

➤ **Q: What are the taxes to which the enterprises with foreign investment, foreign enterprises and foreigners are liable?**

A: According to the regulations of the national People's Congress and its standing committee and the stated council of China, there are 17 taxes applicable to the enterprises with foreign investment, foreign enterprises and foreigners. They are vat, consumption tax, business tax, customs duties, income tax on enterprises with foreign investment and foreign enterprises, individual income tax, resource tax, land appreciation tax, vehicle acquisition tax, fuel tax, urban real estate tax, vehicle and vessel usage license plate tax, vessel tonnage tax, stamp duty, deed tax, slaughter tax, and agriculture tax.

The enterprises invested by Chinese compatriots residing in Hong Kong, Macao and Taiwan and other overseas Chinese, and Chinese compatriots from Hong Kong, Macao, Taiwan and other overseas Chinese will be treated for tax purpose in the same manner either as enterprises with foreign investment and foreign enterprises or foreigners.

In order to better open to the outside world and encourage inward flow of funds, technology and intelligence, China provides numerous preferential treatments in foreign taxation, and has successively concluded the agreement on avoidance of double taxation on income and prevention of tax evasion with 72 countries, namely: Japan, the USA, France, UK, Belgium, Germany, Malaysia, Norway, Denmark, Singapore, Finland, Canada, Sweden, New Zealand, Thailand, Italy, the Netherlands, former Czechoslovakia, Poland, Australia, Australia, Bulgaria, Pakistan, Kuwait, Switzerland, Cyprus, Spain, Romania, Austria, Brazil, Mongolia, Hungary, Malta, the United Emirates of Arab, Luxembourg, Republic of Korea, Russia, Papua New Guinea, India, Mauritius, Croatia, Belarus, Slovenia, Israel, Vietnam, Turkey, Ukraine, Armenia, Jamaica, Iceland, Lithuania, Latvia, Uzbekistan, Bangladesh, Yugoslavia, Sudan, Macedonia, Egypt, Portugal, Estonia, Laos, The Seychelles, the Philippines, Ireland, South Africa, Barbados, Moldova, Qatar, Cuba, Venezuela, Nepal, Kazakhstan and Indonesia, 62 of which have been in force (by February 1, 2002)

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