

Tax Analysis

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MOF and SAT Announced Detailed Rules for VAT Reform Rollout to Cover All Industries

On 23 March 2016, the Ministry of Finance (MOF) and the State Administration of Taxation (SAT) jointly issued Caishui [2016] No. 36 (Circular 36) which provides the detailed implementation guidance on the further rollout of the Value-Added Tax (VAT) reform to sectors such as construction, real estate, financial services and lifestyle services, as well as modifications to the current VAT rules for transportation services, modern services, postal and telecommunication services. Circular 36 takes effect from 1 May 2016, superseding Caishui [2013] No. 106 (Circular 106). From 1 May 2016, VAT will replace Business Tax (BT) to cover all the sectors that used to fall under the BT regime.

In this newsletter, we will summarize and analyze the key points in Circular 36. Circular 36 is very significant and detailed and we have structured this newsletter to allow the reader to navigate the core issues to implement. The body of this newsletter includes:

- introduction of the architecture of Circular 36 and the key new rules;
- comments on certain industry specific matters; and
- appendix which is a listing on the taxation of transactions and their applicable VAT rates.

This newsletter is for generic purposes and we will later provide you more industry focused analysis.

Background

Since the initial pilot of the VAT reform for transportation industry and certain modern services in Shanghai in 2012, the VAT reform has been rolled out nationwide, and expanded to more and more service sectors, including railway transportation, postal and telecommunication industry. Up to now, only four major industries are still under the BT regime, i.e. construction, real estate, financial services and lifestyle services. On 18 March 2016, the executive meeting of the State Council finally approved the plan to roll out the VAT reform to all industries, and confirmed that the aforementioned four sectors will all join in the reform starting from 1 May 2016.

With the rollout of the reform to cover the last four sectors, the reform, which has lasted for more than four year, has almost reached the final stage. The final completion will occur with the enactment of the VAT Law in a few years – this will complete the whole VAT landscape. For now, Circular 36 marks the complete replacement of BT by VAT, ending the co-existence of BT and VAT taxing mechanism in China. This is, undoubtedly, a landmark reform in China's indirect tax history.

Highlights of Circular 36

In accordance with Circular 36, construction, real estate, financial services and lifestyle services will be transitioned to VAT regime starting from 1 May 2016. Circular 36 also encompasses and supersedes all previous circulars issued in the past four years in relation to the VAT reform, including the most significant Circular 106 which contains the existing VAT reform general rules.

Circular 36 takes the same structure as Circular 106 with four appendices:

- Appendix I - the Implementing Measures for the Pilot VAT Reform
- Appendix II - the Provisions on Matters Concerning the Pilot VAT Reform
- Appendix III - the Provisions on the Transition Policies for the Pilot VAT Reform
- Appendix IV - the Provisions on VAT Zero Rate and Tax Exemption Policy Applicable to Cross-border Taxable Activities

Circular 36 redefines, and introduces, some new principles in the application of VAT. The new principles are aimed to either clarify some grey areas which have surfaced in the past four years or to provide guidance on implementing the regulations for the new industries. We have selected the key new principles to explain their function.

1. Taxable persons

Circular 36 defines VAT payers to be entities and individuals who sell services, intangible assets and real estate within China.

2. Tax scope

a. Taxable activities

In this section, the core framework is that all supplies are taxable unless specifically exempted. Circular 36 classifies all taxable activities into three core categories:

- supplies of services
- supplies of intangible assets
- supplies of real estate

The categories of supplies of intangible assets and supplies of real estate are the two categories that are newly introduced. Each of the above core categories are subdivided to define the services covered. The category of supplies of services are further divided into seven sub-categories and this is the core category housing the new services:

- transportation services
- postal services
- telecommunication services
- construction services
- financial services
- modern services
- lifestyle services

Construction services, financial services and lifestyle services are the three sub-categories that are newly introduced.

As mentioned, Circular 36 also made certain adjustment to the existing categories (for example, transfer of trademark and copyright was reclassified from the sub-category of modern services to the category of supplies of intangible assets). Meanwhile, the descriptions of some categories have been refined to broaden the scope of taxable activities. It is worth noting that Circular 36 adopts a broad definition of intangible assets to include items such as franchise right, membership, virtual goods of internet games, domain names, etc. Please refer to the appendix to this newsletter for details of the list of all taxable activities.

b. Definition of "within China"

Supplies of services, intangible assets or real estate within China refer to the following cases:

- 1) where the seller or the purchaser of the services (except for leasing of real estate), or intangible assets (except for use rights of natural resources), are located in China;
- 2) where the real estate which is being sold or leased, is located in China;
- 3) where the natural resources of which use rights are being sold, are located in China; and
- 4) other situations as provided by the MOF and the SAT.

Circular 36 also provided the following cases which are NOT considered as sales of services or intangible assets within China:

- 1) where the service sold by overseas entities or individuals to entities or individuals in China fully takes place outside of China;
- 2) where the intangible asset sold by overseas entities or individuals to entities or individuals in China is exclusively used outside of China;
- 3) where the moveable and tangible asset leased by overseas entities or individuals to entities or individuals in China is exclusively used outside of China; and
- 3) other situations as provided by the MOF and SAT.

c. Items outside the scope of VAT

The structure of Circular 36 provides that all supplies of services, intangible assets and real estate are subject to VAT except for those specifically excluded. Circular 36 defines the following items are outside the scope of VAT:

- 1) Railways transportation service and air transportation service provided free of charge as ordered by the State governments, qualifying for free services for public interest;
- 2) Interest on deposits;
- 3) Insurance compensation obtained by the insurant;
- 4) Special housing repair fund collected by the in-charge housing authorities or the delegated entities (e.g. the developer, the property management service provider) on behalf of the house owners; and
- 5) Transfer of real estate and land use rights that is associated with a transfer of the entire or part of an enterprise's tangible assets, along with the relevant receivables, liabilities and personnel, in the course of an asset reorganization through merger, division, sale or exchange of assets.

3. Tax rates and collection rates

The applicable VAT rates are 6%, 11% and 17%, as well as the zero-rate (see table below). The VAT collection rate is generally 3%, which is normally used by a small-scale VAT payer.

Tax rates	Taxable transactions
6%	Value-added telecommunication services, financial services, modern services and lifestyle services, sales of intangible assets other than land use rights
11%	Transportation services, postal services, basic-telecommunication services, leasing of real estate, sales of real estate/land use rights
17%	Leasing of moveable and tangible assets
Zero-rate	Certain cross-border taxable activities specified by the MOF and the SAT

4. Taxation Method

a. Taxable base

The taxable base of VAT, i.e., the sales amount, is generally determined as the total price and additional charges. However, Circular 36 provides that, under certain special circumstances, the taxpayers may deduct specified items from the total price to reach the taxable base. Please refer to the table below for examples.

Taxable activities	Deductible items
Brokerage and agency service	Government funds or administrative charges collected from and paid on behalf of clients
Financial leasing service provided by taxpayers with the approval of the People's Bank of China, the China Banking Regulatory Commission or the Ministry of Finance	Paid interest on loans (including foreign exchange loans and RMB loans) and bonds, vehicle purchase tax
Tourism service	Accommodation, catering, transportation, visa and entrance ticket expenses collected from the tourism service recipients and paid to other entities or individuals, as well as tourism service fees paid to other involved tourism service enterprises
Construction service provided by taxpayers under simplified taxation method	Subcontracting payments to subcontractors
Sales of real estate developed by general taxpayers in real estate development sector (except for certain old development projects where the taxpayer opt to pay VAT under the simplified taxation method)	Payments to the government authorities in charge of the land to acquire the land use right

b. Concurrent sales and mixed sales

Circular 36 inherits the rules from Circular 106 regarding concurrent sales and provides that, in concurrent sales where a taxpayer is engaged in sales of goods, services, intangible assets and real estates that are subject to different VAT rates or collection rates, the taxpayer should separately account for the sales revenue attributable to items of different rates; otherwise, the higher rate will apply.

In the meantime, Circular 36 provides rules regarding mixed sales. Where a transaction involves both sales of goods (including processing and repair services which share the same 17% VAT rate with goods) and services, it is viewed as mixed sale. For taxpayers mainly engaged in manufacturing, wholesale or retails of goods, the mixed sales will be treated as sales of goods for VAT purpose (i.e. 17% or 13% VAT rate will probably be applied); for other taxpayers, the mixed sales will be treated as sales of services for VAT purpose.

c. Input VAT

Non-creditable items - On the basis of the rules under Circular 106, Circular 36 newly added the following input VAT items that are not creditable:

- 1) In case of abnormal loss of real estate, the input VAT on the acquisition of the real estate, and the goods, design and construction services consumed in such real estate;
- 2) In case of abnormal loss of real estate construction-in-progress (CIP), the input VAT on the acquisition of the goods, design and construction services consumed in such CIP;
- 3) Input VAT on the acquisition of loan services, catering services, resident daily services and entertainment service, including input VAT incurred on investment/financing advisory fees, commission charges and consulting fees directly related to the loan borrowed by the taxpayer and paid by the taxpayer to the lender.

Circular 36 also provided that, input VAT which has incurred on fixed assets, intangible assets or real estate and has been credited against output VAT should be transferred out to cost in cases where such input VAT is no longer creditable. The non-creditable input VAT in this situation should be calculated as:

*Non-creditable input VAT = net value of the fixed assets, intangible assets or real estate * the applicable VAT rate*

Input VAT on newly acquired real estate - When a taxpayer paying VAT under the general taxation method acquires real estate after 1 May 2016 and records the real estate as fixed asset for financial accounting purposes, the input VAT incurred may be credited against the output VAT over a two-year period, with 60% of the input VAT credited in the first year and the remaining 40% credited in the second year.

The above treatment will not apply to projects developed by real estate developers and real estate acquired through financial leasing.

d. Special rules for construction services

- 1) A general taxpayer providing construction service under a model where the taxpayer does not purchase materials needed in the construction work or only purchases auxiliary materials, and charges labor services fee and management fee may opt to pay VAT under the simplified taxation method;
- 2) A general taxpayer providing construction service under a model where the project owner purchases all or part of the equipment, materials and energy may opt to pay VAT under the simplified taxation method;
- 3) A general taxpayer providing construction service for old projects (meaning projects with a contract work commencement date no later than 30 April 2016) may opt to pay VAT under the simplified taxation method.
- 4) A general taxpayer who provides construction service in a different city (county) than its registration location and applies for a general taxation method, must pay VAT on a provisional basis at the location where the construction labor takes place, and then file and settle VAT at its registration location. To compute the final VAT payable, the sales must be determined based on the total price and additional charges; however, to compute the provisional VAT payable at the location where the construction labor takes place, the taxable base must be determined based on the total price and additional charges net of subcontracting payments made to subcontractors, with a 2% provisional collection rate.
- 5) A general taxpayer who provides construction service in a different city (county) than its registration location and opts to apply for a simplified taxation method, must pay VAT on a provisional basis at the location where the construction labor takes place, and then file and settle VAT at its registration location. To compute the VAT payable, the sales must be determined based on the total price and additional charges net of subcontracting payments made to subcontractors, with a 3% collection rate.
- 6) A small scale taxpayer who provides construction service in a different city (county) than its registration location, must pay VAT on a provisional basis at the location where the construction labor takes place, and then file and settle VAT at its registration location. To compute the VAT payable, the sales must be determined based on the total price and additional charges net of subcontracting payments made to subcontractors, with a 3% collection rate.

e. Special rules for real estate sector

Considering the characteristics of real estate business and the need for transition rules, Circular 36 provided some special rules regarding the sale and leasing of real estate.

Sale of real estate

1) General rule

- § When a general taxpayer sells real estate which is acquired after 1 May 2016, it should apply for a general taxation method and determine the sales based on the total price and additional charges; it needs to pay VAT on a provisional basis at a 5% provisional collection rate at the location of the real estate, and then file and settle VAT at its registration place. If the real estate is NOT self-built by the taxpayer, it may deduct the original purchase price of the real estate from the total price and additional charges to compute the provisional tax.
- § Where a real estate developer receives advance payments in selling real estate, it must pay VAT on a provisional basis with a 3% provisional collection rate.

2) Transition rules

- § When a general taxpayer sells real estate which was acquired on or before 30 April 2016, it may opt to apply for a simplified taxation method with a 5% collection rate; it needs to pay VAT on a provisional basis at the location of the real estate, and then file and settle VAT at its registration place. If the real estate is NOT self-built by the taxpayer, it may deduct the original purchase price of the real estate from the total price and additional charges to compute VAT.
- § For a real estate developer with general taxpayer status, it may opt to pay VAT under the simplified taxation method with a 5% collection rate for sales of old real estate projects.

Operating lease of real estate

1) General rule

When a general taxpayer leases out real estate which is acquired after 1 May 2016 and locates in a different city (county) than its registration location, it should pay VAT on a provisional basis with a 3% provisional collection rate at the location of the real estate, and then file and settle VAT at its registration place.

2) Transition rules

When a general taxpayer leases out real estate which was acquired on or before 30 April 2016, it may opt to apply for a simplified taxation method with a 5% collection rate. If such real estate locates in a different city (county) than its registration location, it should pay VAT on a provisional basis at the location of the real estate, and then file and settle VAT at its registration place.

5. Tax point

In essence, Circular 36 inherits the tax point rules from Circular 106, i.e., the VAT liability generally arises when the taxpayer provides service and collects the service payment or payment vouchers (if invoices are issued in advance, the tax point is advanced to the invoice date). However, Circular 36 also provides some special rules:

- 1) When a taxpayer provides construction services or leasing services and receives advance payment, the VAT liability arises on the date the advance payment is received;
- 2) In transfer of financial commodities, the VAT liability arises on the date the ownership of the financial commodities is transferred;
- 3) In deemed sales of taxable services, intangible assets or real estate, the VAT liability arises on the date the provision of service or transfer of intangible assets is completed or when the title of the real property is changed.

6. Exemption

Circular 36 generally inherits the prevailing BT exempted items under the BT regime, for instance, BT exempted items such as medical care service income, premium income of insurance company generated from life insurance products with one year or longer insurance term, and interest income from transactions between financial institutions.

7. Cross-border taxable activities

a. Zero-rating

- A. International transportation service
- B. Space transportation service
- C. Service provided to overseas entities and fully consumed outside of China (Note: "fully consumed outside of China" is a new expression adopted in Circular 36)
 - R&D service
 - Energy management contract service
 - Design service
 - Production and distribution of radio, film and television programs (works)
 - Software service
 - Circuit design and testing service
 - Information system service
 - Business process management service
 - Offshore outsourcing service
 - Technology transfer
- D. Other service provided by the MOF and the SAT

"Fully consumed outside of China" refers to any of the following cases:

- where the actual service recipient is outside of China and the service is not related to goods and immoveable property in China;
- where the intangible assets are exclusively used outside of China and are not related to goods and immoveable property in China; or
- other situations as provided by the MOF and the SAT.

The addition of this wording appears to aim at prevent favourable VAT treatment to where the service is actually provided to a domestic recipient but the contracts have been structured so that the service recipient is outside of China.

b. Exemption

A. Specified service rendered outside of China	Construction services for projects located outside of China (newly added)
	Project supervision services for projects located outside of China (newly added)
	Geotechnical investigations, surveying and exploration service for projects and mineral resources located outside of China
	Conference and exhibition service for conferences and exhibitions outside of China
	Storage service where storage sites are located outside of China
	Leasing of tangible and moveable goods where the leased object is used outside of China
	Broadcasting and distribution of radio, film and television programs outside of China
B. Service related to exported goods	Cultural, sports, educational, medical care and tourism service provided outside of China (newly added)
	Postal service for exported goods
	Pick-up and delivery service for exported goods
	Insurance service for exported goods (newly added)
C. Service and intangible assets provided to overseas entities and fully consumed outside of China (Note: "fully consumed outside of China" is a new expression adopted in Circular 36)	Telecommunication service
	Intellectual property service
	Logistics ancillary service (excluding storage service, pick-up and delivery service)
	Assurance and consultation service
	Professional technical service (newly added)
	Business support service (newly added)
D. International transportation service under the non-vehicle carrier model (newly added)	Advertising service for ads published outside of China
	Intangible assets (newly added)
E. Direct charge financial service provided for financing transactions between overseas entities, and such service is not related to any goods, intangible assets or real estate in China	
F. Other service as provided by the MOF and the SAT	

Comments

As the fundamental regulation for VAT reform nationwide, Circular 36 does not only stipulates the tax treatments for the four newly included industries, but also provides specific guidance to all taxpayers under the current VAT scope.

Expansion of the taxation scope and clarification on certain taxable items

Since all the activities under BT regime will soon transition to the scope of VAT, there is a need to expand and refine the taxable items under the VAT. Taking into consideration the issues identified in the earlier stage of the pilot reform, Circular 36 classified the taxable activities in a more thoroughly and comprehensive way and made some necessary adjustments to the existing categorization in order to have the rules more aligned with business practices.

For example, a holding company or investment management company within a group usually provide comprehensive management services including finance, legal and human resources supports to group member companies. There have been uncertainties when assessing whether such services should be subject to VAT and which service category such service should fall under. This issue is now clarified since Circular 36 added a sub-category of "Business support service – enterprise management service" under the modern service category. Also, to solve the problem that the list of services cannot be exhaustive and there could be new service types, Circular 36 provided a catch-all item of "Others" in some categories.

The definition of intangible assets under the current BT rules is literally quite narrow, only covering land use right, trademark, patent, non-patent technology, copyright, goodwill and use right of natural resources. As a result, there have been disputes regarding whether some new types of intangible assets (for example domain names and memberships) should be subject to BT or not. In view of this issue, Circular 36 introduced the new sub-category of "Other rights and benefits" under the intangible assets with a broad list of intangible items which significantly expanded the tax scope of VAT.

Reducing the tax burden of all sectors and promoting investment

In order to execute the principle set out by the State Council to ensure the reduction of tax burden, certain measures were taken in the final rollout of the VAT reform.

Taking construction and real estate sectors as examples, the new 11% VAT rate is much higher than the 3% and 5% BT rates. However, Circular 36 allows taxpayers in these sectors to deduct subcontracting payments and land cost from the sales amount to compute VAT. It also introduced a mechanism where a provisional VAT was paid followed by a final settlement to solve the potential mismatch of input VAT and output VAT which could adversely impact real estate companies. On the other hand, transition rules have been introduced in connection with old real estate projects, allowing taxpayers to opt to pay VAT under the simplified taxation method. These measures are expected to mitigate the potential negative impact of the increase in the applicable tax rates.

Financial and lifestyle services will be subject to VAT at 6% after 1 May. This VAT rate is not much higher than the current BT rates of 3% and 5%. Circular 36 largely inherits the current BT rules including various BT exemptions (for example, exemption of interests from inter-bank transactions) and "net base" treatment where the taxable base (i.e. sales) is computed by deducting certain items from the gross revenue (for example, for the sale of financial products, the sales price net of the purchase price is used as the sales for indirect tax purposes). Taking into consideration that the taxpayers in these two sectors may claim input VAT credit after the reform, it is generally expected that their overall tax burden may not be significantly impacted. It has been expected that the simplified taxation method could be applied for all taxpayers in financial and lifestyle service industry after the reform. However, this treatment is not available in Circular 36. Therefore, taxpayers in financial and lifestyle sectors must apply for the general taxation method as long as they qualify for the general VAT payer status. These taxpayers' compliance cost may be increased.

Taxpayers in other sectors are also expected to directly or indirectly benefit from the final rollout of the reform. In particular, businesses will have the opportunity to get input VAT credit from vendors in the four sectors and reduce their own tax burden. The most eye-catching highlight in the final rollout program is the inclusion of newly acquired real estate into the scope of input credit. There have been expectations among businesses that the credit period could be 20 years with 5% of the input VAT on the real estate being credited each year. However, Circular 36 provides a two-year credit period, i.e. 60% of the input VAT could be credited in the first year, and the remaining 40% for the second year. This credit period is much shorter than generally expected. It is obvious that the government is very determined in lowering the tax burden of all sectors. It is expected that this policy will encourage investment in commercial real estate.

Although the full-scale rollout of the reform is a very positive move, considering the complexity and fluidity in economy and business activities, the newly issued implementation rules are to be tested in the business reality. There could be areas for improvement that are identified in the implementation. In the meantime, there are multiple levels of VAT rates in the current system, which may limit the neutralization effect the VAT regime that is supposed to have. Therefore, businesses should closely monitor further developments of the reform.

Recommendations

Considering that the further rollout will take place in less than one and a half month, and the fact that companies in construction, real estate, financial service and lifestyle service sectors used to be BT payers, they need to take immediate actions to make sure the transition to VAT payers is smoothly and timely completed. Strategically prioritizing the actions needed will be critical to a successful implementation. We set forth below our suggestions to business in these four sectors.

1. Prepare for VAT compliance including, with a focus on sales, prepare VAT reporting and invoice management and arrange training for finance and tax personnel;
2. Bespoke the ERP system to satisfy the requirements of VAT compliance;
3. Review the commercial contracts of the company and revisit pricing policies;
4. Based on the detailed rules, review the company's operation model and structure, assess whether any changes need to be made;
5. Understand the new rules and explore preferential policies that can be enjoyed; and
6. Consult with the tax authorities and professional firms in case of unclear issues in the new rules.

Companies not in the above-mentioned sectors also need to understand the impacts of the reform on the parties in the supply chain and make effective communication with suppliers and customers.

Deloitte's indirect tax team will continue to monitor the VAT reform developments. We have been working with the authorities to design the new rules. We are assisting many clients in preparation for the reform. If you have any questions, please feel free to contact us.

Appendix

				BT rate	VAT rate ¹		
Service	Transportation	Landway transportation	Railway transportation	3%	11%		
			Other landway transportation				
		Waterway transportation	Waterway transportation				
		Air transportation	Air transportation				
		Pipeline transportation	Pipeline transportation				
	Postal service	Universal postal service	Universal postal service	3%	11%		
		Special postal service	Special postal service				
		Other postal service	Other postal service				
	Telecommunication	Basic telecom service	Basic telecom service	3%	11%		
		Value-added telecom service	Value-added telecom service		6%		
	Construction service (newly added)	Engineering	Engineering	3%	11%		
		Installation	Installation				
		House renovation	House renovation				
		Decoration	Decoration				
		Other construction service	Other construction service				
	Financial service (newly added)	Loan service	Loan service	5%	6%		
		Direct charge financial service	Direct charge financial service				
		Insurance	Life insurance			5%	6%
			Property insurance				
	Financial commodity transfer	Financial commodity transfer					
	Modern service	R&D and technical service	R&D service	5%	6%		
			Energy management contracting service				
			Engineering survey and exploration services				
			Professional technical service (newly added)				
Information technology service		Software service	5%	6%			
		Circuit design and testing service					
		Information system service					
Cultural creativity service (transfer of trademarks and copyrights being reclassified under supplies of intangible assets)	Business process management service	3%/5%	6%				
	Information system value-added service (newly added)						
	Design service	3%/5%	6%				
	Intellectual property service						
	Advertising						
	Conference and exhibition						

¹ VAT collection rate is generally 3% (except for certain special rules, e.g. a 5% collection rate may be applied in transition rules for sales or leasing of real estate)

				BT rate	VAT rate
Service	Modern service	Logistics ancillary service	Aviation service	3%/5%	6%
			Port and wharf service		
			Goods and passenger transportation station service		
			Salvage and rescue service		
			Loading, unloading and moving service		
			Storage service		
			Pick-up and delivery service		
		Leasing	Financial leasing of real estate (newly added)	5%	11%
			Operating leasing of real estate (newly added)		
			Financial leasing of tangible and moveable assets		17%
			Operating leasing of tangible and moveable assets		
		Assurance and consulting	Certification service	5%	6%
			Assurance service		
			Consultation service		
		Radio, film and television programs (works)	Production of programs (works)	3%/5%	6%
			Distribution of programs (works)		
			Broadcasting of programs (works)		
		Business support service (newly added)	Enterprise management	5%	6%
			Brokerage and agency		
	Human resource service				
	Security and protection service				
	Other modern service (newly added)	Other modern service	3%/5%	6%	
	Lifestyle service (newly added)	Culture and sports service	Culture service	3%/5%; 5-20% for entertainment service	6%
			Sports service		
		Education and medical care service	Education service		
			Medical care service		
		Tourism and entertainment service	Tourism service		
Catering and accommodation service		Entertainment service			
		Catering service			
Accommodation service					
Resident daily service	Resident daily service				
Other lifestyle service	Other lifestyle service				
Intangible asset	Sale of intangible assets (newly added)	Patented and non-patented technologies	Patented and non-patented technologies	5%	6%(except for 11% for sale of land use rights)
		Trademark, copyright and goodwill	Trademark, copyright and goodwill		
		Use right of natural resources	Use right of natural resources (including land use right)		
		Other rights and benefits	Other rights and benefits		
Real estate	Sale of real estate (newly added)	Buildings	Buildings	5%	11%
		Structures	Structures		

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