



Hong Kong Institute of
Certified Public Accountants
香港会计师公会

Meeting notes

**The Guangdong Provincial Local Taxation Bureau
and
The Hong Kong Institute of Certified Public Accountants**

2015

This is the brief translation of the Chinese version of the report for members' reference. In the event of any inconsistencies between this translation and the Chinese version of the report, members should refer to the original Chinese version of the report. The Institute is not responsible for the accuracy of this translation.

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Preface

The Hong Kong Institute of Certified Public Accountants (“HKICPA” or “the Institute”) was pleased to hold a meeting on 11th December 2015 with the Guangdong Provincial Local Taxation Bureau (“GPLTB”) to discuss on various tax topics in Guangzhou.

The following is a translation of the meeting notes prepared, in Chinese, by the Institute. Please note that this meeting notes merely represented the views of GPLTB officials who attended the meeting 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.

If there are any differences in the interpretation between the English and Chinese versions, references should be made to the Chinese version. It should also be noted that the Mainland tax authorities have issued a number of new circulars since the meeting took place. Members may therefore wish to refer to the websites of the relevant tax authorities for the most updated tax circulars.

HKICPA wishes to thank the delegates from Ernst & Young for taking the meeting notes.

Meeting notes

Discussions

A. Individual Income Tax (“IIT”)

1. Indirect transfer of shares
 - (a) Essence of Announcement 7
 - (b) Guoshuihan [2011] No. 14
 - (c) Application of Circular 698 and Announcement 7
 - (d) Indirect transfer of shares in Chinese resident enterprises by non-resident individuals
 - (e) SAT [2014] Announcement No. 67 (“Announcement 67”)
 - (f) Implications of Announcement 7 on individuals

2. Tax treaty benefit entitlement information submission for non-residents
3. Social security paid for expatriates
4. PRC resident employees assigned to work at overseas related companies outside the PRC

B. Real Estate Tax (“RET”) and Land Appreciation Tax (“LAT”)

1. Validity of laws and regulations