



Hong Kong Institute of  
**Certified Public Accountants**  
香港會計師公會

# Meeting notes

**Guangdong Provincial Tax Service, State Taxation  
Administration**

**and**

**The Hong Kong Institute of Certified Public Accountants**

2018

## **Foreword**

It is a great honor for the Hong Kong Institute of Certified Public Accountants ("Institute" or "HKICPA") to hold the meeting with the Guangdong Provincial Tax Service, State Taxation Administration ("GDSTA") on 13 December 2018 in Guangzhou. The meeting aims to discuss various taxation topics and to exchange opinions based on the discussion.

The following is a translation of the meeting notes prepared, in Chinese, by the Institute. Please note that the meeting notes merely represent the views of GDSTA officials who attended the meetings and are not intended to be legally-binding or a definitive interpretation. Professional advice should be sought before applying the content of these notes to your particular situation.

HKICPA wishes to thank the delegates from Grant Thornton for taking the meeting notes.

## **Summary Note**

### **Agenda items**

#### **A. Corporate Income Tax ("CIT")**

1. Equity transfer
2. Assignment of equities/assets
3. Caishui [2018] No. 55
4. Caishui [2009] No. 59 ("Circular 59") – Can merger of entities under the same control apply for special tax treatment?
5. State Taxation Administration ("STA") Public Notice [2018] No. 28
6. STA Public Notice [2015] No. 7

#### **B. Withholding Income Tax**

1. Determination of "Beneficial Owners"

#### **C. Individual Income Tax ("IIT")/Social Security**

1. Resident identity
2. New IIT rate
3. Collection of social security

#### **D. Transfer Pricing and Information Exchange**

1. Information exchange
2. Monitoring cross-border profit levels
3. Contemporaneous documentation

#### **E. Value-added Tax ("VAT")**

1. Confirmation of VAT on fund management products

#### **F. Property Tax and Act Tax**

1. STA Public Notice [2018] No. 57 ("PN57") & STA Public Notice [2018] No. 17 ("PN17")

#### **G. Others**

1. Combination of local and state taxation bureaus
2. Improve business environment
3. Planning on the Greater Bay Area
4. Golden Tax Project Phase III