



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

China's FY2022 Annual Audit Made Simple: Keys for Success

Jess Feng | Corporate Accounting and Audit

December 06, 2022 | Dezan Shira & Associates



Table of Contents

- I. Annual audit and compliance – 2023 Milestones**
- II. Prepare for an effective annual audit**
- III. Annual Corporate Income Tax (CIT) Return and the “Many-in-one” annual reporting**

**I. Annual audit and
compliance
– 2023 Milestones**



Annual audit and compliance – 2023 Milestones

Annual Compliance Timeline*



**Subject to regional variation*

***A postponement of the deadline might happen. Please refer to the official notice posted by the authority in charge.*

Graphic © Asia Briefing Ltd.

Why is annual audit important?

- A good opportunity to identify errors and mistakes
- Improve internal control mechanisms for fraud prevention
- Required in customs and tax investigation
- Prerequisite for profit repatriation
- Required by overseas HQ for group consolidation purpose

II. Prepare for an effective annual audit



Prepare for an effective annual audit – balance sheet items

Inventory stocktake

- A full-scale stocktake is recommended in December

Fixed assets inspection

Trade receivables and trade payables reconciliation

Intercompany balance confirmation

Prepare for an effective annual audit – Revenue and expenses

Revenue

- **Contract assets and contract liabilities**
- **Cut-off**

VAT invoices absent list

Year-end provisions

Prepare for an effective annual audit – Tax-related matters

Withholding tax compliance

- Tightened tax monitoring on outward remittances in 2022

Stamp duty

- China's Stamp Duty Law came into effect on 1 July 2022

Staff welfare benefits and the relevant Individual Income Tax issues

III. Annual CIT Return & “Many in one” annual reporting



Annual Corporate Income Tax Return

Annual corporate income tax reconciliation

- Illustration: Company A

Related party report

	Profit before tax
Add:	Non-deductible fixed asset depreciation
Add:	Expenses without VAT invoices
Add:	Offshore expenses without withholding taxes
Add:	Accruals
Add:	Fines and penalties
Add:	Non-deductible portion of business entertainment expenses
Less:	R&D super deduction
Less:	Non-taxable income
Less:	Tax losses brought forward from prior years
	Taxable income

“Many in one” annual reporting

For companies:



For representative offices:

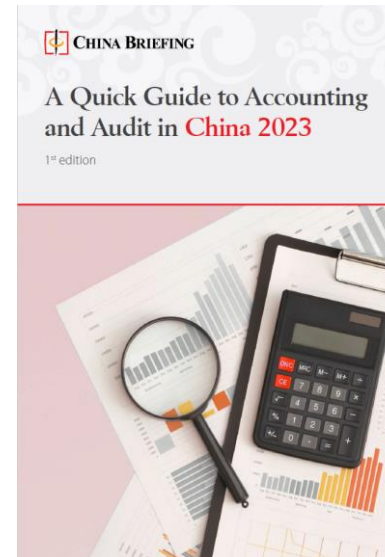
- Additional document: the proof of information on the legal status and standing of the headquarters overseas

Reference Materials

For additional DSA & Asia Briefing reference materials, please visit:

www.asiabriefing.com

For more on DSA and our services, please visit: www.dezshira.com.





DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

FOLLOW US

Scan the QR code to discover
a collection of resources
based on our on-the-ground experience.

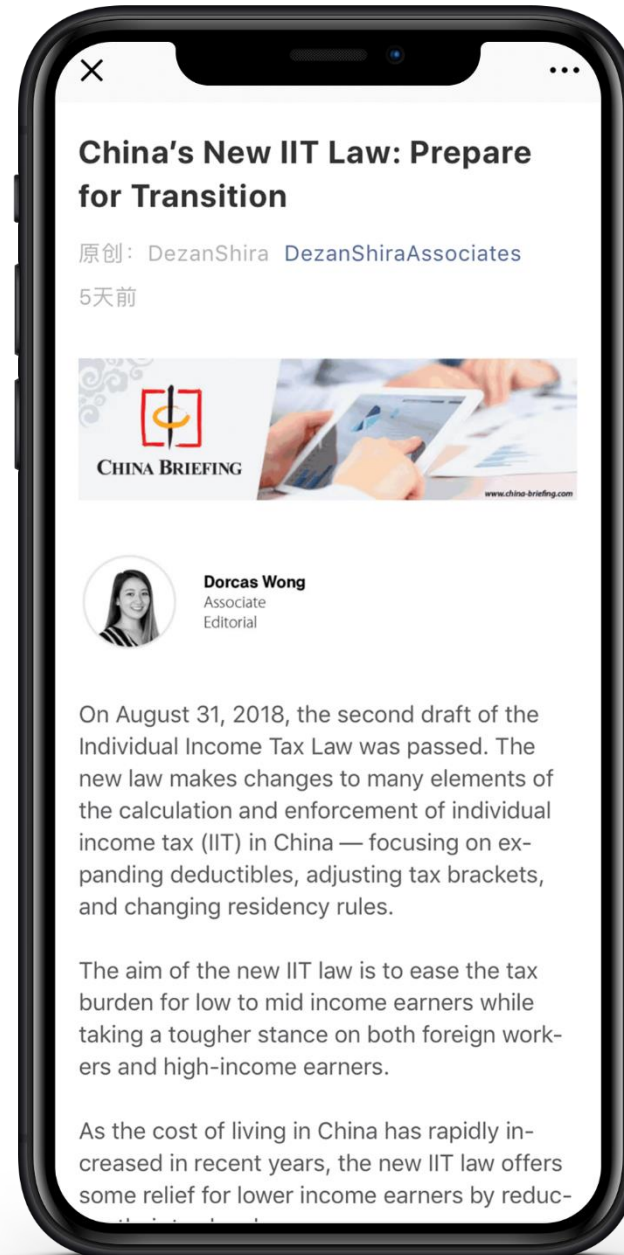


www.dezshira.com



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia





Jess Feng

Corporate Accounting Service and Audit

jess.feng@dezshira.com

+86 10 6566 0088 ext. 5504



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia



- Dezan Shira & Associates Offices
- Dezan Shira Asian Alliance Members

Global Offices

CHINA

Beijing beijing@dezshira.com	Hangzhou hangzhou@dezshira.com	Shenzhen shenzhen@dezshira.com
Dalian dalian@dezshira.com	Ningbo ningbo@dezshira.com	Suzhou suzhou@dezshira.com
Dongguan dongguan@dezshira.com	Qingdao qingdao@dezshira.com	Tianjin tianjin@dezshira.com
Guangzhou guangzhou@dezshira.com	Shanghai shanghai@dezshira.com	Zhongshan zhongshan@dezshira.com

INDONESIA

Jakarta
indonesia@dezshira.com

Batam
batam@dezshira.com

HONG KONG

hongkong@dezshira.com

INDIA

Delhi
delhi@dezshira.com

Mumbai
mumbai@dezshira.com

SINGAPORE

singapore@dezshira.com

VIETNAM

Hanoi
hanoi@dezshira.com

Ho Chi Minh City
hcmc@dezshira.com

Da Nang
danang@dezshira.com

DEZAN SHIRA ASIAN ALLIANCE MEMBERS

Malaysia
malaysia@dezshira.com

The Philippines
philippines@dezshira.com

Thailand
thailand@dezshira.com

DEZAN SHIRA LIAISON OFFICES

Germany
germandesk@dezshira.com

Italy
italiandesk@dezshira.com

United States
usa@dezshira.com

Please email asia@dezshira.com or visit www.dezshira.com





DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia



Scan this QR code

Visit our mobile page and
get the latest updates investors
news and resources with us