



# HORIZON

## China Tax Updates on Cross Border Tax Issues

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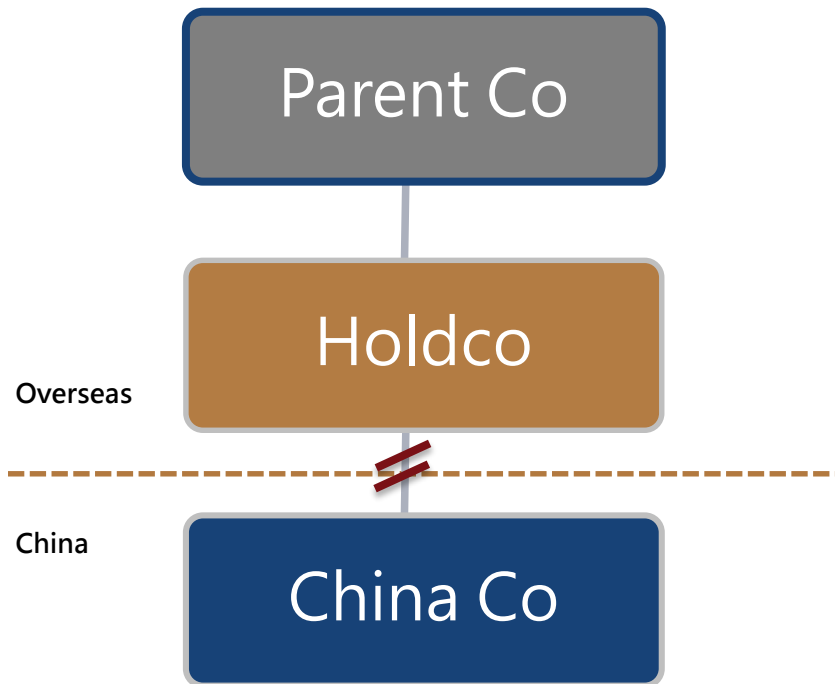
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# Indirect Transfer

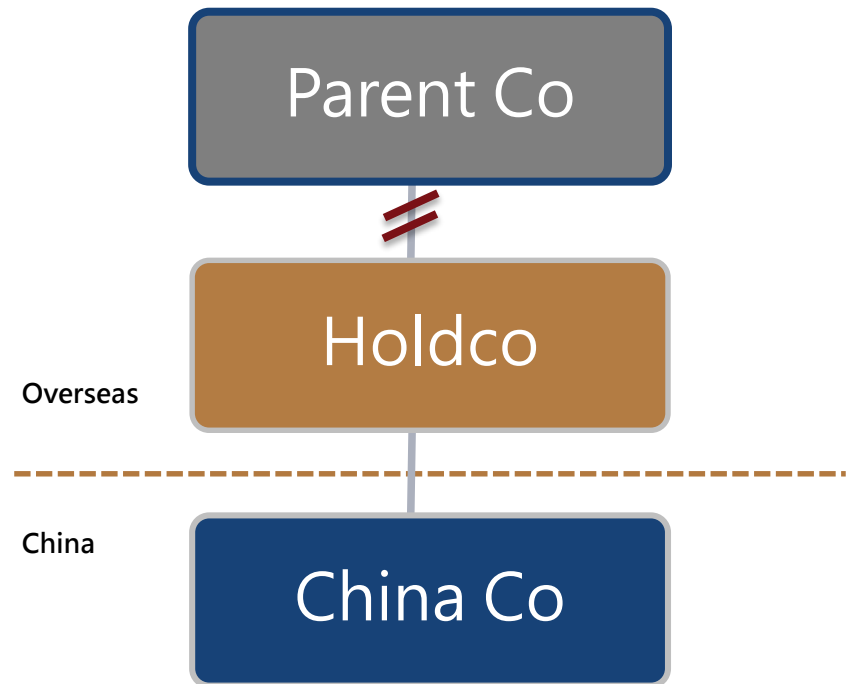
# Divestment – Which level?

## Option 1: Direct Transfer



Holdco needs to pay Enterprise Income Tax of 10% for certain

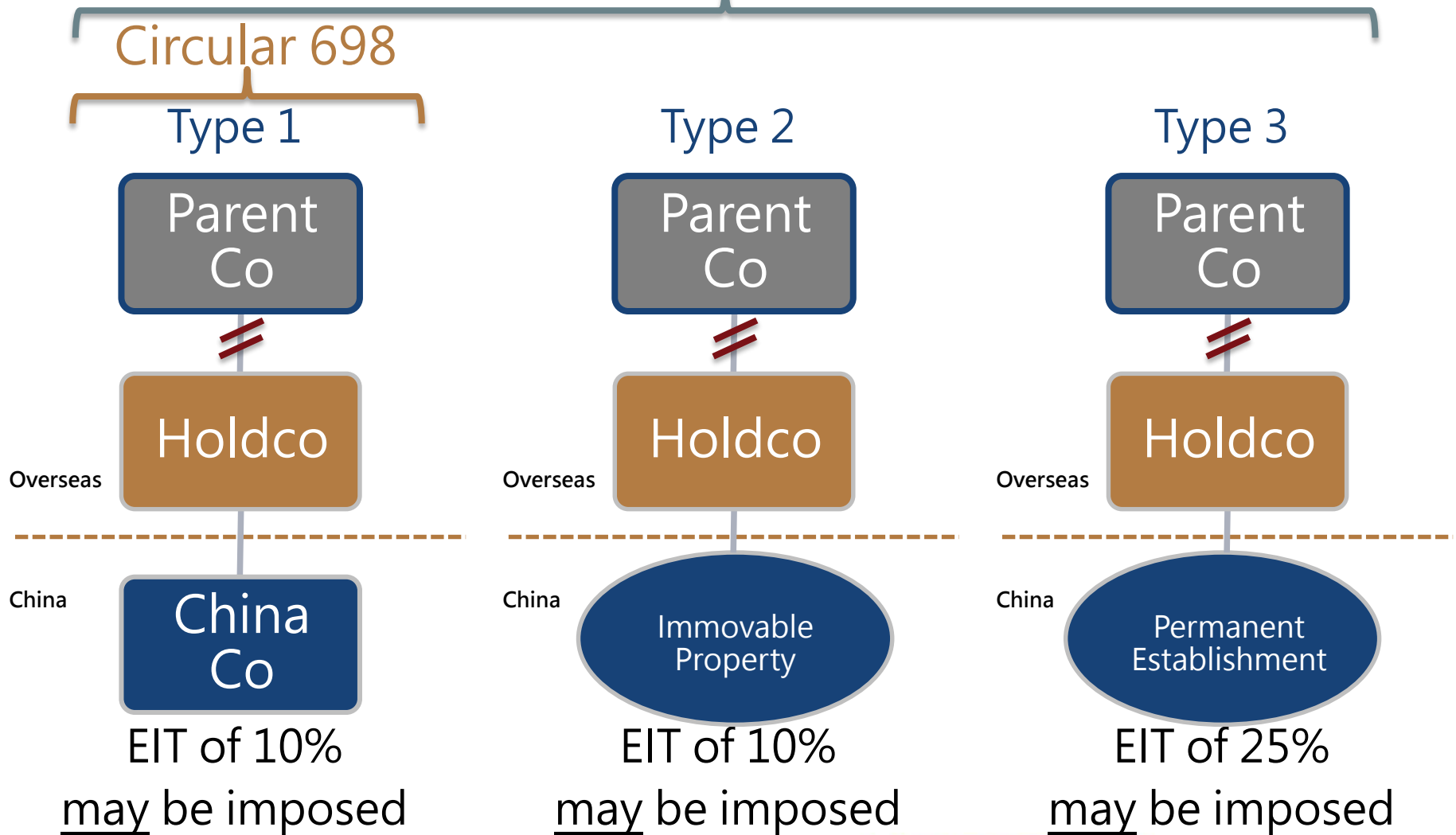
## Option 2: Indirect Transfer



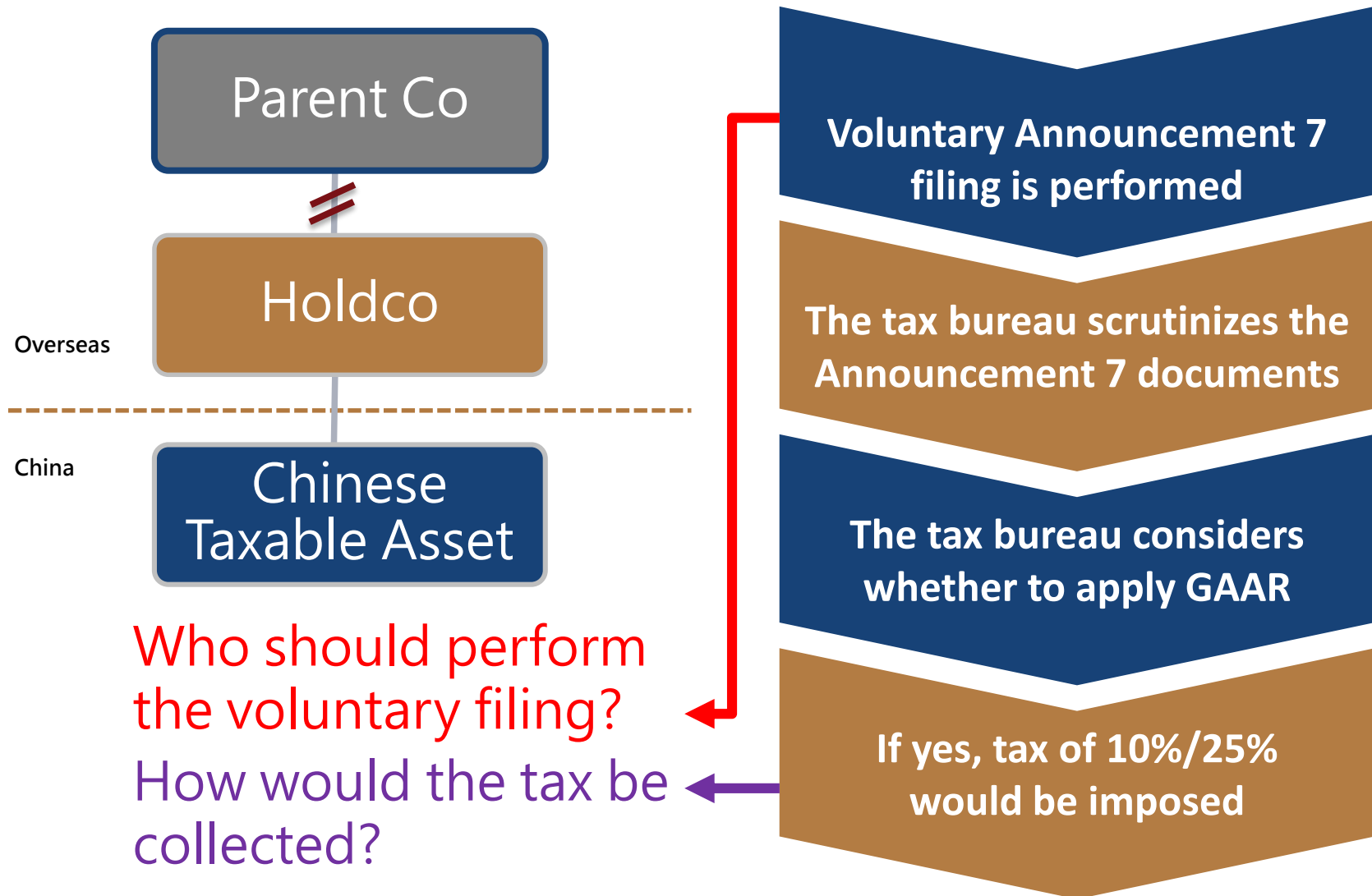
EIT of 10% may be imposed

# Chinese Taxable Assets

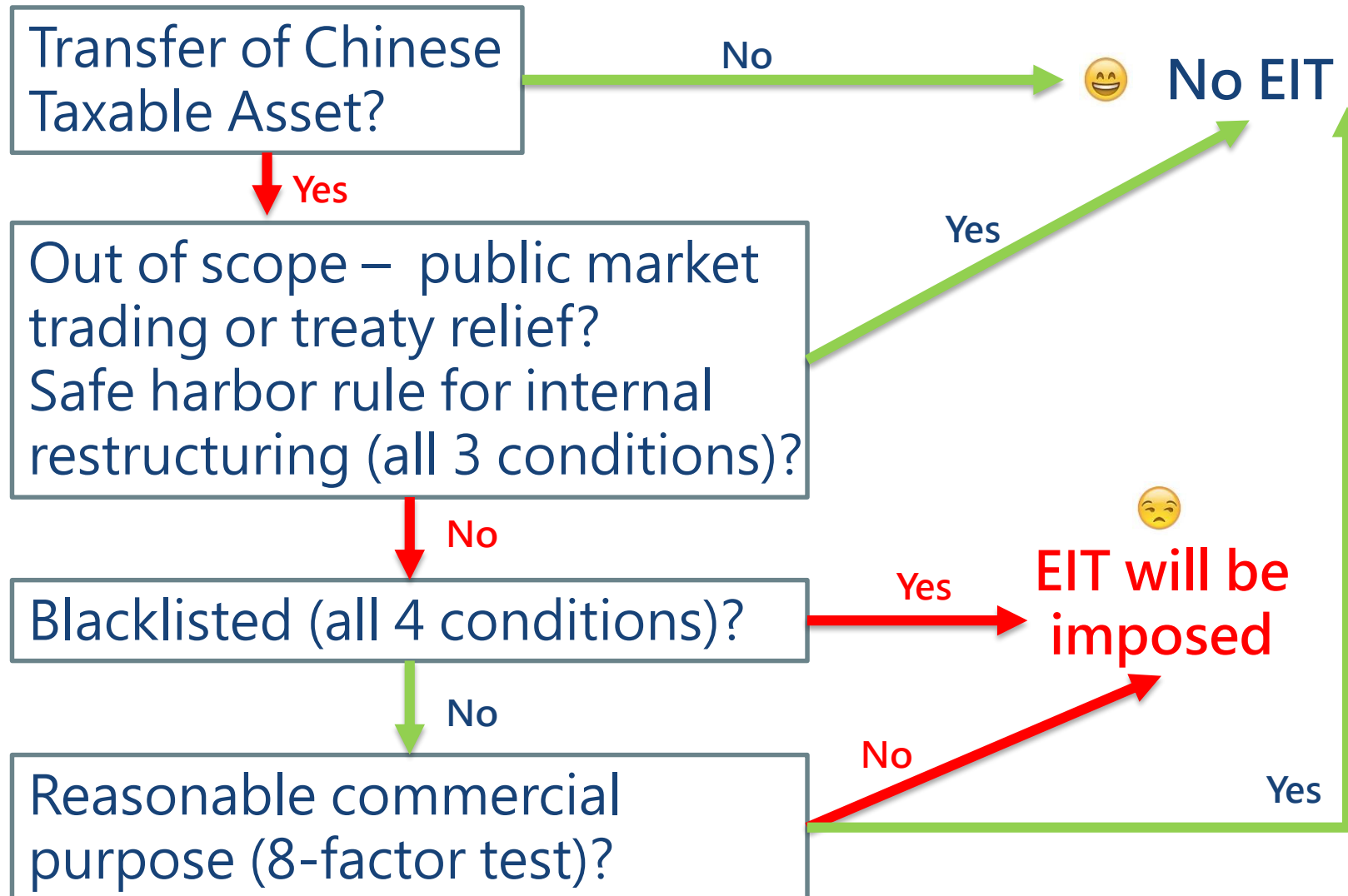
## Announcement 7



# Announcement 7 and GAAR



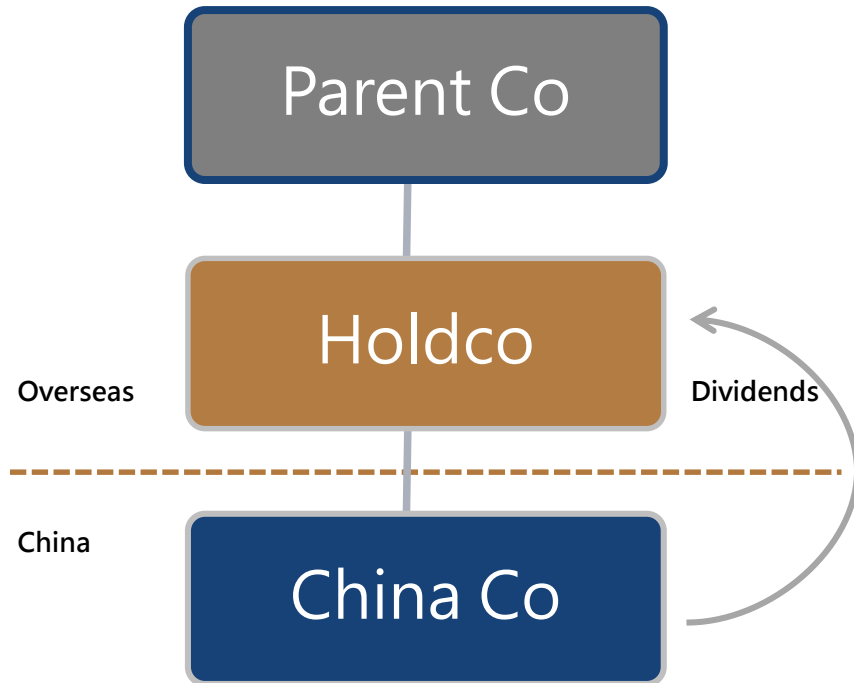
# Key Concepts of the New Rule



# Tax Treaty Benefits



# Tax Treaty Benefits – Simplified Procedures



- Tax treaty benefits for cash repatriation (i.e. withholding Enterprise Income Tax (“EIT”) from 10% to, say 5%)
- Announcement 60 will be effective on 1 Nov 2015
- Simplified procedures for obtaining tax treaty benefits – no preapproval is required

# Speaker Bio



## William Wong

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Member of The Taxation Institute of Hong Kong  
Juris Doctor (CUHK), BBA (CUHK)

William Wong is the Principal of our firm, with extensive China / Hong Kong cross-border tax and business advisory experience.

Prior to joining our firm, William Wong was the International and M&A Services Tax Manager at a Big Four accounting firm. He specializes in providing international tax advisory services, supply chain tax planning services, corporate restructuring services, tax structuring services pre-acquisition and post-acquisition and tax due diligence services.

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William Wong graduated from The Chinese University of Hong Kong with a Juris Doctor Degree and a BBA Degree in Professional Accountancy. He is a Hong Kong Certified Public Accountant and a Hong Kong Certified Tax Advisor ( "HKCTA" ). He also won the Highest Score Award (China Tax Paper) for his HKCTA exam result, and he is 1 of the first 19 HKCTAs eligible to practise in Qianhai, Shenzhen, China. Currently, William Wong serves as a committee member of the China Tax Committee of The Taxation Institute of Hong Kong.

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