct, the STA organized the study session on learning and education on thoroughly implementing the spirit of the Eight-Point Regulation of the CPC Central Committee for tax authorities at all levels nationwide to promote an integrated process of learning, inspection, and rectification, which has yielded significant results in rectifying the "Four Forms of Decadence" and fostering a new atmosphere. With a commitment to tackling tough problems, the STA advanced the rectification based on the inspections of the CPC Central Committee, ensuring that all measures were implemented in an orderly manner to achieve tangible effects. Two rounds

of inspection and supervision were conducted on the Party Committees of 21 provincial level tax authorities. Following this, the STA facilitated the rectification process and leveraged the results of both inspection and rectification to take concrete actions in upholding the "Two Upholds". The STA has further formulated a list of primary Party building responsibilities for personnel at all levels, enriched activities of Themed Party Days, and effectively utilized sessions for discipline inspection committee members to provide integrity education. By selecting and recognizing the first batch of "Four Strengths" Party branches and "Four Excellences" Party members, and intensifying efforts to expand the reach of Party organizations and their work within the tax agent industry, the STA has continuously strengthened the political and organizational functions of primary-level Party organizations and effectively enhanced the overall quality of Party building across the taxation system.

Column 1

The Study Session on Learning and Education on Thoroughly Implementing the Spirit of the Eight-Point Regulation of the CPC Central Committee for Tax Authorities at All Levels Nationwide

In April 2025, the STA organized the study session on learning and education on thoroughly implementing the spirit of the Eight-Point Regulation of the CPC Central Committee for tax authorities at all levels nationwide to further internalize General Secretary Xi Jinping's important statements on strengthening the Party's conduct. By leading by example, the STA guided tax authorities at all levels nationwide to ensure that the study and implementation of the Eight-Point Regulation be intensified and yield solid results. The program, featuring group study, discussions,

and the "learning the same lesson" initiative, guided tax staff at all levels to grasp the strategic significance of the Party-wide study programs and recognize the CPC Central Committee's unwavering resolve to root out the "Four Forms of Decadence" and purify the Party's conduct. These efforts were directed at further enhancing the officials' political, ideological, and action-oriented consciousness to effectively conduct the study campaign and resolutely implement the spirit of the Eight-Point Regulation of the CPC Central Committee.

Collecting Taxes and Fees in Accordance with Laws and Regulations

Upholding the principle of collecting taxes and fees in accordance with laws and regulations, the STA strengthened tax compliance management throughout the entire process and strictly adhered to the bottom line of guarding against the collection of “excessive taxes and fees”. These efforts led to the successful achievement of the annual budgetary targets for tax and fee revenue. In 2025, Chinese tax authorities collected a total of 33.1 trillion yuan in various taxes and

fees. Specifically, a total of 17.8 trillion yuan of tax revenue was collected, representing a year-on-year increase of 2.7% (excluding import value-added tax and Excise Tax collected by the customs on behalf of tax authorities, as well as Customs Duty and Vessel Tonnage Tax, and without deducting export tax refund). A total of 9.1 trillion yuan of social security contributions and 6.2 trillion yuan of non-tax revenues and other revenues were collected.

Table 1 National Aggregate Tax Revenue (2025)

Unit: one hundred million yuan

Item	2025	2024	Year-on-year Growth Rate (%)
National Aggregate Tax Revenue	177 961	173 283	2.7
Domestic VAT	69 185	66 887	3.4
Domestic Excise Tax	17 114	16 747	2.2
Enterprise Income Tax	41 508	40 906	1.5
Individual Income Tax	16 439	14 766	11.3
Other taxes	33 715	33 978	-0.8

Note: Tax revenue in this table excludes import Value-Added Tax(VAT) collected by the customs on behalf of tax authorities, as well as Customs Duty and Vessel Tonnage Tax, and does not deduct export tax refunds.

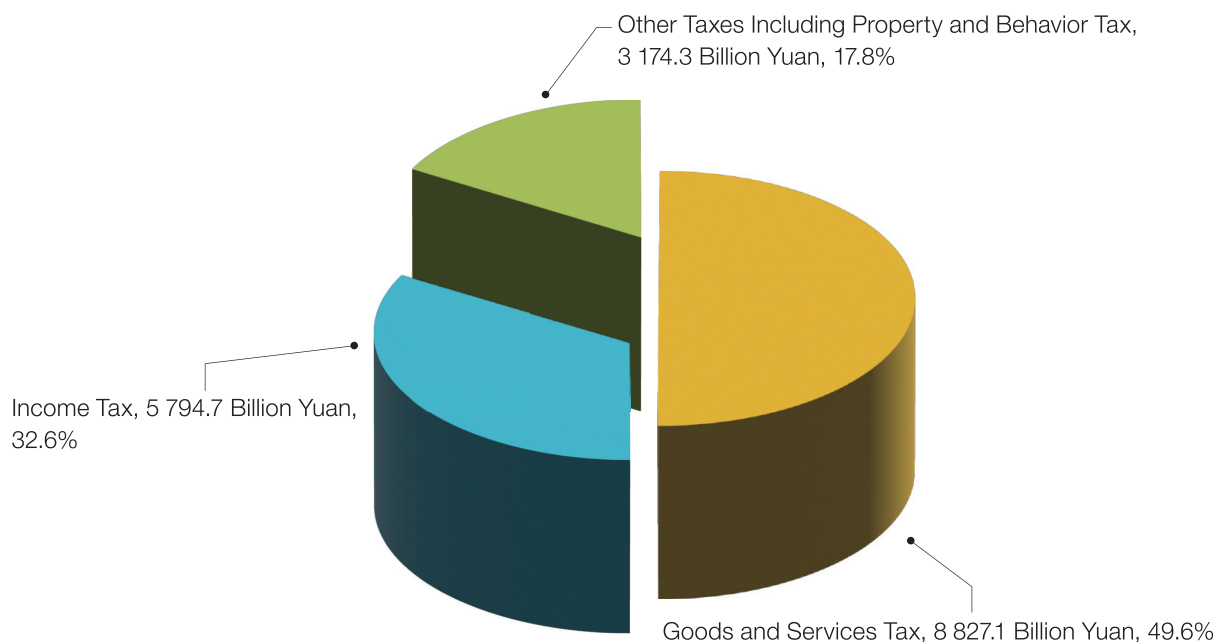


Figure 1 Structure of Tax Revenues Including Goods and Services Tax, Income Tax, Property and Behavior Tax, etc. (2025)

Table 2 Social Security Contributions Collected by Tax Authorities (2025)

Unit: one hundred million yuan

Item	Amount	Year-on-year Growth Rate (%)
Social Security Contributions	91 289.96	5.6
(a) Basic Pension Insurance Contributions	61 517.25	6.5
Basic Pension Insurance Contributions of Enterprise Employees	48 206.04	5.0
Basic Pension Insurance Contributions of Urban and Rural Residents	2 914.86	70.1
Basic Pension Insurance Contributions of Government and Public Institution Employees	10 396.35	2.9
(b) Basic Medical Insurance Contributions (Including Maternity Insurance)	26 417.65	3.3
Basic Medical Insurance Contributions of Enterprise Employees (Including Maternity Insurance)	22 842.99	4.2
Basic Medical Insurance Contributions of Urban and Rural Residents	3 574.66	-2.1
(c) Unemployment Insurance Contributions	1 956.97	4.4
(d) Employment Injury Insurance Contributions	1 359.62	8.3
(e) Occupational Injury Protection Contributions	23.91	177.4
(f) Long-term Care Insurance Contributions	14.57	31.5

Note: Minor rounding differences exist between the total figure and the sum of sub-items due to rounding adjustments.

Table 3 Non-tax Revenue Collected by Tax Authorities (2025)

Unit:one hundred million yuan

Item	Amount	Year-on-year Growth Rate (%)
Non-tax Revenue	56 147.65	-10.3
Including:		
General Public Budgetary Revenue	9 027.04	-2.2
Budgetary Revenue for Government-managed Funds	46 502.51	-12.1
Budgetary Revenue for State Capital Operations	618.12	32.7

Note: Minor rounding differences exist between the total figure and the sum of sub-items due to rounding adjustments.

Precisely and Efficiently Implementing Tax and Fee Incentives

Leveraging the strengths of tax big data, the STA has continuously enhanced the “policies looking for people” service and developed positive lists for compliant claims and negative lists for fraudulent claims. These measures have strengthened policy application management, ensuring all eligible taxpayers fully enjoy policy dividends while effectively guarding against the risks of erroneous claims or fraud.

By strengthening coordination with relevant departments, the STA clarified policies with unclear

implementation criteria, thereby significantly enhancing the certainty and consistency of tax and fee policy enforcement. In 2025, tax and fee cuts and tax refunds from the main policies supporting technological innovation and development of the manufacturing sector exceeded 2.8 trillion yuan. Meanwhile, sales revenue from high-tech industries nationwide increased by 13.9%, injecting strong momentum into the development of new quality productive forces.

Continuously Deepening Tax Reforms

Further implementing the spirit of the 20th CPC National Congress and the third and fourth plenary sessions of the 20th CPC Central Committee, the STA continuously deepened reforms across the tax area. The STA facilitated the amendment of *Environmental Protection Tax Law* and the

introduction of *Implementing Regulations of the Value-Added Tax Law*. Furthermore, the comprehensive revision of *Tax Collection and Administration Law* was initiated, marking its first major update in 24 years. The STA has fully accomplished the tasks outlined in *Opinions on*

Further Deepening the Reform of Tax Collection and Administration issued by the General Office of the CPC Central Committee and the General Office of the State Council. Following this, the STA introduced 54 subsequent reform measures which progressively achieved tangible results, and advanced the reform of social security contributions and non-tax revenue collection in

an orderly manner. The coverage of fully digitized electronic invoices continued to expand, reaching over 99% of taxpayers and effectively reducing institutional transaction costs. Currently, 100% of tax- and fee-related matters can be handled online, with 90% of high-frequency services completed within three minutes, leading to a 20% reduction in average handling time.

Effectively Strengthening Tax Compliance Management

Adhering to law-based governance, the STA has been striving to foster a fair taxation ecosystem through tax compliance management, where compliant business operators are respected, law-abiding tax payment becomes the norm, and violators of laws and regulations are punished. Focusing on consolidating the foundation of tax supervision, the STA has implemented the “Strengthening the Foundation Project” of tax and fee administration in the context of digital transformation to comprehensively strengthen basic tasks such as tax and fee source management, tax filing management, and tax debt management. Particularly, to expand tax information acquisition and application, the STA issued *Regulations on the Reporting of Tax-Related Information of Internet Platform Enterprises*, which strongly promoted fair competition between online and offline businesses and plugged regulatory loopholes. Focusing on standardizing tax law enforcement, the STA revised the model list of powers and responsibilities for tax authorities, issued *Provisions on the Discipline Against Tax Officials for Tax-Related Violations*, carried out a special campaign for regulating enterprise-related administrative law enforcement, further advancing

law-based performance of duties by tax authorities and tax officials at all levels.

Focusing on promoting compliance through guidance, the STA improved systems for tax and fee payment credit management and professional tax-related service management, consistently deepened “Bank-Tax Interaction” which helped creditworthy micro and small businesses receive almost 3 trillion yuan of credit loans from banks, continuously exposed 560 typical cases of tax violations in a classified and categorized manner, and regularly released more than 70 typical cases demonstrating compliant business operations, guiding all business entities to voluntarily comply with tax laws and pay taxes with integrity.

Focusing on cracking down on tax violations and crimes, the STA strengthened supervision over key areas such as refined oil products, export tax rebates, and the internet celebrities sector. Leveraging the mechanism for cracking down on tax violations and crimes with the joint efforts of 8 departments including the STA and Ministry of Public Security, the STA maintained a high-pressure stance against tax-related crimes, which effectively safeguarded national tax security and maintained a sound economic and tax order.

Column 2

“Strengthening the Foundation Project” of Tax and Fee Administration in the Context of Digital Transformation

To better adapt to the new landscape marked by structural and trending changes in economic tax sources and leapfrog development in tax informatization construction amid the digital era, since the beginning of 2025, the STA has deployed and launched the “Strengthening the Foundation Project” of tax and fee administration in the context of digital transformation. Relying on smart taxation and using the optimization of tax and fee filing management as an entry point, the project is aimed at building a new model of tax and fee collection and administration

amid digital transformation which is based on routine tax and fee source management at the grassroots level and guided by classified and tiered risk management, so as to build a series of new supervision mechanisms focusing on preventing tax risks in key fields. The STA strives to consolidate the foundation of tax and fee collection and administration within about three years, elevate the efficiency and effectiveness of tax administration and ensure steady and long-term progress of advancing tax practices in Chinese modernization.

Column 3

Guidance on Compliant Filing

In 2025, tax authorities at all levels continuously optimized measures for compliance education and guidance, by promptly and accurately informing taxpayers of tax filing requirements and fostering the consensus on compliance, thus enhancing voluntary compliance. Focusing on supporting key areas such as technological innovation, development of manufacturing sector, and small and medium-sized enterprises, the STA precisely delivered tax incentives, with a cumulative total of 321 million pieces of policy messages for 134 million taxpayers (times). The STA regularly organized the “First Lesson for Newly Established Businesses” program and

distributed 25.07 million targeted promotional materials of tax policies interpretations and guidelines. The STA further expanded the application scenarios of visualized Q&A sessions. Focusing on hot topics such as tax-related information reporting for internet platform enterprises, the reduction and exemption of “Six Taxes and Two Fees”, and departure tax refund, the STA conducted 2011 visualized Q&A sessions throughout the year via online live streaming platforms to enable real-time interaction and resolve taxpayers’ concerns, attracting 2.12 million viewers.

Column 4

“Bank-Tax Interaction”

To relieve the financing difficulties of micro and small enterprises, the STA has been working together with the financial regulatory authorities on “Bank-Tax Interaction” nationwide since 2015, which converted the tax-paying credit to financing credit and helped eligible micro and small enterprises obtain credit loans without collateral. In the past decade, tax authorities have further tapped into the full potential of cooperation with the financial regulatory authorities and banks by optimizing the mechanism, enriched information

sharing between the banks and tax authorities, innovated the credit products, and expanded the scope of beneficial enterprises. On the premise of effectively protecting taxpayers’ legitimate interests and ensuring data security, the STA refined the “Bank-Tax Interaction” to promote the healthy development of micro and small businesses. In 2025, creditworthy micro and small businesses nationwide received nearly 3 trillion yuan in credit loans from banks through “Bank-Tax Interaction”.

Column 5

Inter-departmental Working Mechanism for Cracking Down on Tax Violations and Crimes

Based on the mechanism for joint cracking down on tax violations and crimes, with the joint efforts of 8 departments including the STA, Ministry of Public Security, Supreme People’s Court, Supreme People’s Procuratorate, People’s Bank of China, General Administration of Customs, State Administration for Market Regulation and State Administration of Foreign Exchange, the STA further deepened collaboration in work, risk prevention, problem resolution, and achievement creation. The STA has focused on targeted crackdowns in key industries and areas and intensively cracked a number of major criminal cases to exert strong deterrence. These eight departments launched the “Joint Sword 2025” campaign cracking down on tax violations and crimes, with the focus on gang-related and

professional tax crimes.

By strengthening data exchange and information sharing, the mechanism has enabled accurate case selection, improved analytical judgment, and enhanced investigation efficiency, effectively curbing the arrogance of lawbreakers and criminals. Adhering to the principle of “combining crackdown with prevention”, the STA put forward suggestions to local governments and relevant departments on improving policies, refining mechanisms and strengthening supervision, thus effectively advancing governance at the source, and promoting the transformation from investigating individual cases and rectifying similar problems to standardizing the whole sector and realizing long-term and effective governance.

Constantly Optimizing Taxpayer and Fee Payer Services

Adhering to the people-centered development philosophy, the “Spring Breeze Project” has been launched for the 12th consecutive year. A series of service measures benefiting enterprises and the public have been integrated and vigorously implemented to deliver tangible results. In collaboration with relevant departments, the 2025 “Spring Rain Nurturing Sprouts” Initiative was carried out to support the development of micro and small business entities, rolling out 10 measures under 3 major themed activities. The STA continued to promote cross-regional handling of tax matters. Based on taxpayer-tax authority interactive services, a remote virtual window was established to provide cross-regional handling

services for taxpayers and fee payers. With an improved mechanism for resolving taxpayer and fee payer requests, the STA and provincial-level tax authorities leveraged coordinated efforts to resolve 1303 pressing concerns for taxpayers and fee payers.

Furthermore, the STA has strengthened management and services for the professional tax-related service industry, and effectively protected the legitimate rights and interests of taxpayers and fee payers. According to a survey, the taxpayer satisfaction score in 2025 reached 89.48 points, which was a new high compared with the previous year.

Column 6

“Spring Breeze Project”

Since 2014, the STA has carried out the “Spring Breeze Project” for twelve consecutive years, promoting steady improvement in taxpayers’ satisfaction and continuous enhancement of their sense of gain across the nation. In 2025, focusing on the philosophy of “getting one thing done efficiently”, Chinese tax authorities continued to carry out the “Spring Breeze Project” under the theme of “Consolidating Foundations for Development, Improving Efficiency to Stimulate Vitality”. Focusing on

four major aspects including “Optimizing Experience Through Smart Services”, “Boosting Development via Policy Implementation”, “Safeguarding Rights and Interests to Promote Compliance” and “Enhancing Efficiency Through Collaborative Efforts”, a series of service measures benefiting both enterprises and the public were integrated and launched, so as to further stimulate the vitality of business entities and guide and promote tax compliance.

Column 7

“Spring Rain Nurturing Sprouts” Initiative

In 2025, to further improve the service efficiency for micro and small businesses, on the basis of years of cooperation with the All-China Federation of Industry and Commerce (ACFIC), the STA launched the “Spring Rain Nurturing Sprouts” Initiative and expanded the cooperation further with five other departments, including the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Ministry of Human Resources and Social Security, the State Administration for Market Regulation, and the National Healthcare Security Administration. Under the theme of “Empowering Micro and Small Businesses”, three major themed activities were rolled out, namely “Improving Service Quality and Efficiency”,

“Safeguarding Healthy Growth” and “Supporting Development and Upgrade”, which were refined into 10 measures and 30 specific initiatives.

During the special initiative period, the STA provided services such as education and training, compliance guidance, and handling reminders for micro and small businesses 74.37 million times. A total of 120 provincial-level joint response mechanisms for requests from micro and small business entities were established, and 102 800 appeals, opinions and suggestions from such entities were jointly addressed. The STA has taken measures to ease difficulties for micro and small businesses and boost the growth and expansion of the private economy.

Column 8

Cross-Regional Handling of Tax and Fee Matters

Based on taxpayer-tax authority interaction services, the STA has improved the cross-regional collaborative mechanism for tax matter application and handling. With the support of technologies such as remote identity verification, audiovisual interaction, data transmission and screen sharing, remote virtual windows were launched, enabling taxpayers and fee payers

to handle cross-regional tax matters either in the integrated taxpayer service hall or through online interaction, all without altering the law enforcement entity, the authority of tax staff and the procedures of tax matter handling. In 2025, a total of 2.01 million cross-regional tax matters were handled for taxpayers and fee payers.

Column 9

Mechanism for Resolving Tax and Fee Requests

In recent years, tax authorities have been enhancing the mechanism for resolving tax and fee requests and gradually established a framework featuring coordination by the STA, primary responsibility shouldered by provincial tax authorities, multilevel collaboration and tiered accountability. At the same time, a regular taxpayer-tax authority

face-to-face interaction mechanism has been improved, facilitating smooth communication between taxpayers and tax authorities and efficiently responding to the requests and suggestions of taxpayers and fee payers. In 2025, the STA and provincial-level tax authorities jointly resolved over 1 300 pressing concerns of taxpayers and fee payers.

Column 10

Regulation of Professional Tax-Related Service Providers

Chinese tax authorities have been consistently enhancing the “credit plus risk” supervision mechanism. With the advancement of categorized and graded management and services, the STA strengthened the integrated governance of illegal and non-compliant conduct of tax professionals and promoted the integrity and tax compliance of professional tax-related service providers. *Proposed Administrative Measures for Tax-related Professional Services* have been published to refine the credit-based incentive and restraint mechanism for tax-related professional services. The STA further standardized the basic compliance norms and code of ethics for tax-related intermediaries, and established a sound management system covering practice inspections, administrative penalties and blacklist disciplinary sanctions.

Efforts have been intensified to rectify illegal and irregular acts of tax-related intermediaries and expose typical cases, so as to forestall tax risks, practice irregularity risks and integrity risks in the tax-related intermediary sector in an integrated manner, and promote tax-related intermediaries to act in good faith and perform their duties in accordance with the law. Relying on information-based channels such as the tax-related professional service credit code and the dedicated agency access of the new electronic tax bureau, combined with regulatory measures including compliance training under the “One Lesson for Standardized Practice” program and linkage evaluation between agency filing quality and credit rating, tax authorities have boosted the quality of tax-related professional services and driven taxpayers to enhance tax compliance.

Diligently Serving National Major Development Strategies

The STA carried out a special campaign to address irregular investment promotion practices and tax-related issues, and clearly required local tax authorities to adhere to the “Four Prohibitions”: not providing solutions, no participation or facilitation, not concealing known violations, and no dereliction of supervision duties. The STA also investigated and publicized typical cases of violations against disciplinary requirements of these “Four Prohibitions”, solidly promoted case-based rectification and governance, and resolutely resisted “involution-style” disorderly competition. The STA actively promoted the implementation of major regional strategies such as the coordinated development of Beijing-Tianjin-Hebei Region, the development of the Guangdong-Hong Kong-Macao Greater Bay Area

and integrated development of Yangtze River Delta. The STA also refined regional collaboration in tax and fee collection and administration and taxpayer services, established regular and long-term cooperation mechanisms among regional tax authorities, and jointly enhanced the convenience for tax handling and payment. The STA actively studied and refined the core tax system and supporting policies for special customs operations of Hainan, providing strong guarantees for the full-island special customs operations. The STA optimized export refund administration and services, introduced supportive policies for overseas warehouses for exports, implemented the “refund-upon-purchase” service for departure tax refund nationwide, and actively served high-standard opening up.

Earnestly Strengthening International Exchanges and Cooperation

The STA fully implemented the spirit of the keynote speech made by President Xi Jinping at the opening ceremony of the Third Belt and Road Forum for International Cooperation, especially the important instructions on strengthening the development of multilateral cooperation platforms in taxation and other fields, and further promoted the development of the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM). The STA assisted the Inland Revenue Department of Nepal in hosting the 6th Belt and Road Initiative Tax Administration Cooperation Forum (BRITACOF), and launching two major product portfolios of Tax Administration and Taxpayer Service, marking a new stage of the BRITACOM to advance practical cooperation through product-oriented practices. The STA participated in international exchanges such as

the Organization for Economic Cooperation and Development (OECD) Forum on Tax Administration (FTA), the Study Group on Asia-Pacific Tax Administration and Research (SGATAR), and the BRICS Tax Cooperation Mechanism, sharing China's practical experience in tax reform and development. Legal processes for the entry into force of China's bilateral tax treaties with Brazil, Cameroon, Italy, and other countries were completed. China's tax treaty network has further expanded to cover 114 countries and regions. The STA released a total of 115 country/region tax guides, advancing the role of the cross-border taxpayer service brand “TaxExpress” in China's national comprehensive overseas service. The STA deeply participated in research and negotiations of international tax rules through platforms such as the United Nations (UN) and the OECD. The STA

proactively enhanced the quality and efficiency of international talent training and the China-OECD LLM Program on Taxation (COTP) has been solidly advanced. In 2025, 11 tax officials were

dispatched to Chinese embassies and consulates, international organizations and foreign universities.

Table 4 STA's International Exchanges (2025)

Countries/Regions
Denmark, Kazakhstan, UAE, South Africa, Saudi Arabia, Tajikistan, Germany, Nepal, Hungary, Uzbekistan, Indonesia, Georgia, Russia, Singapore, India, Korea, Vietnam, Brazil, Australia, Algeria, Japan, Hong Kong (China), Macao (China)

Column 11

Belt and Road Initiative Tax Administration Cooperation Mechanism

The Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) was established in April 2019. It is a multilateral cooperation mechanism initiated by the STA and jointly established by relevant parties, with its Secretariat located in Beijing, China. The BRITACOM aims to, through strengthening tax administration collaboration, promote trade and investment liberalization and facilitation among BRI partners, and advance the inclusive and sustainable development goals outlined in the United Nations 2030 Agenda for Sustainable Development. By the end of 2025, the number of Council members of BRITACOM has increased to 38 with the number of Observers increasing to 30. Six BRITACOFs have been successfully convened, with the participation of finance

ministers, tax commissioners or representatives from over 80 countries/regions, senior officials from nearly 20 international organizations, as well as delegates from the industry and the academia. A total of 37 outcomes have been released cumulatively. Under the framework of the Belt and Road Tax Administration Capacity Enhancement Group (BRITACEG), six Belt and Road Tax Academies have been established. Over 190 online and offline training sessions have been successfully conducted, attracting the participation of more than 8 000 fiscal and tax officials from over 120 countries/regions. BRITACEG has actively assisted Council members and Observers in strengthening their tax administration capacity building.

Column 12

Cross-border Taxpayer Service Brand—"TaxExpress"

In 2025, the STA advanced the development of "TaxExpress" by upgrading and optimizing multiple service initiatives and knowledge products, thereby further optimizing the settlement mechanism for cross-border tax-related needs, and proactively integrated into China's national comprehensive overseas service, and served as a key platform for taxpayer services in advancing high-standard opening up. In 2025, 90 countries/regions tax guides were updated, covering a total of 115 jurisdictions. 412 pieces of global tax news, 23 overseas tax cases, 30 FAQs for cross-border taxpayers and *Full-cycle Taxpayer Service Guidelines for Foreign-Invested Projects* were published for multinational enterprises to understand the tax regulatory environment

of their investment destinations. The STA established cross-departmental expert service teams at both the headquarters and provincial levels, which resolved 300 difficult tax-related issues for cross-border enterprises. Relying on the 12366 taxpayer service hotline, the STA provided cross-border taxpayer service in eight languages including English and French. The STA innovatively launched country-specific tax policy briefing sessions, inviting professionals from foreign tax authorities, overseas Chinese enterprise associations, Chinese embassies and consulates, and related government departments to conduct 18 country-specific events covering Mexico, Pakistan, Austria, Saudi Arabia, Central Asia, the European Union (EU), winning wide acclaim from all parties.

Column 13

China-OECD LLM Program on Taxation (COTP)

In 2022, the COTP was jointly launched by the STA, the Ministry of Finance, Xiamen University and the OECD, under a joint education model for tax talent cultivation. It broke new ground in the cooperation between China and the OECD in conducting degree education in professional fields. By 2025, the program had recruited a total of 114 students in four batches from 2022 to 2025, including 45 international students, all of whom were fiscal and tax officials from

BRI countries. In 2025, the program sent four students to complete a three-month internship at the OECD Headquarters in Paris, and sponsored two students for a three-month academic visit to the Vienna University of Economics and Business. A pathway has been initially established for cultivating internationally oriented tax professionals, enabling them to move from institutional training onto the global stage.

Exercising Full and Rigorous Party Self-Governance and Cultivating a Competent Workforce

The STA has diligently implemented the CPC Central Committee's decisions and arrangements, resolutely upheld the political responsibility of enforcing full and rigorous Party self-governance, promoted the integrated advancement of full and rigorous Party self-governance, and cultivated a competent and professional workforce. The STA has intensified efforts to rectify misconduct and corruption cases affecting citizens, rigorously investigated and punished all acts of abusing tax powers for personal gain, and steadily improved the political environment of the tax system. The Party's organizational line for the new era was thoroughly implemented, and a correct orientation for personnel appointment was established. Continuous efforts were made to strengthen the leadership teams of tax bureaus at all levels, with emphasis placed on the cultivation and selection

of outstanding young talents. The STA steadily carried out the "Young Marxist Cultivation Project" with a plan to train 1 000 young talents, stepped up efforts to rotate and exchange tax officials and recruit professionals in high-demand fields, and promoted the cultivation of various types of talents in a coordinated manner. The STA carried out "National Basic Training for Chinese Tax Authorities (Strengthening the Foundation Training)" and post-appointment training for leading officials, and "National Vocational Skills Competition and Professional Training Exercises for Chinese Tax Authorities" in collaboration with the All-China Federation of Trade Unions (ACFTU), serving high-quality advancement of tax practices in Chinese modernization with high-quality education and training.

Column 14

Cultivation of Tax Talents

The Party committee of the STA adhered to the principle of the Party assuming the role of leading the work of human resources. Centering on the strategic goals of building effective and efficient taxation and advancing high-quality tax practices in Chinese modernization, the STA vigorously implemented the strategy of revitalizing taxation through talent development, and continuously fostered a specialized and professional tax talent force. By the end of 2025, the total number of tax professionals of various categories had reached approximately 83 000, including 1 076

tax elites. The number of operational pacesetters and promising young talents stood at 71 200 and 10 500 respectively. Guided by the principle of applying what they have learned and prioritizing practical application, the vast contingent of tax professionals had been tempering and growing themselves in the dynamic practice of tax administration, contributing their wisdom and strength to deepening tax reforms, driving economic development, and serving national governance.

Column 15

National Basic Training for Chinese Tax Authorities (Strengthening the Foundation Training)

In accordance with the deployment of the “Strengthening the Foundation Project” of tax and fee administration in the context of digital transformation, the STA launched the National Basic Training for Chinese Tax Authorities (Strengthening the Foundation Training) from March to November 2025. Delivered in the format of “A Shared Classroom for All”, the training spanned over nine months and covered tax authorities at five levels, ensuring that high-quality

training resources reached the grassroots directly with consistent quality and equivalent effect. Tax authorities at all levels diligently organized their officials to participate in the training and effectively translated the knowledge and skills acquired into practical capabilities for resolving operational challenges, thereby empowering and improving the effectiveness and efficiency of tax and fee collection and administration.

Column 16

National Vocational Skills Competition and Professional Training Exercises for Chinese Tax Authorities

In 2025, the STA and the ACFTU jointly organized the National Vocational Skills Competition and Professional Training Exercises for Chinese Tax Authorities, themed “Empowering Grassroots, Strengthening Foundations, Fulfilling Primary Responsibilities, and Building Strong Workforce”. The competition adhered to an integrated approach that combined “learning, testing, practicing, competing, demonstrating, and applying.” The event implemented comprehensive staff learning programs, extensive job-specific training, and skills competition, with 87 000 tax officials participating. Focusing on the development of a full-chain, high-efficiency

tax and fee governance system, provincial-level tax authorities selected key areas in tax and fee collection and administration to carry out practical problem-solving initiatives. Based on the outcomes of these initiatives, 78 typical cases were summarized and evaluated. The STA then selected eight outstanding cases for result-sharing and exchange. These efforts continuously promoted compliance management, further intensified digital and intelligent empowerment, and steadily enhanced the political integrity, professional proficiency, and performance capacity of tax officials.

STA's Development Strategy in 2026

- ◆ General Approach
- ◆ Tasks

General Approach

Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the STA will thoroughly implement the guiding principles from the 20th CPC National Congress and the subsequent plenary sessions of the 20th CPC Central Committee, and firmly establish and earnestly practice a correct understanding of what it means to perform well and act accordingly. The STA will take high-quality advancement of tax practices in Chinese modernization as the thread, building high-level and efficient taxation, and enhancing governance capacity as the target, pursuing the all-round advancement of law-based, data-driven and integrity-oriented tax governance

as the fundamental path, and safeguarding the rule of law and fairness and strengthening compliance management as the key direction, implementation of “Strengthening the Foundation Project” of tax and fee administration in the context of digital transformation as an important lever, and coordinated promotion of full and rigorous Party self-governance and full and strict tax governance as a powerful guarantee. The STA will adhere to the right path of the rule of law and deepen efforts to strengthen foundations, striving to write a new chapter in high-quality advancement of tax practices in Chinese modernization.

Tasks

Establishing and practicing a correct understanding of what it means for officials to perform well and act accordingly, fully shouldering primary responsibilities and core duties and consolidating the financial foundation for high-quality development. The STA will embody the mission of “pooling revenues for the country and collecting taxes for the people” through pragmatic commitment grounded in realities and aligned with objective laws, tax and fee collection conducted in accordance with laws, regulations and actual tax sources, and genuine and solid growth of tax and fee revenues. The STA will continue to build a full-chain and high-efficiency tax and fee revenue governance system, effectively improve the quality of tax and fee revenues, firmly adhere to the bottom line of imposing no excessive taxes and fees, and steadily advance the work of tax and fee administration. From an overarching perspective, the STA will unswervingly conduct in-depth rectification of problems of “invoicing economy” and tax-related issues featuring irregular

investment promotion. The STA will highlight a distinct orientation of upholding political integrity and strengthening the rule of law, strive to safeguard a sound economic and tax order, and better serve the development of a unified national market.

Further advancing reforms in the taxation area, and steadily improving the tax and fee institutional system conducive to high-quality development, social equity and market unification. The STA will solidly promote the implementation of *Value-Added Tax Law* and its *Implementation Regulations*, deepen tax system reforms together with relevant departments, and optimize the tax structure. On the basis of improving supporting policies for key fields and critical links, the STA will step up efforts to place tax preferences under better regulation. The STA will actively collaborate with relevant departments to promote national overall planning of basic pension insurance and provincial overall planning

of basic medical insurance, and encourage and support employees in new forms of employment to participate in employee social insurance. The STA will continue to deepen the reform of tax collection and administration, accelerate the amendment of *Tax Collection and Administration Law*, further advance the development of smart taxation, and improve the efficiency and effectiveness of tax and fee administration.

Strengthening tax supervision and tax investigation in a scientific and targeted manner, and effectively safeguarding a sound tax ecosystem featuring the rule of law and fairness. The STA will further improve the quality and efficiency of tax risk management, continuously reinforce tax supervision in key areas, and advance the high-level investigation of major tax-related cases. Leveraging the joint law enforcement mechanism of eight departments including tax authorities, public security department and other departments, the STA will investigate and severely punish illegal acts such as false invoicing, export tax refund fraud, fraudulent enjoyment of tax and fee preferences, and tax evasion in the refined oil and other sectors. The STA will continue to advance tax publicity, warning and governance regulation through typical cases, and further send a strong signal that law-abiding taxpayers will be respected, law violators will be severely punished, and instigators shall be disciplined.

Further guiding and promoting tax compliance, and steadily fostering a market-oriented, law-based and internationalized tax business environment. The STA will conscientiously implement the arrangements of handling government affairs efficiently with one-stop services, continue to carry out the "Spring Breeze Project", integrate compliance management into service optimization, and raise the awareness of tax compliance by improving the convenience of

compliance. The STA will advance the national unification of the benchmarks for administrative discretion in tax penalties step by step, so as to further standardize tax law enforcement acts. The STA will deepen international tax governance and cooperation, strengthen the development of the Belt and Road Initiative Tax Administration Cooperation Mechanism, improve the communication and settlement mechanism for cross-border tax-related appeals, and enable the TaxExpress to play a greater role within the national overseas comprehensive service system.

Firmly shouldering the political responsibility of Party management and team building to provide a solid guarantee for tax work. The STA will continue to strengthen political organ development, consolidate the implementation of the "two responsibilities" at all levels, and advance comprehensive and strict Party self-governance throughout the tax system with higher standards and more pragmatic measures. The STA will further consolidate and expand the achievements of learning and education on thoroughly implementing the spirit of the Eight-Point Regulation of the CPC Central Committee, rigorously conduct regular rectification following the central inspection, and steadily conduct the campaign of establishing and practicing a correct understanding of what it means for officials to perform well and act accordingly. The STA will optimize the leadership team structure of tax authorities at all levels, improve the regular working mechanism for cultivating and selecting outstanding young tax officials, continuously build a professional talent team for taxation, and strive to stimulate the vitality for forging ahead in dedication and undertaking endeavors. The STA will better care for and support grassroots units, improve the long-term mechanism for reducing burdens on the grassroots, and enable frontline tax officials to devote more energy to doing solid work and pursuing practical results.

Appendices

- ◆ **Organizational Structure**
- ◆ **Tax and Fee System**
- ◆ **Tax Treaty and Exchange of Information Network**

Organizational Structure

Formerly founded as a directorate within the Ministry of Finance (MOF) in 1950, the State Taxation Administration (STA) is now an independent organization directly under the State Council. In 1994, China implemented the reform of the tax sharing fiscal system, establishing state tax bureaus and local tax bureaus at the provincial level and below. State tax bureaus fall under the direct supervision of the STA in terms of organization, staffing, official and budget management; while local tax bureaus are under the dual leadership of the STA and the provincial governments. In accordance with *Plan for Deepening the Reform of Party and State Institutions* issued by the CPC Central Com-

mittee and *Plan on the Institutional Reform of the State Council* approved by the First Session of the Thirteenth National People's Congress, the STA initiated the reform of tax collection and administration systems of state tax bureaus and local tax bureaus, starting from March 2018. As a result, state tax bureaus and local tax bureaus at the provincial level and below were merged. This integration generates dual leadership of the STA and provincial Party committees and governments (including Party committees and governments of autonomous regions and municipalities), with the STA playing a leading role.

Organizational Structure and Responsibilities of the State Taxation Administration (STA)

Organizational Structure of the State Taxation Administration(STA)

The leadership of the State Taxation Administration is currently composed of one Commissioner, four Deputy Commissioners, one Chief Inspector of the Discipline Inspection and Supervision Office within the STA, one Chief Economist, one Chief Accountant and one Chief Auditor.

Discipline Inspection and Supervision Office is designated within the STA by the Commission for Discipline Inspection of the Central Committee

of the CPC and the National Supervisory Commission of the People's Republic of China.

The STA consists of sixteen functional departments, STA Headquarters Committee of CPC and Retired Staff Bureau, nine Public Institutions directly under the STA (including 3 public institutions governed in accordance with *Civil Servant Law*, namely, Education Center, E-Tax Management Center and Procurement Center), one institution (entity) directly under the STA, 7 branches and 3 tax associations.

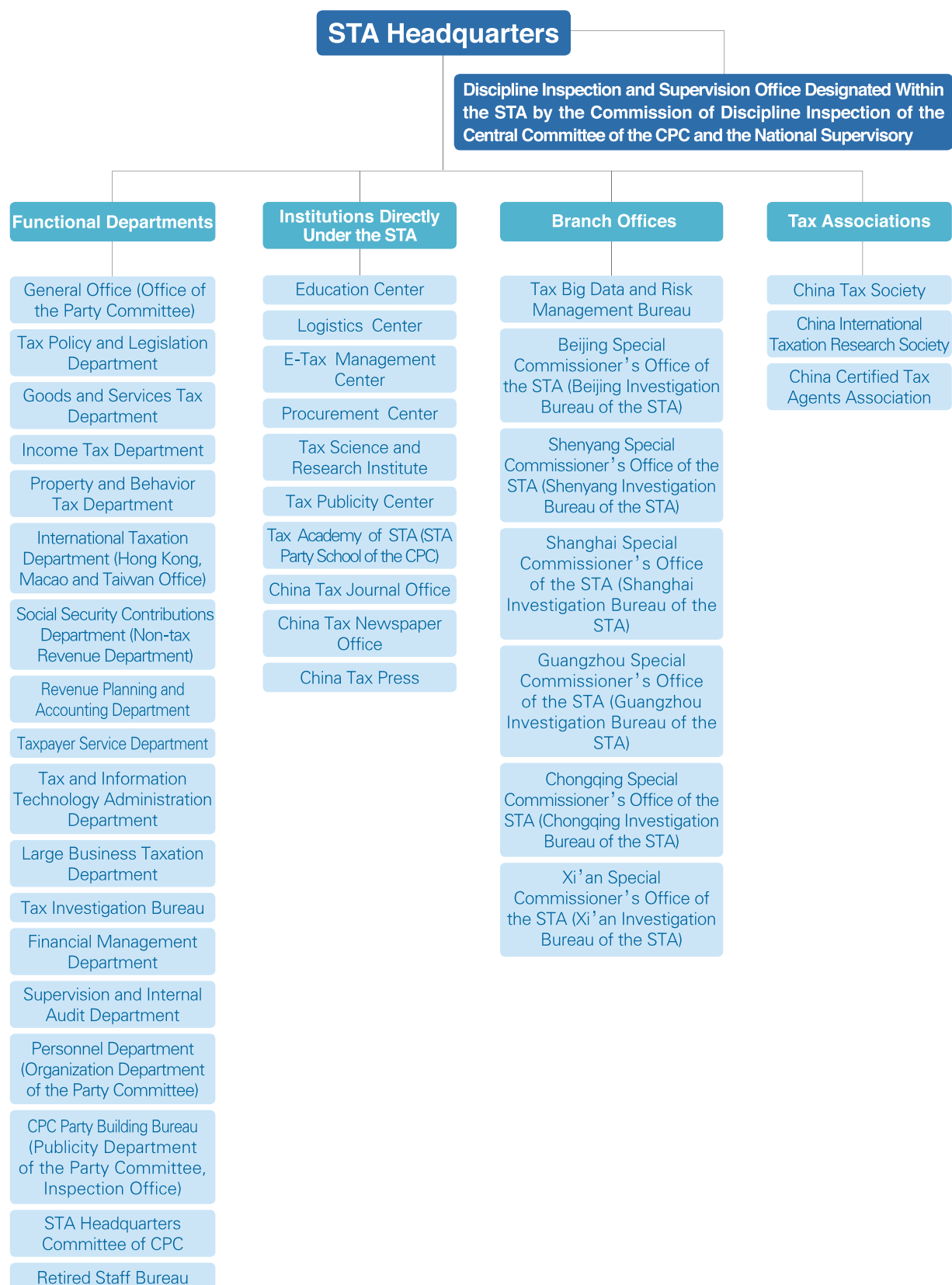


Figure 2 Organizational Structure of the STA

Major Responsibilities of STA

- Drafting tax laws, regulations and detailed implementing rules; providing advice on the making of tax policies; making joint efforts with the MOF to report and instruct implementation measures; interpreting tax laws and policies in the process of enforcement and reporting afterwards to the MOF for record-filing.
- Undertaking the responsibility of collecting and administrating taxes, social security contributions and non-tax revenue to ensure the collection of the due amount of taxes and fees.
- Participating in formulating macro-economic policies and regimes of state and local taxes; conducting research on the overall tax burden and providing advice and suggestions for state macro-control through taxation.
- Undertaking the responsibility of implementing reforms of tax collection and administration; drafting laws on tax collection and administration and formulating detailed implementing rules; formulating and supervising the enforcement of rules and regulations of tax collection and administration; supervising and inspecting the implementation of laws, regulations and policies on tax collection and administration.
- Undertaking the responsibility of constructing the taxpayer service system; designing the taxpayer service system, standardizing taxpayer services; designing and supervising the enforcement of the guarantee system for taxpayers' rights; fulfilling the obligation to provide convenient, high-quality and efficient taxpayer services; organizing and implementing tax publicity; formulating management policies for tax advisers and supervising the implementation.
- Implementing classified management and professional services for taxpayers; implementing taxpayer services and tax sources management for large businesses.
- Undertaking the responsibility of drafting mid- and long-term and annual plans for tax revenue; implementing investigation of tax sources; improving the accuracy of analysis and forecast for tax revenue; implementing tax relief measures.
- Undertaking the responsibility of formulating the digitization system of tax administration; drafting mid- and long-term plans for the construction of the tax administration digitization system; advancing the construction of the Golden Tax Project.
- Conducting international tax exchanges and collaborations; participating in international and regional tax negotiations; initialing and implementing tax agreements and treaties.
- Handling import/export taxes and export tax refunds.
- Implementing the dual leadership of the STA and the governments of provinces (autonomous regions and municipalities), with the STA playing a leading role.
- Undertaking other tasks assigned by the Chinese government.

Organizational Structure and Responsibilities of Tax Authorities at the Provincial Level and Below

Three levels of tax authorities are established at the provincial level and below, namely provincial, municipal and county. Under county-level tax services, there are branches of tax services and tax offices. At present, there are 36 tax authorities of provinces (including autonomous regions, municipalities directly under the central government, cities specifically designated in the state plan), 10 tax authorities of sub-provincial cities, 509 municipal-level tax authorities and 3 110 county-level tax authorities.

Major Responsibilities of Tax Authorities at the Provincial Level

- Undertaking the responsibilities of implementing the lines, principles and policies of the CPC; strengthening the total leadership of the CPC; fulfilling the responsibilities of operating the CPC comprehensively under strict discipline; undertaking the responsibilities of Party building and strengthening ideological and political work.
- Undertaking the responsibilities of implementing laws, regulations, and rules and normative documents on tax, social security contributions and non-tax revenue; formulating detailed implementing rules through research; implementing supportive tax policies proposed by the State.
- Undertaking the responsibilities of drafting mid- and long-term plans on tax, social security contributions and non-tax revenue within tax authorities at provincial level and below; participating in drafting the budget for tax revenues, social security contributions and non-tax revenue and implementing the budget in accordance with the law; undertaking the responsibility of accounting for taxes, social security contributions and non-tax revenue within tax authorities at provincial level and below; implementing analysis and forecast of tax revenue.
- Undertaking the responsibilities of implementing economic analysis and effects of tax policies to provide advice and suggestions for the State Taxation Administration and local Party committees and governments.
- Undertaking the responsibilities of collecting and administering taxes, social security contributions and non-tax revenue within jurisdiction; implementing tax sources supervision and risk management; strengthening tax administration for large businesses and natural persons.
- Undertaking the responsibilities of systems construction on tax, social security contributions and non-tax revenue within tax authorities at provincial level and below; implementing taxpayer services and taxation publicity; protecting the legitimate rights and interests of taxpayers and fee payers; undertaking administrative penalty hearings, administrative reconsideration and administrative procedures.
- Undertaking the responsibilities of administering international taxation and import and export taxation within jurisdiction; implementing anti-tax avoidance investigation and handling export tax refunds.
- Undertaking the responsibilities of tax auditing and inspection of social security contributions and non-tax revenue within jurisdiction.
- Undertaking the responsibilities of classified management of special VAT invoices, ordinary VAT invoices and other invoices; undertaking the responsibility of administering invoices and certificates for taxes, social security contributions and non-tax revenues.
- Undertaking the responsibility of implementing the construction of information technology and a data-based approach to governance in various tax collection and administration, social

security contributions and related non-tax revenue collection and administration within tax authorities at the provincial level and below.

- Undertaking the responsibilities of building internal control mechanisms; supervising and inspecting the faithful implementation of major decisions by the Chinese government and work designated by higher-level institutions; implementing the supervision of tax law enforcement.
- Undertaking the responsibilities of organizational building at the grassroots level and the official development within tax authorities at the provincial level and below; strengthening the development of leading bodies and the building of reserve officials; undertaking the responsibilities of taxation personnel development and officials' education and training; undertaking the responsibilities of performance-based management and officials' evaluation within tax authorities at the provincial level.
- Undertaking the responsibilities of structure, staffing, budget and asset management within

tax authorities at the provincial level and below.

- Undertaking other tasks assigned by the STA and provincial-level Party committees and governments.

Major Responsibilities of Tax Authorities Below the Provincial Level

Following the principles of hierarchical management and well-defined rights and responsibilities; undertaking the responsibilities of improving Party building, strengthening ideological and political work and consolidating the workforce development; prioritizing the functions of management and service in direct contact with taxpayers and individuals; undertaking the responsibilities of various tax collection and administration, social security contributions and related non-tax revenue collection and administration within their jurisdiction.

Table 5 Organizational Structure of Tax Authorities at the Provincial Level and Below (2025)

Organizational Hierarchy	Number of Tax Authorities
Tax authorities of provinces, autonomous regions, municipalities directly under the central government and cities specifically designated in the state plan	36
Tax authorities of sub-provincial cities	10
Municipal-level tax authorities	509
County-level tax authorities	3 110



Figure 3 Organizational Structure of Chinese Tax Authorities

The Scale and the Related Composition of Tax Officials in the Tax Authorities at All Levels

As of December 31, 2025, tax authorities at all levels had a total of 649 465 tax officials, of whom 285 678 were female, accounting for 43.99%; there were 45 881 senior executives (deputy department level and above), of whom 10 640 were female, accounting for 23.19%.

Since the merger of state tax bureaus and local tax bureaus in 2018, the tax authorities at all levels have shown a significant development trend of a decrease in the total number of tax officials and optimization in structure. The total number of tax

officials has decreased from 740 200 at the end of 2018 to 649 500 at the end of 2025, a decrease of 12.25%; the number of tax officials with postgraduate education or above has increased from 46 900 to 89 600, an increase of 7.46 percentage points in the proportion of the total number of tax officials; the number of tax officials with college education or below has decreased from 191 800 to 74 800, a decrease of 14.39 percentage points in the proportion of the total number of tax officials, the knowledge structure of tax officials nationwide has improved significantly.

Table 6 Changes in the Number of Staff in Tax Authorities at All Levels Since 2018

Unit: ten thousand persons								
Year	2018	2019	2020	2021	2022	2023	2024	2025
Total Number of Tax Staff	74.02	72.03	70.89	69.84	68.87	66.8	65.04	64.95

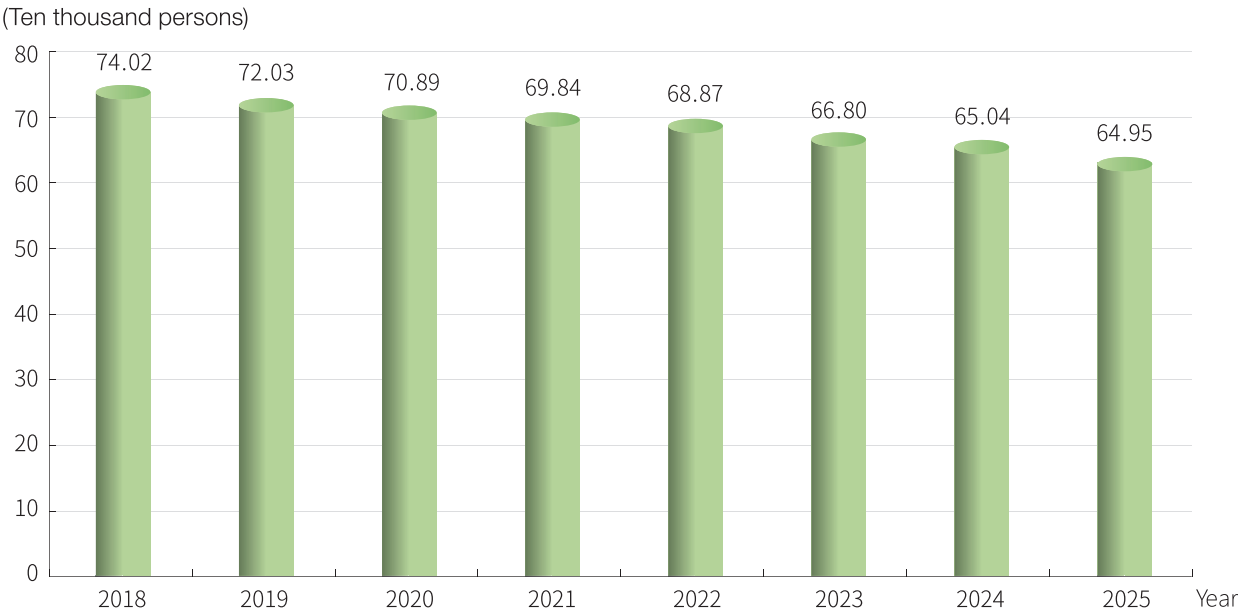


Figure 4 Changes in the Number of Staff in Tax Authorities at All Levels Since 2018

Tax and Fee System

China's current tax framework was put in place after the tax-sharing fiscal reform in 1994 to meet the needs of the socialist market economy. Since the beginning of the 21st century, the Chinese government has made a series of adjustments

and improvements to the tax system, which have guaranteed the government's revenue and contributed to the country's high-quality economic growth.

Major Changes in China's Tax System (From 1994 to 2025)

- 1994** ◆ The unified VAT system was implemented nationwide. Tax categories such as fair trade tax, domestic animal trade tax, special tax on enterprises that use petroleum as their principal fuel, bonus tax and wage adjustment tax were abolished.
- 1997** ◆ The State Council issued *Provisional Regulations of the People's Republic of China on Deed Tax* on July 7, which came into force on October 1 that year.
- 1999** ◆ On August 30, *Individual Income Tax Law of the People's Republic of China* was revised at the 11th Session of the Standing Committee of the Ninth National People's Congress.
- 2000** ◆ The collection of fixed assets investment regulation tax was ceased.
On October 22, the State Council issued *Provisional Regulations of the People's Republic of China on Vehicle Purchase Tax*, which came into force on January 1, 2001.
- 2003** ◆ On November 23, the State Council issued *Regulations of the People's Republic of China on Import and Export Duties*, which came into force on January 1, 2004.
- 2005** ◆ On October 27, *Individual Income Tax Law of the People's Republic of China* was revised at the 18th session of the Standing Committee of the Tenth National People's Congress, which came into force on January 1, 2006.
- 2006** ◆ Agricultural Tax was abolished on January 1.
On April 28, the State Council issued *Provisional Regulations of the People's Republic of China on Tobacco Leaf Tax* which came into force from the date of promulgation.
On December 29, the State Council issued *Provisional Regulations of the People's Republic of China on Vehicle and Vessel Tax* which came into force on January 1, 2007.
On December 31, the State Council revised *Provisional Regulations of the People's Republic of China on Urban and Town Land Use Tax* which came into force on January 1, 2007.
- 2007** ◆ On March 16, *Enterprise Income Tax Law of the People's Republic of China* was adopted at the 5th session of the Tenth National People's Congress, which came into force on January 1, 2008.
On June 29, *Individual Income Tax Law of the People's Republic of China* was revised at the 28th session of the Standing Committee of the Tenth National People's Congress.
On December 29, *Individual Income Tax Law of the People's Republic of China* was revised at the 31st session of the Standing Committee of the Tenth National People's Congress, which

**From 2007
to 2010**

came into force on March 1, 2008.

- ◆ The two separate domestic and foreign tax systems implemented since China's Reform and Opening up had been unified:
In 2007, Urban and Town Land Use Tax system for DEs and FEs was unified.
In 2008, Enterprise Income Tax systems for DEs and FEs were unified by the implementation of the *Enterprise Income Tax Law of the People's Republic of China* and its implementation regulations.
In 2009, Real Estate Tax systems for DEs and FEs were unified.
In 2010, Urban Maintenance and Construction tax systems for DEs, FEs and individuals were unified.

- 2009** ◆ Fee to Excise Tax conversion on refined oil products was implemented.
VAT transformation from a manufacturing-oriented to consumption-oriented system was completed. Enterprises were allowed to deduct the input VAT on purchasing machinery and equipment from their output VAT.

- 2011** ◆ The reform of ad valorem calculation and collection of Resource Taxes on crude oil and natural gas was implemented.
On February 25, *Vehicle and Vessel Tax Law of the People's Republic of China* was adopted at the 19th session of the Standing Committee of the Eleventh National People's Congress of the People's Republic of China and came into force on January 1, 2012. On June 30th, *Individual Income Tax Law of the People's Republic of China* was revised at the 21st session of the Standing Committee of the Eleventh National People's Congress which came into force on September 1, 2011.

- 2012** ◆ Some regions were selected as the pilots of replacing business tax with VAT.

- 2013** ◆ Business Tax to VAT Pilot Reform was promoted across the nation, the scope of which included the transportation industry and some modern service industries.

- 2014** ◆ Business Tax to VAT Pilot Reform was further extended to the sectors of railway transportation, postal and telecommunications.
The reform of ad valorem taxation of Resource Tax on carbon coal was implemented.

- 2015** ◆ Progress was steadily made with the Business Tax to VAT Pilot Reform.
Actively carried out the Excise Tax reform. The reform of ad valorem taxation of Resource Tax on rare earth, tin and molybdenum was implemented.

- 2016** ◆ Business Tax to VAT Pilot Reform was extended comprehensively to cover all goods and services.
Resource Tax reform on an ad valorem basis was enlarged in its coverage. A pilot water Resource Tax reform was carried out in Hebei Province.
On December 25, *Environmental Protection Tax Law of the People's Republic of China*, as adopted at the 25th Session of the Standing Committee of the Twelfth National People's Congress of the People's Republic of China, came into force on January 1, 2018.

- 2017** ◆ VAT rates were simplified with the rate of 13% abolished, which led to a structure of VAT with 17%, 11% and 6%.
- On February 24, *Enterprise Income Tax Law of the People's Republic of China* was revised at the 26th session of the Standing Committee of the Twelfth National People's Congress.
- The scope of pilot Water Resource Tax reform was enlarged to 9 provinces (autonomous regions and municipalities directly under the Central Government) including Beijing.
- On November 19, the State Council abolished *Provisional Regulations of the People's Republic of China on Business Tax*. At the same time, *Provisional Regulations of the People's Republic of China on Value-Added Tax* was revised.
- On December 25, the State Council issued *Implementation Regulations for Environmental Protection Tax Law of the People's Republic of China* which came into force on January 1, 2018.
- On December 27, *Tobacco Leaf Tax Law of the People's Republic of China* and *Vessel Tonnage Tax Law of the People's Republic of China* were approved by voting during the 31st Session of the Standing Committee of the Twelfth National People's Congress and took effect from July 1, 2018.
- 2018** ◆ With the VAT reform further pressed ahead, the original 17% and 11% tax rates were adjusted to 16% and 10% respectively to form a three-level VAT rate schedule of 16%, 10% and 6%.
- On August 31, *Individual Income Tax Law of the People's Republic of China* was revised at the 5th session of the Standing Committee of the Thirteenth National People's Congress which came into force on January 1, 2019.
- On December 29, the 7th Session of the Standing Committee of the Thirteenth National People's Congress revised *Enterprise Income Tax Law of the People's Republic of China* and adopted *Vehicle Purchase Tax Law of the People's Republic of China* and *Cultivated Land Occupation Tax Law of the People's Republic of China*, which came into force on July 1, 2019 and September 1, 2019 respectively.
- 2019** ◆ The VAT rate was lowered with the original 16% and 10% tax rates being adjusted to 13% and 9% respectively to form a three-level VAT rate schedule of 13%, 9% and 6%. The scope of input tax deduction was expanded. The *Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises* was implemented, which further strengthened tax preferences for micro and small enterprises.
- On August 26, the 12th Session of the Standing Committee of the Thirteenth National People's Congress deliberated and adopted *Resource Tax Law of the People's Republic of China*, which came into force on September 1, 2020.
- 2020** ◆ From March 1 to June 30, the first annual reconciliation of comprehensive income of Individual Income Tax progressed smoothly, marking the establishment of an Individual Income Tax system featuring the combination of a comprehensive approach and a scheduler approach in China.
- On August 11, *Deed Tax Law of the People's Republic of China* and *Urban Maintenance and Construction Tax Law of the People's Republic of China* were deliberated and adopted at the 21st session of the Standing Committee of the Thirteenth National People's Congress, which came into force on September 1, 2021.

- 2021** ◆ On June 10, *Stamp Tax Law of the People's Republic of China* was adopted at the 29th Session of the Standing Committee of the Thirteenth National People's Congress of the People's Republic of China and came into force on July 1, 2022.
On October 23, *Decision of the Standing Committee of the National People's Congress to Authorize the State Council to Conduct the Pilot Program of Real Estate Tax Reform in Certain Areas* was adopted at the 31st Session of the Standing Committee of the Thirteenth National People's Congress of the People's Republic of China.
- 2022** ◆ On December 27, *Value-Added Tax Law (Draft)* was first deliberated at the 38th session of the Standing Committee of the Thirteenth National People's Congress. With the existing tax framework and tax burden level left generally unchanged, *Provisional Regulations of the People's Republic of China on Value-Added Tax* and relevant regulations would become law.
- 2023** ◆ On August 28, *Value-Added Tax Law (2nd Draft)* was deliberated for second review at the 5th session of the Standing Committee of the Fourteenth National People's Congress.
On October 19, *Tariff Law of the People's Republic of China (Draft)* was deliberated at the 6th session of the Standing Committee of the Fourteenth National People's Congress.
- 2024** ◆ On April 26, the 9th Session of the Standing Committee of the Fourteenth National People's Congress deliberated and adopted *Tariff Law of the People's Republic of China*, which came into force on December 1, 2024.
On December 25, the 13th Session of the Standing Committee of the Fourteenth National People's Congress deliberated and adopted *Value-Added Tax Law of the People's Republic of China*, which came into force on January 1, 2026.
- 2025** ◆ On October 28, the 18th Session of the Standing Committee of the Fourteenth National People's Congress adopted *Decision of the Standing Committee of the National People's Congress on Revising the Environmental Protection Tax Law of the People's Republic of China*, authorizing the State Council to pilot the inclusion of volatile organic compounds into the scope of Environmental Protection Tax.
On December 25, the State Council promulgated *Implementation Regulations of the Value-Added Tax Law of the People's Republic of China*, which shall come into force on January 1, 2026.

Current Tax System

There are eighteen different kinds of taxes in China, which can be divided into three categories according to their nature.

- Goods and services taxes, including VAT, Excise Tax, Vehicle Purchase Tax and Customs Duty.
- Income taxes, including Enterprise Income Tax and Individual Income Tax.
- Property and behavior taxes, including Land Appreciation Tax, Real Estate Tax, Urban and Town Land Use Tax, Cultivated Land Occupation Tax, Deed Tax, Resource Tax, Vehicle and Vessel Tax, Stamp Tax, Urban Maintenance and Construction Tax, Tobacco Leaf Tax, Vessel Tonnage Tax and Environmental Protection Tax.

Table 7 Current Tax System (2025)

Serial Number	Tax Categories	Taxpayers	Objects of Taxation (Base of Taxation)	Tax Rates
Goods and Services Taxes				
1	VAT	Entities and individuals that engage in the sale of goods, services, intangible assets and immovable properties within the territory of the People's Republic of China, as well as those that import goods into China	The sale and importation of goods, services, intangible assets and immovable properties	13%, 9%, 6%
2	Excise Tax	Entities and individuals that produce, process under commission and import consumer goods within the territory of the People's Republic of China, and other entities and individuals determined by the State Council to sell consumer goods	Fifteen types of consumer goods such as tobacco, alcohol, cars, refined oil, etc.	Ad valorem, specific duty, or a combination of both
3	Vehicle Purchase Tax	Units and individuals that purchase taxable vehicles within the territory of the People's Republic of China	The purchase of automobiles, motorcycles with engine displacement exceeding 150cc, trams and car trailers	10%

Continued

Serial Number	Tax Categories	Taxpayers	Objects of Taxation (Base of Taxation)	Tax Rates
4	Customs Duty	Consignee of imported goods, consignor of exported goods, and carriers or recipients of inbound articles	Goods allowed to be imported into and exported from China, and inbound articles	Ad valorem, specific duty, or a combination of both
Income Taxes				
5	Enterprise Income Tax	Enterprises and other organizations which derive income within the People's Republic of China, including resident and non-resident enterprises	Taxable income received by resident and non-resident enterprises	25% for resident enterprises, 25% and 20% (at a reduced rate of 10%) for non-resident enterprises
6	Individual Income Tax	Resident taxpayers: individuals with a domicile in China or having resided in China for a period aggregating 183 days or more in a taxable year	Income derived from inside China or outside China	Tax rates for resident taxpayers are as follows. Comprehensive income: progressive rates from 3% to 45%; business income: progressive rates from 5% to 35%; income derived from interests, dividends and bonuses, leasing or transfer of property, and incidental income: 20%. Tax rates for non-resident taxpayers are as follows. Income from wages and salaries, from remunerations for labor services, from authorship remunerations and from royalties: progressive rates from 3% to 45% respectively each month or each single payment; business income: progressive rates from 5% to 35%; income derived from interests, dividends and bonuses, leasing or transfer of property, and incidental income: 20%
		Non-resident taxpayers: individuals having no domicile or residence in China or having resided in China for a period aggregating no more than 183 days in a taxable year	Income derived from inside China	

Continued

Serial Number	Tax Categories	Taxpayers	Objects of Taxation (Base of Taxation)	Tax Rates
Property and Behavior Taxes				
7	Land Appreciation Tax	Entities and individuals that derive revenue from the transfer of state-owned land use rights, and buildings and installations attached thereon	The appreciation amount that taxpayers derive from the transfer of real estate	Four-level progressive rates (30%, 40%, 50%, 60%)
8	Real Estate Tax	Owners of property rights within cities, counties, administrative towns and industrial and mining areas within the territory of the People's Republic of China	Properties within cities, counties, administrative towns and industrial and mining areas	Taxes for self-used properties are calculated on the basis of the residual value after the deduction of 10%—30% of the original value with a tax rate of 1.2%; taxes for rented properties are calculated on the basis of the rental income, and the applicable tax rate is 12%.
9	Urban and Town Land Use Tax	Entities and individuals that use land in cities, counties administrative towns and industrial and mining areas	Actual area of land occupied by the taxpayer	Land use tax per square meter per year: 1.5—30 yuan for big cities; 1.2—24 yuan for medium-sized cities, 0.9—18 yuan for small cities, and 0.6—12 yuan for counties, administrative towns and industrial and mining areas
10	Cultivated Land Occupation Tax	Any unit or individual that occupies cultivated land to construct buildings or structures or engage in non-agricultural construction within the territory of the People's Republic of China	Actual area of cultivated land occupied by the taxpayer	Differentiated tax rates for different regions
11	Deed Tax	Entities and individuals, to which or whom the land use rights and properties ownership are transferred within the territory of the People's Republic of China	Transaction price or the price difference between the exchanged land use rights or properties	3%—5%
12	Resource Tax	Entities and individuals that exploit taxable resources within the territory of the People's Republic of China and other sea areas under the jurisdiction of the People's Republic of China	Energy minerals, metallic minerals, non-metallic minerals, mineral water and gas and salt	Implemented in accordance with <i>Table of Taxable Items and Tax Rates attached to the Resource Tax Law of the People's Republic of China</i>

Continued

Serial Number	Tax Categories	Taxpayers	Objects of Taxation (Base of Taxation)	Tax Rates
13	Vehicle and Vessel Tax	Owners or custodians of vehicles and vessels within the territory of the People's Republic of China	Vehicles and vessels	Differentiated fixed amount tax
14	Stamp Tax	Entities and individuals that conclude taxable certificates or conduct securities transactions within the territory of the People's Republic of China; entities and individuals, outside the territory of the People's Republic of China, conclude taxable certificates that are used within the territory of the People's Republic of China	Taxable certificates and securities transactions concluded	Proportional tax rates
15	Urban Maintenance and Construction Tax	Entities and individuals that pay VAT and Excise Tax	Amount of VAT and Excise Tax actually paid by taxpayers in accordance with the law	7% for taxpayers whose domiciles are in urban areas; 5% for those in counties or township centers; 1% for those in areas other than urban areas, counties and township centers
16	Tobacco Leaf Tax	Entities that purchase tobacco leaves within the People's Republic of China in accordance with <i>Tobacco Monopoly Law of the People's Republic of China</i>	Actual amount paid by taxpayers for purchasing tobacco leaves	20%
17	Vessel Tonnage Tax	Persons in charge of vessels entering Chinese ports from overseas ports	Vessels	Fixed amount tax, including preferential and normal rates
18	Environmental Protection Tax	Enterprises, public institutions and other producers and operators that directly discharge pollutants into the environment within the territory of the People's Republic of China and other sea areas under the jurisdiction of the People's Republic of China	Taxable pollutants, including air pollutants, water pollutants, solid wastes and noise pollution, as prescribed in <i>Environmental Protection Tax Law of the People's Republic of China</i>	Implemented in accordance with <i>Table of Taxable Pollutants and Equivalent Values</i> attached to <i>Environmental Protection Tax Law of the People's Republic of China</i>

Note: The customs authorities are responsible for the collection of Customs Duty, Vessel Tonnage Tax, and VAT and Excise Tax at the import stage.

Tax System and Policy Adjustments in 2025

• Policies supporting consumption boost

The STA issued *Announcement on Promoting the “Refund-Upon-Purchase” Service Measure for Departure Tax Refund for Overseas Tourists* (State Taxation Administration Announcement No. 9 of 2025), promoting the service measure applicable nationwide. The STA cooperated with the MOF, the Ministry of Commerce, the Ministry of Culture and Tourism, and the General Administration of Customs in issuing *Circular on Improving Duty-Free Shop Policies to Support Consumption Boost* (Caiguanshui [2025] No. 19), which supports port departure duty-free shops and downtown duty-free shops in selling domestic products, further expands the business categories of duty-free shops, relaxes the approval authority for duty-free shops, and improves facilitation and supervision measures for duty-free shops. The STA cooperated with the MOF in issuing *Announcement on the Value-Added Tax Policy for Housing Sales by Individuals* (Ministry of Finance State Taxation Administration Announcement No. 17 of 2025). It is clarified that where an individual sells a house which has been purchased for less than two years, VAT shall be paid in full at a collection rate of 3%; where an individual sells a house which has been purchased for two years or more, the VAT shall be exempted. The STA cooperated with the Ministry of Industry and Information Technology and the MOF in issuing *Announcement on Adjusting the Technical Requirements for Energy-Saving and New Energy Vehicle Products Eligible for Vehicle and Vessel Tax Preferences* (Ministry of Industry and Information Technology Ministry of Finance State Taxation Administration Announcement No. 25 of 2025), which adjusts the technical requirements for energy-saving and new energy vehicle products eligible for Vehicle and Vessel Tax preferences.

• Policies supporting the development of culture and sports

The STA cooperated with the MOF in issuing *Circular on Continuing to Implement Incentives for the Construction Fee for Cultural Undertakings* (Caishui [2025] No. 7), continuing to implement incentives for the construction fee for cultural undertakings. The STA cooperated with the MOF and the General Administration of Customs in issuing *Circular on Tax Policies for the 12th World Games in 2025* (Caishui [2025] No. 15), which grants a series of specific incentives on value-added tax, Land Appreciation Tax, Stamp Tax, etc., for the 12th World Games in Chengdu in 2025.

• Policies serving the stabilization of foreign investment and promotion of opening-up

The STA cooperated with the MOF and the Ministry of Commerce in issuing *Announcement on the Tax Credit Policy for Direct Investment by Foreign Investors with Distributed Profits* (Ministry of Finance State Taxation Administration Ministry of Commerce Announcement No. 2 of 2025). It is stipulated that where a foreign investor uses profits distributed by a resident enterprise within the territory of China for qualified direct investment within China during the period from January 1, 2025, to December 31, 2028, the portion of such investment can be credited against 10% of such investment can be credited against the foreign investor's tax payable for the current year; if the tax payable amount for the current year is insufficient for credit, it can be carried forward to subsequent years. The STA cooperated with the MOF in issuing *Circular on Continuing to Implement the Stamp Tax Incentives for Offshore Trade* (Caishui [2025] No. 10). It is stipulated that from April 1, 2025, to December 31, 2027, sales contracts for offshore resale transactions entered into by enterprises registered in the China (Shanghai)

Pilot Free Trade Zone and Lingang Special Area, the Suzhou Area of the China (Jiangsu) Pilot Free Trade Zone, the China (Zhejiang) Pilot Free Trade Zone, the Xiamen Area of the China (Fujian) Pilot Free Trade Zone, the Qingdao Area of the China (Shandong) Pilot Free Trade Zone, the China (Guangdong) Pilot Free Trade Zone, and the Hainan Free Trade Port shall be exempted from Stamp Tax.

• Policies serving the construction of Hainan Free Trade Port

The STA cooperated with the MOF in issuing *Circular on Continuing to Implement Incentives for Enterprise Income Tax in Hainan Free Trade Port* (Caishui [2025] No. 3), which specifies that for enterprises in encouraged industries registered and substantially operating in Hainan Free Trade Port, Enterprise Income Tax will be levied at a reduced rate of 15%. For income derived from new foreign direct investments in tourism, modern services, and high-tech industries established in Hainan Free Trade Port, Enterprise Income Tax will be exempted. For eligible capital expenditures of enterprises, the incentives allowing for one-time pre-tax deduction or accelerated depreciation and amortization in the current period of expenditure will be extended until December 31, 2027. The STA cooperated with the MOF in issuing *Circular on Continuing to Implement the Individual Income Tax Policies for High-end and Urgently Needed Talents in Hainan Free Trade Port* (Caishui [2025] No. 4). It specifies that for high-end and urgently needed talents working in Hainan Free Trade Port, the incentive of exempting the portion of Individual Income Tax with an actual tax burden exceeding 15% will be extended until December 31, 2027. The STA cooperated with the MOF and the General Administration of Customs in issuing *Circular on the Tax Policies for Goods Entering and Exiting the “First Line”, “Second Line”, and Circulating within Hainan Free Trade Port* (Caiguanshui [2025] No. 12) and *Circular*

on the Catalogue of Imported Taxable Goods in Hainan Free Trade Port (Caiguanshui [2025] No. 13), which specify that for enterprises registered in Hainan Free Trade Port and having independent legal person status, institutions within Hainan Free Trade Port, as well as private non-enterprise institutions registered in Hainan Free Trade Port and approved by the Ministry of Science and Technology, the Ministry of Education in conjunction with the Ministry of Civil Affairs, or provincial departments of science and technology, education in conjunction with provincial civil affairs departments, for science and technology or education, goods other than those listed in the catalogue of imported taxable goods will be exempted from import tariffs, import VAT, and Excise Tax.

• Policies serving the high-quality development of the population

The STA cooperated with the MOF in issuing *Announcement on the Individual Income Tax Policy Regarding Parental Allowances* (Ministry of Finance State Taxation Administration Announcement No. 6 of 2025), which specifies that from January 1, 2025, parental allowances issued in accordance with the parental allowance system will be exempted from Individual Income Tax. The STA cooperated with the Ministry of Human Resources and Social Security, the MOF, the National Administration of Financial Regulation, and the China Securities Regulatory Commission in issuing *Circular on Issues With Respect to the Collection of Personal Pension Benefits* (Renshebufa [2025] No. 39), which further enriches the conditions for collecting personal pension benefits and meets the diverse collection needs of participants.

• Policies clarifying the scope of application of relevant policies

The STA cooperated with the MOF in issuing *Announcement on Clarifying the Implementation Standards for Resource Tax Policies* (Ministry

of Finance State Taxation Administration Announcement No. 12 of 2025). It provides detailed regulations on various aspects of Resource Tax, including non-taxable situations, applicable tax items, specific taxable entities, tax basis, related-party transactions, self-use for continuous production of non-taxable products, calculation methods for tax reductions and exemptions, management of tax reductions and exemptions, and the timing of tax obligations. The STA cooperated with the MOF in issuing *Announcement on the Handling of Enterprise Income Tax Matters With Respect to the Conversion of Insurance Contract Standards* (Ministry of Finance State Taxation Administration Announcement No. 15 of 2025). It clarifies the Enterprise Income Tax related matters and tax policy standards involved in the conversion of insurance contract accounting standards. The STA cooperated with the MOF in issuing *Announcement on Matters With Respect to the Pre-tax Deduction of Advertising and Business Promotion Expenses* (Ministry of Finance State Taxation Administration Announcement No. 16 of 2025). It specifies that eligible advertising and business promotion expenses incurred by enterprises engaged in cosmetics manufacturing or sales, pharmaceutical manufacturing, and beverage manufacturing (excluding alcohol

manufacturing) shall be deducted up to 30% of the current year's sales (operating) income. The excess portion shall be carried forward and deducted in future tax years, and this policy shall continue to be implemented until December 31, 2027.

- **Policies optimizing income tax management**

Administrative Measures for the Comprehensive Income Settlement of Individual Income Tax (State Taxation Administration Order No. 57) was issued, elevating the institutionalization and standardization of the settlement and payment system through departmental regulations. This aims to further refine the tax collection and management system for the comprehensive income settlement and payment of Individual Income Tax, effectively safeguarding the legitimate rights and interests of taxpayers. *Announcement on Optimizing the Relevant Matters of Enterprise Income Tax Prepayment Filing* (State Taxation Administration Announcement No. 17 of 2025) was issued, clarifying that the credit policy for special equipment for energy conservation, water conservation, environmental protection, and safe production can be enjoyed during the prepayment process. It also clarifies the filing requirements for export enterprises.

Social Security Contributions Collected by Tax Authorities

Social security contributions collected by the tax authorities encompass basic pension insurance, basic medical insurance (maternity insurance), unemployment insurance, employment injury

insurance, long-term care insurance, as well as occupational injury insurance for new employment forms, which are in the trial phase in certain regions.

Table 8 Current Social Insurance System in China (2025)

Categories		Premium Payers	Contribution Base	Contribution Rate
Basic Pension Insurance	The basic pension insurance for enterprise employees	Employers and employees (except for government offices and public institutions and their employees). Individual industrial and commercial households with no employees, part-time employees not participating in the basic pension insurance through their employers, and other free-lancers	The sum of the individual contribution wage bases	Contribution rate of employers: 16%
			Contribution base of employees: personal wage income. Where the monthly wage income of the employee is lower than 60% of the province's full-scope social average salary in the previous year, the wage base for contribution payment shall be counted as 60% of the standard; the portion of the wage income exceeding 300% of the province's full-scope social average salary in the previous year will not be counted into the wage base for contribution payment	Contribution rate of employees: 8%
			Contribution base of persons in flexible employment: can be chosen appropriately between 60% and 300% of the province's full-scope social average salary in the previous year	Contribution rate of persons in flexible employment: 20%

Continued

Categories		Premium Payers	Contribution Base	Contribution Rate
Basic Pension Insurance			Contribution base of employers: the sum of the individual contribution wage bases of the employees participating in the basic pension insurance for employees of the government offices and public institutions	Contribution rate of employers: 16%
	The basic pension insurance for employees in government offices and public institutions	Employers and employees (government offices and public institutions and their employees)	Contribution base of employees: personal wage income. Where the monthly wage income of the employee is lower than 60% of the province's full-scope social average salary in the previous year, the wage base for contribution payment shall be counted as 60% of the standard; the portion of the wage income exceeding 300% of the province's full-scope social average salary in the previous year will not be counted into the wage base for contribution payment	Contribution rate of employees: 8%
	The basic pension insurance for urban and rural residents	Urban and rural residents who have attained the age of 16 or above (except for full-time students) but are not employed by government offices and public institutions and are not covered by the basic pension insurance for enterprise employees	The individual contribution standards are divided into 12 levels per person per year, including: 100 yuan, 200 yuan, 300 yuan, 400 yuan, 500 yuan, 600 yuan, 700 yuan, 800 yuan, 900 yuan, 1000 yuan, 1500 yuan and 2000 yuan. Provincial (regional, municipal) level governments can set up additional contribution grades based on local conditions	

Continued

Categories		Premium Payers	Contribution Base	Contribution Rate
Basic Medical Insurance	Basic medical insurance for employees	Employers and employees shall jointly pay the insurance. Individual industrial and commercial households with no employees, part-time employees not participating in the basic medical insurance through their employers and other persons in flexible employment forms may voluntarily participate in social insurance, but shall pay the basic medical insurance themselves	Contribution base of employers: the sum of the wages of the employees	Contribution rate of employers: around 6%
			Contribution base of employees: personal wage income	Contribution rate of employees: around 2%
			Contribution base for freelancers may refer to the average annual salary of local employees in the previous year	In principle, contribution rate for freelancers is determined based on local contribution rates
	The basic medical insurance for urban and rural residents	All urban and rural residents except those who should be covered by the basic medical insurance for employees	The lowest contribution standard in 2024 has been raised to 400 yuan per person per year	
Unemployment Insurance	Unemployment insurance	Employers and employees	Contribution base of employers: the sum of the wages	Contribution rate of employers: 0.5%—0.8%
			Contribution base of employees: personal wage income	Contribution rate of employees: 0.2%—0.5%

Continued

Categories		Premium Payers	Contribution Base	Contribution Rate
Employment Injury Insurance	Employment injury insurance	Employers	Contribution base of employers: the sum of the wages of the employees	(1) Differential premium rates for different industries: In terms of work-related injury insurance, different industries are classified into eight risk categories. The contribution rates of the first to the eighth category are set at about their respective 0.2%, 0.4%, 0.7%, 0.9%, 1.1%, 1.3%, 1.6% and 1.9% of the total wages of employees in the industry. (2) Floating rate: On the basis of implementing industry differential rates, the rate grades in each industry are determined by the method of rate floating. The first category is divided into three grades, that is, on the basis of the base rate, it may be floated up to 120% and 150%, and the second to eighth categories are divided into five grades, that is, on the basis of the base rate, it may be float up to 120%, 150% or down to 80%, 50%, respectively
Maternity Insurance	Maternity insurance	Employers	Contribution base of employers: the sum of the wages of the employees. In principle, it is the same as the payment base of the basic medical insurance for employees	It is collected and paid in a unified manner with the basic medical insurance for employees, and the new unit rate is determined according to the sum of the contribution rate of the employers participating in the maternity insurance and the basic medical insurance for employees

Continued

Categories		Premium Payers	Contribution Base	Contribution Rate
Long-term Care Insurance (Pilot)	Long-term care insurance for employees	Employers and individuals in pilot regions participating in the basic medical insurance for employees	Contribution base of employers: the sum of the wages of the employees	The contribution rate of individuals shall be maintained at the same level as the contribution rate of employers. Contribution rate of individuals in pilot regions is set between 0.15% and 0.5%
			Contribution base of individuals: the sum of personal wage income	
	Long-term care insurance for urban and rural residents	Individuals in pilot regions participating in the basic medical insurance for urban and rural residents	Contribution base ranges from 5 to 90 yuan per person per year in different pilot regions	
Occupational Injury Insurance for New Employment Forms(Pilot)	Occupational injury insurance for new employment forms	Partial platform-based enterprises engaged in ride-hailing, food delivery, on-demand delivery, and intra-city freight transportation in pilot regions	Total order volume of the previous month	During the trial period, the contribution fees for ride-hailing, food delivery, on-demand delivery and intra-city freight transportation are temporarily set at 0.04, 0.06, 0.04 and 0.2 yuan per order respectively. After the formal implementation, contribution standards may be adjusted with a floating range of ±50% based on indicators such as fund utilization rate, incidence rate of occupational injuries, and other risk indicators, while the platform enterprises' base contribution amount is maintained as the reference

Non-tax Revenues Collected by Tax Authorities

In 2025, the non-tax revenues collected by tax authorities include 27 central-level items uniformly

collected, 10 central-level items collected by certain regions, and 38 provincial-level items.

Table 9 Central-level Non-tax Revenues Uniformly Collected by Tax Authorities (2025)

Serial Number	Items	Non-tax Revenues Payers	Collection Standards	Relevant Explanations
1	Education Surcharge	Entities and individuals that pay VAT and Excise Tax	3% of the actual amount of VAT and Excise Tax paid by entities or individuals	Item collected since pre-2018
2	Local Education Surcharge	Entities and individuals that pay VAT and Excise Tax	2% of the actual amount of VAT and Excise Tax paid by entities or individuals	Item collected since pre-2018
3	Construction Fee for Cultural Undertakings	Advertising media entities and outdoor advertising operating entities, which provide advertising services within China, as well as entities and individuals that provide entertainment services within China	3% of taxable revenue on advertising entertainment services	Item collected since pre-2018
4	Employment Security Fund for the Disabled	Government offices, organizations, enterprises, public institutions, and private non-enterprise institutions, which fail to employ the disabled at the prescribed ratio	The fund payable is calculated based on the shortfall between the actual number of disabled persons employed and the number required under the prescribed employment proportion. The proportion of disabled persons employed shall not be lower than 1.5% of the total number of on-the-job employees of the entity, while local governments of provinces, autonomous regions and municipalities directly under the Central Government may adjust the prescribed ratio based on actual conditions	Item collected since pre-2018

Continued

Serial Number	Items	Non-tax Revenues Payers	Collection Standards	Relevant Explanations
5	National Major Water Conservancy Project Construction Fund	Electricity consumers nationwide (excluding the Xizang Autonomous Region)	It is collected between 0 and 0.41934375 cents per kilowatt-hour across different provinces (including autonomous regions and municipalities)	Transferred to tax authorities for collection in 2019
6	Rural Power Grid Loan Repayment Fund	Electricity consumers with multiple loans for upgrading rural power grids in provinces, autonomous regions, and municipalities directly under the Central Government	It is collected at the rate of 2 cents per kilowatt-hour	Transferred to tax authorities for collection in 2019
7	Renewable Energy Development Fund	Electricity consumers nationwide (excluding the Xizang Autonomous Region)	For residential electricity consumption, it is collected at the rate of 0.8 cents per kilowatt-hour. In the Xinjiang Uygur Autonomous Region, the collection standard is 1.5 cents per kilowatt-hour, while that in other provinces is 1.9 cents per kilowatt-hour.	Transferred to tax authorities for collection in 2019
8	Central Reservoir Resettlement Support Fund	① The collection object of the large and medium-sized reservoir resettlement support fund is electricity consumers within 30 provinces (collected by provincial-level power grid enterprises on behalf of tax authorities). ② The inter-provincial large and medium-sized reservoir area fund applies to inter-provincial large and medium-sized reservoirs. ③ The fund for the Three Gorges Reservoir Area is collected at the Three Gorges Hydropower Station	① The post-resettlement support fund for large and medium-sized reservoirs is collected at a standard rate ranging from 0.1425 to 0.62257 cents per kilowatt-hour, depending on different provinces (autonomous regions, municipalities directly under the central government). ② The fund for inter-provincial large and medium-sized reservoirs shall be collected at a rate not exceeding 0.8 cents per kilowatt-hour. ③ The Three Gorges Reservoir Area Fund is collected at a rate of 0.8 cents per kilowatt-hour	Transferred to tax authorities for collection in 2019

Continued

Serial Number	Items	Non-tax Revenues Payers	Collection Standards	Relevant Explanations
9	Local Reservoir Resettlement Support Fund	① The provincial large and medium-sized reservoir area fund applies to reservoirs and hydropower stations with an installed capacity of 25,000 kilowatts (25 MW) or above that generate revenue from electricity production. ② The small reservoir resettlement support fund is collected from electricity consumers	① The provincial fund for large and medium-sized reservoir areas shall be collected at a rate of no less than 0.8 cents per kilowatt-hour. ② The collection standard for the resettlement assistance fund for small reservoirs shall be implemented in accordance with the relevant regulations of the province (autonomous region, municipality directly under the central government), with a rate not exceeding 0.05 cents per kilowatt-hour	Transferred to tax authorities for collection in 2021
10	Water Conservancy Construction Fund	Enterprises, public institutions, and self-employed individuals	Implement in accordance with relevant regulations of the province (autonomous region, municipality directly under the central government)	Transferred to tax authorities for collection in 2020
11	Spent Nuclear Fuel Treatment and Disposal Fund	Nuclear power plants with pressurized water reactors that have been in commercial operation for over 5 years	The collection standard is 0.026 yuan per kilowatt-hour	Transferred to tax authorities for collection in 2019
12	Special Revenue for Nuclear Emergency Preparedness	Nuclear power enterprises	① During the infrastructure construction period, the payment shall be made at the standard of 5 yuan per kilowatt according to the designed rated capacity. ② During the operation period, the standard for payment is 0.02 cents per kilowatt-hour of electricity sold online annually	Transferred to tax authorities for collection in 2019
13	Oil Price Regulation Risk Reserve Fund	Refined oil production and operation enterprises producing, processing on commission, or importing gasoline or diesel within China	Standards determined by the National Development and Reform Commission and the MOF	Transferred to tax authorities for collection in 2019

Continued

Serial Number	Items	Non-tax Revenues Payers	Collection Standards	Relevant Explanations
14	National Share Oil Revenue	China National Offshore Oil Corporation (CNOOC), China National Petroleum Corporation (CNPC), and China Petrochemical Corporation (SINOPEC)	Revenue from national share oil generated by the external sales of crude oil produced by cooperative oil fields	Transferred to tax authorities for collection in 2019
15	Special Oil Sales Charge	Enterprises that independently extract and sell crude oil in China's land territory and sea areas under its jurisdiction, as well as other enterprises that extract and sell crude oil through joint ventures, cooperation, etc. in the above-mentioned areas	The special oil sales charge is collected via 5-level progressive rates starting at 65 USD per barrel	Transferred to tax authorities for collection in 2019
16	Duty-Free Commodity Franchise Fee	China Duty Free Group Co., Ltd., Shenzhen State-owned Duty-Free Commodity (Group) Co., Ltd., Zhuhai Duty Free Enterprises (Group) Co., Ltd., China Tourism Service (Group) Co., Ltd., China National Service Corporation for Chinese Personnel Working Abroad, the duty-free shop at Shanghai Pudong International Airport, and other enterprises that operate duty-free goods or act as agents for selling duty-free goods	Standard rate: 1% of annual sales revenue of the duty-free goods; Hainan offshore duty-free stores: 4% of annual sales revenue from the duty-free goods	Transferred to tax authorities for collection in 2019

Continued

Serial Number	Items	Non-tax Revenues Payers	Collection Standards	Relevant Explanations
17	Water and Soil Conservation Compensation Fee	Entities and individuals that launch production or construction projects or carry out other production or construction activity in mountainous areas, hilly areas, windy-sandy areas, and other areas prone to water and soil loss as specified in the water and soil planning, causing damage to the water and soil conservation facilities, landform or vegetation, and the original soil and water conservation functions cannot be restored	Local standards are formulated based on national charging methods and regional conditions	Transferred to tax authorities for collection in 2021
18	Civil Air-Defense Basement Relocation Fee	The construction entity that is required to carry out concurrent supporting construction in accordance with the regulations, but is unable to do so due to actual relevant restrictions	The charging standard is formulated by the price authorities of provinces, autonomous regions, and municipalities directly under the Central Government in conjunction with finance and civil air defense departments, based on local construction costs	Transferred to tax authorities for collection in 2021
19	Revenue from the Transfer of Pollutant Emission Rights	Existing pollutant discharging entities; bidders for pollutant emission rights of new projects, and the newly added pollution emission rights of reconstructed and expanded projects	The collection standard for pollutant emission rights use fees is determined by the provincial-level price, finance, and environmental protection departments of pilot areas based on factors such as the scarcity of local environmental resources, economic development level, and pollution treatment costs	Transferred to tax authorities for collection in 2021
20	Land Idling Fee	The holders of the right to use state-owned construction land designated as idle land, including enterprises, organizations, social groups, or individuals	It is collected at a rate of 20% of the land transfer or allocation price.	Transferred to tax authorities for collection in 2021

Continued

Serial Number	Items	Non-tax Revenues Payers	Collection Standards	Relevant Explanations
21	Domestic Waste Disposal Fee	Entities and individuals that generate urban domestic waste	The collection standards vary by region and are formulated by local governments at or above the county-level	Transferred to tax authorities for collection in 2021 (Domestic Waste Disposal Fee managed as administrative and institutional fee)
22	Revenue from the Transfer of State-owned Land Use Rights	Transferees who legally obtain the right to use state-owned land, lessees who lease the right to use state-owned land, and property owners who transfer purchased public housing, housing reform related housing, and affordable housing, including enterprises, organizations, social groups, or individuals	It is collected according to the amount specified in contracts, agreements, allocation decisions, etc.	Transferred to tax authorities for collection in 2022
23	Mineral Resources Special Revenue	Prospecting right holders or mining right holders who explore and exploit mineral resources in China's territory and its jurisdiction over sea areas	1. Mining right transfer proceeds. before the reform on May 1, 2023, it was collected according to the amount specified in mining right transfer contracts, etc. contracts or installment payment approvals signed before the implementation of the reform will not be adjusted, and mining right holders will continue to pay the remaining amount. After the reform on May 1, 2023, for minerals in the <i>Mineral Species Catalog</i> , it is collected in the form of "collect by amount (the bidding result or starting price in the transfer link) + collect by rate annually (annual sales revenue of mineral products × mining right transfer yield rate)"; for minerals outside the <i>Mineral Species Catalog</i> , it is collected in the form of transfer amount.	Transferred to tax authorities for collection in 2022

Continued

Serial Number	Items	Non-tax Revenues Payers	Collection Standards	Relevant Explanations
23	Mineral Resources Special Revenue	Prospecting right holders or mining right holders who explore and exploit mineral resources in China's territory and its jurisdiction over sea areas	2.Prospecting right use fee. It is calculated based on exploration years and paid annually according to the block area. From the first to the third exploration year, it is 100 yuan per square kilometer for each year. From the fourth exploration year, an extra 100 yuan per square kilometer is added each year, with a maximum of 500 yuan per square kilometer per year. 3.Mining right use fee. It is paid annually according to the area of the mining area, with 1000 yuan per square kilometer per year	Transferred to tax authorities for collection in 2022
24	Sea Area Use Fees	Entities and individuals that use sea areas	The fee is calculated based on the type of sea use, the level of the sea area, and the corresponding sea use fee standards. For projects that obtain sea use rights through bidding or auction, the amount of sea use fee collected is determined by the transaction price of the bidding or auction	Transferred to tax authorities for collection in 2022
25	Uninhabited Island Use Fees	Entities and individuals that utilize uninhabited islands	The transfer price of the right to use uninhabited islands shall not be lower than the minimum transfer price of the right to use uninhabited islands. The minimum standard for the transfer of use rights for uninhabited islands is determined by relevant departments, taking into account factors such as the grade of the uninhabited island, the type and method of island use, the offshore distance, and appropriately considering ecological compensation factors	Transferred to tax authorities for collection in 2022

Continued

Serial Number	Items	Non-tax Revenues Payers	Collection Standards	Relevant Explanations
26	Forest Vegetation Restoration Fee	Land-using entities that need to occupy forest land for various construction projects such as prospecting and mining minerals, and building roads, water conservancy projects, power plants, and communication facilities	The standard for forest vegetation restoration fees shall be determined based on the costs required for survey and planning design, afforestation and cultivation, protection and management, etc., which are necessary to restore forest vegetation covering an area not less than that of the occupied and expropriated forest land. The specific collection standard shall refer to <i>Circular on Adjusting the Collection Standard of Forest Vegetation Restoration Fees to Guide the Economical and Intensive Use of Forest Land</i> (Caishui [2015] No. 122)	Transferred to tax authorities for collection in 2023
27	Grassland Vegetation Restoration Fee	Land-using entities and individuals that need to requisition or use grasslands for prospecting and mining minerals and engineering construction, as well as entities and individuals that need to temporarily occupy grasslands for activities such as engineering construction, prospecting and tourism without fulfilling restoration obligations	Standards are verified by the price and finance departments of the provinces, autonomous regions, and municipalities directly under the Central Government, and reported to the National Development and Reform Commission and the MOF for record	Transferred to tax authorities for collection in 2023

Tax Treaty and Exchange of Information Network

Expanding Tax Treaty Network

By the end of 2025, China's tax treaty network had covered 114 jurisdictions worldwide, basically covering the main destinations of China's foreign

investment and the principal jurisdictions investing in China.

Table 10 Agreements for the Avoidance of Double Taxation Between China and Other Countries

Jurisdiction	Signed on	Effective from	Jurisdiction	Signed on	Effective from
Japan	1983.09.06	1984.06.26	Singapore	1986.04.18 2007.07.11	1986.12.11 2007.09.18
USA	1984.04.30	1986.11.21	Canada	1986.05.12	1986.12.29
France	1984.05.30 2013.11.26	1985.02.21 2014.12.28	Finland	1986.05.12 2010.05.25	1987.12.18 2010.11.25
UK	1984.07.26 2011.06.27	1984.12.23 2013.12.13	Sweden	1986.05.16	1987.01.03
Belgium	1985.04.18 2009.10.07	1987.09.11 2013.12.29	New Zealand	1986.09.16 2019.04.01	1986.12.17 2019.12.27
Germany ^①	1985.06.10 2014.03.28	1986.05.14 2016.04.06	Thailand	1986.10.27	1986.12.29
Malaysia	1985.11.23	1986.09.14	Italy	1986.10.31 2019.03.23	1989.11.14 2025.02.19
Norway	1986.02.25 2023.5.12	1986.12.21 (Not effective yet)	Netherlands	1987.05.13 2013.05.31	1988.03.05 2014.08.31
Denmark	1986.03.26 2012.06.16	1986.10.22 2012.12.27	Czechoslovakia (applicable to Slovakia) ^②	1987.06.11	1987.12.23

Continued

Jurisdiction	Signed on	Effective from	Jurisdiction	Signed on	Effective from
Poland	1988.06.07	1989.01.07	Russia	1994.05.27	1997.04.10
				2014.10.13	2016.04.09
Australia	1988.11.17	1990.12.28	Papua New Guinea	1994.07.14	1995.08.16
Yugoslavia (applicable to Bosnia and Herzegovina) ^③	1988.12.02	1989.12.16	India	1994.07.18	1994.11.19
Bulgaria	1989.11.06	1990.05.25	Mauritius	1994.08.01	1995.05.04
Pakistan	1989.11.15	1989.12.27	Croatia	1995.01.09	2001.05.18
Kuwait	1989.12.25	1990.07.20	Belarus	1995.01.17	1996.10.03
Switzerland	1990.07.06	1991.09.27	Slovenia	1995.02.13	1995.12.27
	2013.09.25	2014.11.15			
Cyprus	1990.10.25	1991.10.05	Israel	1995.04.08	1995.12.22
Spain	1990.11.22	1992.05.20	Vietnam	1995.05.17	1996.10.18
	2018.11.28	2021.05.02			
Romania	1991.01.16	1992.03.05	Turkey	1995.05.23	1997.01.20
	2016.07.04	2017.06.17			
Austria	1991.04.10	1992.11.01	Ukraine	1995.12.04	1996.10.18
Brazil	1991.08.05	1993.01.06	Armenia	1996.05.05	1996.11.28
Mongolia	1991.08.26	1992.06.23	Jamaica	1996.06.03	1997.03.15
Hungary	1992.06.17	1994.12.31	Iceland	1996.06.03	1997.02.05
Malta	1993.02.02	1994.03.20	Lithuania	1996.06.03	1996.10.18
	2010.10.18	2011.08.25			
UAE	1993.07.01	1994.07.14	Latvia	1996.06.07	1997.01.27
Luxembourg	1994.03.12	1995.07.28	Uzbekistan	1996.07.03	1996.07.03
Korea	1994.03.28	1994.09.27	Bangladesh	1996.09.12	1997.04.10

Continued

Jurisdiction	Signed on	Effective from	Jurisdiction	Signed on	Effective from
Serbia ^④	1997.03.21	1998.01.01	Bahrain	2002.05.16	2002.08.08
Montenegro ^④	1997.03.21	1998.01.01	Greece	2002.06.03	2005.11.11
Sudan	1997.05.30	1999.02.09	Kyrgyzstan	2002.06.24	2003.03.29
Macedonia	1997.06.09	1997.11.29	Morocco	2002.08.27	2006.08.16
Egypt	1997.08.13	1999.03.24	Sri Lanka	2003.08.11	2005.05.22
Portugal	1998.04.21	2000.06.07	Trinidad and Tobago	2003.09.18	2005.05.22
Estonia	1998.05.12	1999.01.08	Albania	2004.09.13	2005.07.28
Laos	1999.01.25	1999.06.22	Brunei	2004.09.21	2006.12.29
Seychelles	1999.08.26	1999.12.17	Azerbaijan	2005.03.17	2005.08.17
Philippines	1999.11.18	2001.03.23	Georgia	2005.06.22	2005.11.10
Ireland	2000.04.19	2000.12.29	Mexico	2005.09.12	2006.03.01
South Africa	2000.04.25	2001.01.07	Saudi Arabia	2006.01.23	2006.09.01
Barbados	2000.05.15	2000.10.27	Algeria	2006.11.06	2007.07.27
Moldova	2000.06.07	2001.05.26	Tajikistan	2008.08.27	2009.03.28
Qatar	2001.04.02	2008.10.21	Ethiopia	2009.05.14	2012.12.25
Cuba	2001.04.13	2003.10.17	Czech	2009.08.28	2011.05.04
Venezuela	2001.04.17	2004.12.23	Turkmenistan	2009.12.13	2010.05.30
Nepal	2001.05.14	2010.12.31	Zambia	2010.07.26	2011.06.30
Kazakhstan	2001.09.12	2003.07.27	Syria	2010.10.31	2011.09.01
Indonesia	2001.11.07	2003.08.25	Uganda	2012.01.11	(Not effective yet)
Oman	2002.03.25	2002.07.20	Botswana	2012.04.11	2018.09.19
Nigeria	2002.04.15	2009.03.21	Ecuador	2013.01.21	2014.03.06
Tunisia	2002.04.16	2003.09.23	Chile	2015.05.25	2016.08.08
Iran	2002.04.20	2003.08.14	Zimbabwe	2015.12.01	2016.09.29

Continued

Jurisdiction	Signed on	Effective from	Jurisdiction	Signed on	Effective from
Cambodia	2016.10.13	2018.01.26	Argentina	2018.12.02	2024.11.26
Kenya	2017.09.21	(Not effective yet)	Rwanda	2021.12.07	2022.06.25
Gabon	2018.09.01	2024.10.13	The Republic of Senegal	2023.10.17	(Not effective yet)
The Republic of Congo	2018.09.05	2022.07.06	The Republic of Cameroon	2023.10.17	2025.07.26
Angola	2018.10.09	2022.06.11			

- Notes:① The Chinese government signed the AGREEMENT FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND CAPITAL with the government of the Federal Republic of Germany on June 10, 1985 and the AGREEMENT FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME with the government of the German Democratic Republic on June 8, 1987. Since the German Democratic Republic officially joined the Federal Republic of Germany on October 3, 1990, the AGREEMENT FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND CAPITAL signed by the Chinese government and the government of the Federal Republic of Germany on June 10, 1985 has remained applicable to China and reunited Germany.
- ② The Chinese government signed the AGREEMENT FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME with the government of the Czechoslovak Socialist Republic on June 11, 1987. The Agreement continued to be applicable when the Czechoslovak Socialist Republic changed its name as Czech-Slovak Federal Republic, Czech and Slovak Federal Republic in 1990. Czech and Slovak Federal Republic was dissolved into the Czech Republic and the Slovak Republic on January 1, 1993, and the above-mentioned Agreement was still applicable to China and the two countries. The Chinese government signed the AGREEMENT FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME with the government of the Czech Republic on August 28, 2009, which is applicable to the Czech Republic.
- ③ The Chinese government signed AGREEMENT FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND CAPITAL with the federal parliament executive committee of the Socialist Federal Republic of Yugoslavia (the Yugoslavian government) on December 2, 1988. Yugoslavia was dissolved later and the Ministry of Foreign Affairs informed that the Agreement would be a legacy for the countries after dissolution. The Chinese government signed AGREEMENTS FOR THE AVOIDANCE OF DOUBLE TAXATION WITH RESPECT TO TAXES ON INCOME AND CAPITAL with countries after dissolution. Bosnia and Herzegovina is the only country left without signing a new treaty with China, so the above-mentioned agreement is still applicable to China and Bosnia and Herzegovina.
- ④ The Chinese government signed AGREEMENT FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME with the Federal Executive Council of the Socialist Federal Republic of Yugoslavia (Yugoslavian government) on March 21, 1997. The Agreement continued to be applicable when the Federal Republic of Yugoslavia changed its name to Serbia and Montenegro on February 4, 2003. On June 3, 2006, Serbia and Montenegro separated into the Republic of Serbia and the Republic of Montenegro, and this Agreement is still applicable to China and these two countries.

Table 11 Arrangements for the Avoidance of Double Taxation Between the Chinese Mainland and the Hong Kong SAR and the Macao SAR

Region	Signed on	Effective from
Macao	2003.12.27	2003.12.30
Hong Kong	2006.08.21	2006.12.08

Table 12 Agreement for the Avoidance of Double Taxation Between the Chinese Mainland and China's Taiwan Region

Region	Signed on	Effective from
Taiwan	2015.08.25	(Not effective yet)

Expanding Exchange of Information (EOI) Network

In the 1990s, the exchange of information on request was the main form of EOI and ten countries including the US, the UK, Japan and South Korea were our partners. As China blends into the world economy in the 21st century, its rate of exchange of information for tax purposes has accelerated. In 2024, China maintained stable working relationships with over 60 jurisdictions in relation to EOI on request. It also continued to carry out cooperation programs of EOI with other jurisdictions through the JITSIC platform.

China signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters in August 2013. The Convention became applicable to China on February 1, 2016 and has started to be implemented by China since January 1, 2017, which has further expanded the breadth and depth of EOI. China also signed Tax Information Exchange Agreements (TIEAs) with ten jurisdictions including the Bahamas, the British Virgin Islands, Isle of Man, Guernsey, Jersey, Bermuda, Argentina, the Cayman Islands, San Marino and Liechtenstein, all of which

have come into force and been implemented. In 2020, China was rated “largely compliant” in the Exchange of Information on Request Peer Review (2nd Round) of the Global Forum on Transparency and Exchange of Information for Tax Purposes. By the end of 2024, China had established tax information exchange partnerships with 165 jurisdictions, significantly expanding its international network of tax administration cooperation. The network covers major trading partners as well as low-tax jurisdictions with which China has frequent economic exchanges.

In 2014, China promised to implement the Standard for Automatic Exchange of Financial Account Information in Tax Matters (also known as the Common Reporting Standard or CRS) starting from 2018. In May 2017, the STA, the MOF, the People’s Bank of China, the China Banking Regulatory Commission, the China Insurance Regulatory Commission and the China Securities Regulatory Commission jointly rolled out the Measures on Due Diligence of Non-resident Financial Account Information in Tax

Matters. It took effect on July 1, 2017 and realized the implementation of CRS in China. By the end of 2025, China had successfully conducted automatic exchange of financial account

information in tax matters for eight consecutive years, with its exchange partnerships expanding to over 100 jurisdictions, thereby creating greater synergy in combating cross-border tax evasion.

Table 13 Multilateral Tax Conventions Signed by the Chinese Government

Serial number	Name	Signed on	Effective from	Applicable since
1	Multilateral Convention on Mutual Administrative Assistance in Tax Matters	2013.08.27	2016.02.01	2017.01.01
2	Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information	2015.12.16	2017.05	2017.07
3	Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting	2017.06.07	2022.09.01	

Table 14 Tax Information Exchange Agreements Signed by the Chinese Government

Serial number	Name	Signed on	Effective from	Applicable since	Signed by
1	Bahamas	2009.12.01	2010.08.28	2011.01.01	Hu Dingxian (Ambassador)
2	British Virgin Islands	2009.12.07	2010.12.30	2011.01.01	Qian Guanlin
3	Isle of Man	2010.10.26	2011.08.14	2012.01.01	Xiao Jie
4	Guernsey	2010.10.27	2011.08.17	2012.01.01	Xiao Jie
5	Jersey	2010.10.29	2011.11.10	2012.01.01	Xiao Jie
6	Bermuda	2010.12.02	2011.12.31	2012.01.01	Wang Li
7	Argentina	2010.12.13	2011.09.16	2012.01.01	Xiao Jie
8	Cayman Islands	2011.09.26	2012.11.15	2013.01.01	Song Lan
9	San Marino	2012.07.09	2013.04.30	2014.01.01	Xiao Jie
10	Liechtenstein	2014.01.27	2014.08.02	2015.01.01	Liang Jianquan (Consulate-General in Zurich)