



Outsourcing newsletter - **The extension of the preferential policy for SMEs**

Dear Madam, dear Sir,

To further support the development of small and micro enterprise (SMEs), the State Administration of Taxation (SAT) announced the tax preferential policies for SMEs aiming at Corporate Income Tax (CIT) rate and “Six taxes, two fees” will be extended to **December 31st, 2027**.

Mazars AOS Team

We summarize hereafter the main measures for your information.

Tax / Fee	Policy	Valid until	Points of attention
Corporate Income Tax (CIT)	Annual taxable income < 3M, rate = 5%	31 December 2027	· If taxable profit exceeds CNY 3M, normal CIT rate (25%) applies to the entire profit
“Six taxes, two fees”	50% cost reduction	31 December 2027	· For VAT small taxpayers and small and micro enterprises

Conditions of SMEs

An enterprise shall meet all the following criteria to be considered as SMEs:

- Enterprises engaging in non-restricted and non-prohibited businesses
- Annual taxable income amount does not exceed CNY 3M
- Headcount does not exceed 300
- Total assets do not exceed CNY 50M

“Six taxes, two fees” includes the following:

- Resource Tax (excl. Water Resource Tax)
- Urban Maintenance and Construction Tax
- House Property Tax
- Urban Land Use Tax
- Stamp Duty (excl. Stock Trading Stamp Duty)
- Arable land use tax
- Educational Surcharge
- Local Educational Surcharge

Should you have questions as to how these measures will impact you, please do not hesitate to reach out to your Mazars contact.

Reference:

Ministry of Finance and State Administration of Taxation, [2023] No. 12: Notice on further supporting tax policies for the development of small and micro-sized enterprises (link [here](#) in Chinese).

Contacts

Shanghai

8th Floor, One Lujiazui,
68 Middle Yin Cheng Road, Pudong District
200120 Shanghai
Tel.: (+86 21) 6168 1088

Thomas Chen

Partner, Head of accounting and
outsourcing solutions

thomas.chen@mazars.cn

Guangzhou

1308, Grand Tower
228 Tianhe Road, Tianhe District
510620 Guangzhou
Tel.: (+86 20) 3833 0235

Joan Wu

Partner

joan.wu@mazars.cn

Beijing

Floor 16, Tower A, Borui Building,
26A East 3rd Ring Road N, Chao Yang District
100020, Beijing
Tel.: (+86 10) 8429 8078

Julia Zhen

Partner

julia.zhen@mazars.cn

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