



INTERIM MEASURES FOR THE  
ADMINISTRATION OF FINANCIAL SUBSIDY  
POLICIES FOR PERSONAL INCOME TAX  
PREFERENTIAL POLICIES IN GUANGDONG,  
HONG KONG AND MACAO DAWAN DISTRICT  
(Unofficial Translation)

August 2019



**ASIA BRIEFING**



**DEZAN SHIRA & ASSOCIATES**

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Source: Guangzhou Municipal Government, China

<http://www.gz.gov.cn/gzswjk/2.2.19/201908/847325085f9846348ab7fba22658b695.shtml>

Guangzhou Municipal Finance Bureau  
Guangzhou Municipal Bureau of Science and  
Technology  
Guangzhou Human Resources  
and Social Security Bureau  
State Administration of Taxation  
Guangzhou Municipal Taxation Bureau issued

Notice of Guangzhou Municipality on the  
Interim Measures for the Administration of  
Financial Subsidy for Personal Income Tax  
Preferential Policies in Guangdong, Hong Kong  
and Macao Dawan District

All relevant units:

With the consent of the Municipal People's  
Government, the "Provisional Measures for the  
Administration of Financial Subsidies for  
Personal Income Tax Preferential Policies for  
Guangdong, Hong Kong and Macao Dawan  
District" will be printed and distributed to you.  
Please follow the instructions. If there is any  
problem during the implementation, please  
report it to the Radiation Municipal Finance  
Bureau.

Guangzhou Municipal Finance Bureau  
Guangzhou Science and Technology Bureau

Guangzhou Municipal Bureau of Human  
Resources and Social Security  
State Administration of Taxation  
Guangzhou Municipal Taxation Bureau

*August 13, 2019*

Interim Measures for the Administration of  
Financial Subsidies for the Individual Income  
Tax Preferential Policies of Guangdong, Hong  
Kong and Macao Dawan District.

## Chapter I General

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The first is to build Guangdong, Hong Kong,  
Macao and Dawan District, and regulate the  
financial subsidy management of the personal  
income tax preferential policies of Guangdong,  
Hong Kong and Macao Dawan District,  
according to the Notice of the Ministry of  
Finance and the State Administration of  
Taxation on the Individual Income Tax  
Preferential Policies for Guangdong, Hong

Kong and Macao Dawan District (Cai Shui  
[2019] No. 31), Provincial Department of  
Finance, Provincial Taxation Bureau, "Notice  
on Implementing the Individual Income Tax  
Preferential Policies for Guangdong, Hong  
Kong, Macao and Dawan District" (Guangdong  
Finance Tax [2019] No. 2), in conjunction with  
the actual situation in Guangzhou, formulate  
these Measures.

### Article 2

These Measures shall apply to the  
implementation of the financial subsidy scope,  
subsidy procedures and supervision and  
inspection of the personal income tax  
preferential policies of Guangdong, Hong Kong  
and Macao Dawan District in Guangzhou.

### Article 3

The high-end talents and the shortage of  
talents working outside the administrative area  
of Guangzhou shall be financially subsidized  
for the portion of the tax paid by the individual  
income tax paid in Guangzhou that exceeds  
the taxable amount of 15% of the taxable  
income. The subsidy is exempt from personal  
income tax.

### Article 4

The calculation of the negative difference of  
personal income tax shall be based on one tax  
year. The tax year begins on January 1 and  
ends on December 31 of the Gregorian  
calendar.

Guangdong, Hong Kong and Macao Dawan  
District personal income tax preferential  
policies financial subsidies are subsidized once  
a year, and will be accepted and distributed  
after the personal income tax is settled in the  
following year.

### Article 5

The financial subsidies of these Measures shall  
be included in the budgetary arrangements for  
the current year according to the current  
financial system.

## Chapter II

### Range of Subsidies

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#### Article 6

The high-end overseas talents referred to in Article 3 of these Measures shall comply with the "Catalogue of High-end Talents Outside Guangzhou" (see Annex 1 for the 2019 standard).

#### Article 7

The shortage of overseas talents referred to in Article 3 of these Measures shall be in accordance with the Catalogue of Demand for Talents Shortage in Guangzhou (see Appendix 2 for the 2019 edition), and the taxable income of personal income tax in the tax year shall be more than RMB 300,000.

#### Article 8

The overseas high-end talents and the shortage of talents (hereinafter referred to as applicants) who comply with Articles 6 and 7 of these Measures shall also meet the following conditions:

- (1) The applicants are permanent residents of Hong Kong and Macao and have obtained Hong Kong entry. Hong Kong residents of the scheme (excellent, professionals and entrepreneurs), residents of Taiwan, foreign nationals, or returnees who have obtained long-term residency abroad and overseas Chinese;
- (2) Enterprises registered in Guangzhou during the tax year of the applicant Worked with other agencies, employed, or provided independent personal services in Guangzhou, and accumulated 90 days of work in Guangzhou during the tax year, and paid personal income tax in Guangzhou according to law;
- (3) Applicants within three years before applying for financial subsidies There is no information record of major tax violation cases, no false reports, fraudulent use, fraudulent use, misappropriation of financial funds and violations of scientific ethics, scientific research integrity and other records of

dishonesty, not included in the letter of execution, no criminal punishment or ordered to suspend business, Major violations such as revocation of licenses or licenses, large-scale fines, administrative penalties, etc. Records; and the applicant or its withholding agent of the above acts recorded live direct or primary responsibility, not as the legal representative or person in charge withholding agent.

The above records can be inquired through the "Credit China", "Credit Guangzhou" website or sharing government information.

#### Article 9

"Catalogue of High-end Talents Outside Guangzhou" and "Catalogue for the Needs of Talents in Guangzhou" are subject to dynamic management. According to the needs of economic and social development in Guangzhou, the Municipal Science and Technology Bureau and the Municipal Human Resources and Social Security Bureau will update and release them in due course.

#### Article 10

The amount of tax paid in accordance with Article 3 of these Measures shall be the personal income tax paid in accordance with the "Personal Income Tax Law of the People's Republic of China" as follows:

- (1) Income from wages and salaries;
- (2) Income from labor compensation;
- (3) Remuneration income;
- (4) Royalties resulting fee;
- (5) Operating income;
- (6) Selected Qujiyishang government or government departments, agencies directly under the talent subsidized income or engineering project personnel available.

#### Article 11

Financial subsidies shall be carried out in accordance with the individual income items, in accordance with the itemized calculation (comprehensive calculation of comprehensive income) and the merger of subsidies.

If the personal income is the comprehensive income or the income from the operation, the personal income tax paid shall be subject to the actual annual tax payment after the settlement and payment of the tax in the following year.

## Article 12

If an applicant obtains the income from Article 10 of these Measures, the annual financial subsidy of Guangzhou City shall be calculated as follows:

Financial Subsidy =  
 $\sum(\text{Individual Income Tax Credit Difference in Sub} - \text{Item} \times \text{Tax Paid})$

The Proportion of the Tax Paid in the Sub Item  
= the Amount of the Personal Income Tax Paid in  
Guangzhou in the Sub Item,

and the personal income tax paid in China in the sub item  
= The difference between the individual income tax and  
the tax in each sub item

1.
  - (1) The score of the individual's individual comprehensive income (the comprehensive income of the resident includes wages, salary income, labor compensation income, remuneration income, and royalties): Tax difference: comprehensive income tax paid - comprehensive income taxable income  $\times$  15%;
  - (2) Non-resident individual wages, salary scores: annual personal income tax burden difference = personal income tax on wages, salaries Tax paid - the taxable income of wages and salaries  $\times$  15%;
  - Non-resident personal labor remuneration scores: the annual personal income tax burden difference = personal income tax paid for labor remuneration - taxable income from labor remuneration  $\times$  15%;
  - Non-resident individual remuneration scores: individual in each year Negative income tax difference = personal income tax paid for remuneration - taxable income of the remuneration  $\times$  15%;
  - Non-resident individual concession fee: the annual personal income tax difference = annual royalties Individual income tax

paid - the taxable income of royalties is 15%.

2. The scores of the operation: the difference between the individual income tax and the annual income of the individual = the amount of the personal income tax paid by the operating income - the taxable income of the operating income  $\times$  15%.
3. The subsidy scores obtained for the talent project or talent project: the annual personal income tax burden difference = the subsidized income of the selected talent project or the talent project, the personal income tax paid - the selected talent project or talent project The taxable income of subsidized income is  $\times$ 15%.

## Chapter III Subsidy Procedure

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### Article 13

Financial subsidies shall be processed once a year, and the application for financial subsidies for the current year shall be accepted from July 1 to August 15 of the following year.

If the applicant meets the subsidy conditions and fails to file an application within the prescribed time limit, the application may be renewed within the subsidy application period for the next year. If it is overdue again, it will not be accepted and subsidized.

### Article 14

Where the applicant's personal income tax is withheld by the withholding agent, the withholding agent shall apply for the financial subsidy on behalf of the detainee. If the applicant declares and pays the personal income tax on his own, he or she shall apply.

### Article 15

The following materials shall be submitted when applying for financial subsidies:

- (1) The applicant applies for the personal income tax financial subsidy application form;

- (2) The withholding agent and the applicant undertake to cooperate with the supervision and inspection, and promise the applicant to comply with the eighth method of the present Measures. A letter of commitment in the third paragraph;
- (3) A copy of the applicant's valid identification certificate:
  - (I) A foreign nationality submits a passport.
  - (II) Permanent residents of Hong Kong and Macao and Mainland residents who have settled in Hong Kong and Macao submit Hong Kong and Macao resident ID cards and "Hong Kong and Macao residents to and from the Mainland".
  - (III) Taiwanese permanent residents submit Taiwanese identity cards and "Taiwan residents travel to and from the mainland".
  - (IV) Hong Kong residents who have obtained Hong Kong Immigration Scheme (Yu Cai, Professionals and Entrepreneurs) submit Hong Kong Identity Card and relevant visas issued by the Hong Kong Immigration Department.
  - (V) Overseas Chinese and returned overseas students who have obtained long-term residency abroad will submit Chinese passports, Chinese ID cards, and long-term (or permanent) residence certificates abroad. Among them, the returned overseas students should also submit the Foreign Education Degree Certificate issued by the Study Abroad Service Center of the Ministry of Education. When necessary, the accepting unit may request overseas Chinese and returnees who have obtained long-term residency abroad to provide long-term (or permanent) residency certificates, certificates or residences in China. The official certificate issued by the library and the residence record.

If the applicant uses a number of different identification documents to register for tax payment, all corresponding identification documents must be submitted together.

- (4) The applicant has obtained the honorary certificate, letter of appointment,

confirmation letter, certification letter, identification document, or qualification certificate, title certificate, skill certificate, foreigner recognized by the state, provincial government, and Guangzhou high-end talents and talent shortages. A copy of the work permit (or license notice) and other materials.

- (5) Whether the applicant's annual working days in Guangzhou has reached 90 days of accumulated materials:
  - (I) Applicants who are employed and employed by enterprises and other institutions registered in Guangzhou due to their working relationship provide:
    - (i) Applicants and deductions The labor contract signed by the obligor (the working place agreed in the labor contract is in Guangzhou); the applicant is a dispatch contract signed by the overseas employer and the applicant's overseas employment company in China and the receiving enterprise in Guangzhou; (
    - (ii) The applicant's annual working days in Guangzhou reached a total of 90 days of commitment.
  - (II) Applicants who provide independent personal services in Guangzhou due to their working relationship must provide:
    - (i) the labor contract signed by the applicant and the enterprises and institutions established in Guangzhou;
    - (ii) the annual working days of the applicant in Guangzhou reached the cumulative 90-day commitment.
- (6) The applicant's annual personal income tax payment record and personal income tax withholding declaration form, personal income tax annual self-declaration tax return, personal income tax business income tax return and other declaration forms.
- (7) The bank account information of the applicant himself to open an account in Mainland China, the applicant's receipt account passbook or a copy of the bank card.

The first form of the above materials is submitted in quadruplicate, all other ones. The application materials must be stamped with the

official seal of the withholding agent and the side seam seal.

### Article 16

The applicant or the withholding agent shall apply for financial subsidies to the network management system jointly used by the Municipal Human Resources and Social Security Bureau and the Municipal Science and Technology Bureau. If it belongs to the high-end talents outside Guangzhou, it shall be handled by the Municipal Science and Technology Bureau; it shall be a shortage of talents outside Guangzhou. It is handled by the Municipal Human Resources and Social Security Bureau.

The acceptance and review department shall check whether the submitted personal income tax financial subsidy information is complete. If the conditions are met and the information is complete, it will be accepted, and a receipt will be accepted.

### Article 17

After the acceptance and examination department completes the preliminary examination of the application for personal income tax financial subsidy information, the relevant personnel identification or management department and the State Administration of Taxation Guangzhou Municipal Taxation Bureau shall carry out the assistance review. After the completion of the audit, the acceptance review department shall publicize the list of talents to be given financial subsidies on the website of the department for 7 working days.

### Article 18

If there is no objection to the audited and publicized personnel, the accepting and auditing department shall form a list of formal financial subsidies, and the financial subsidies shall be directly paid to the applicant's personal account through the municipal financial treasury centralized payment system.

## Chapter IV Supervision and Management

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### Article 19

The applicant and the withholding agent shall truthfully provide the application materials and be responsible for the completeness, authenticity and accuracy of the application materials. For the act of falsely reporting, fraudulently obtaining or fraudulently obtaining financial subsidy funds, once verified, the financial subsidies arranged shall be recovered, and the applicant shall be disqualified from applying for financial subsidies within three years, and shall be subject to the Regulations on Punishment of Financial Violations (State Council Order 427). No.) and other laws and regulations to deal with, suspected of committing crimes, handed over to the judicial organs for criminal responsibility.

### Article 20

Applicants and withholding agents shall voluntarily accept the inspection and supervision of the financial and auditing funds of the individual income tax by the departments of finance and auditing.

## Chapter V Supplementary Provisions

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### Article 21

These Measures shall come into force on January 1, 2019 and be tested for one year. These Measures shall apply to the taxable year in which the applicant applies for subsidy within the validity period of these Measures.