



ATLAS
BY BNP PARIBAS

CASH MANAGEMENT

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BNP PARIBAS

The bank
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world

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China's nominal GDP was USD 14.7 trillion in 2020 while its GDP measured on a purchasing power parity (PPP) basis is the largest in the world. China is the world's largest exporter of goods (its global market share increased to 15% in 2020), a global industrial leader and a global financial player. The process of capital account liberalisation and RMB internationalisation is ongoing and the opening of local asset markets to non-resident investors has progressed rapidly recently. Meanwhile, controls over resident capital outflows remain significant.

China's exchange rate regime is a managed float. The Chinese currency has gradually become more flexible and market-driven in recent years, but government influence on the direction of the FX rate remains high. The RMB was included as the fifth currency in the IMF Special Drawing Rights (SDR) basket in October 2016.

Economic growth fell to 7.1% per year in 2012-2019 from 10.7% in 2002-2011. In 2020, the COVID-19 crisis demonstrated the Chinese economy's strong capacity to absorb a major shock and rebound; real GDP returned to its pre-crisis level at the end of Q2,2020 and economic growth reached 2.3% in 2020 overall. It should rebound to close to 8% in 2021, although the correction in the property market in H2,2021 has fuelled downside risks on growth in the short term.

In the medium term, China's structural slowdown is projected to continue. China continues a difficult economic transition: its investment/export-led growth model has reached its limits and far-reaching reforms are still needed to build a more balanced growth model that is more reliant on consumption and services, and less dependent on debt. Key goals of Beijing's medium-term strategy include: first, the rapid development of high-tech sectors aimed at sharply reducing China's dependence on foreign inputs; second, less polluting economic growth; and third, the achievement of "common prosperity", with priority given to improving the social safety net and reducing inequality. This could help boost household consumption. At the same time, this strategy also implies a risk of sudden regulatory changes, which may affect local confidence and private investment.

The transition process also requires major deleveraging of corporates and local governments and a cleaning-up of practises in the financial sector. Vulnerabilities in the financial system have grown steadily since the early 2010s as a result of the domestic credit boom and the rapid expansion of shadow banking activities. The authorities have started to tighten the financial sector's regulatory framework since 2016. Corporate debt deleveraging also started in 2017 but was interrupted by the COVID-19 shock. The number of corporate defaults is expected to increase in the short term as the authorities are likely to prioritise the reduction of financial instability risks.

Summary

BNP Paribas presence

BNP Paribas was the first foreign bank to open a representative office in Beijing in 1980, becoming a branch in 1997. The bank was awarded the Greenwich award for “Quality Leader Large Corporate Cash Management No 1”, Total Asia, 2018. The bank has four business centres in Shanghai, Beijing, Guangzhou and Tianjin , and a further 16 retail locations, together with full service retail banking through Bank of Nanjing.

It is one of the few international banks catering for both the domestic and international cash management requirements of customers, both foreign companies doing business in China and Chinese entities seeking to expand their international focus. The bank has a full RMB licence to serve all types of corporate clients in all currencies.

BNP Paribas is a major player in trade finance throughout Asia, offering a full suite of traditional trade (letters of credit, bankers’ guarantee, trade financing, standby letters of credit, etc.) and supply chain financing solutions (receivables purchase programmes, supplier financing etc.) products, including a unique inventory solution offered through our trade centres in Australia, China, Japan and Singapore, specifically for companies engaged in international trade, as part of a wider network of more than 100 trade centres globally. BNP Paribas has experienced trade finance advisors and personnel who deliver a range of customised trade solutions and advise on local market practices. These solutions are supported by the bank’s ISO-certified trade services support team.

Currency

Currency

- Renminbi (RMB). Onshore RMB is referred to as CNY; offshore RMB is referred to as CNH.

Exchange rates

	2016	2017	2018	2019	2020
Exchange rate: CNY per USD	6.6445	6.759	6.616	6.908	6.90

Source: IMF, International Financial Statistics, June 2021.

Central Bank

- The Chinese central bank is the People's Bank of China (PBC - www.pbc.gov.cn)
- Chinese banks are supervised by the National Financial Regulatory Administration (NFRA - www.nfra.gov.cn).

Bank accounts

Resident / non-resident status

- A company is generally considered to be resident in China if it is incorporated or effectively managed or controlled in China, unless the enterprise is regarded as resident in another country under a double tax treaty.

Bank accounts for resident entities

	Within CHINA	Outside CHINA
Local Currency	Permitted without restriction, convertible subject to the presentation of commercial documents to foreign exchange banks	Permitted with restrictions
Foreign Currency	Permitted with restrictions, convertible	Permitted subject to prior State Administration of Foreign Exchange (SAFE) approval, convertible

Bank accounts for non-resident entities

	Within CHINA	Outside CHINA
Local Currency	Permitted without restriction, convertible	Permitted with restrictions and prior People's Bank of China (PBOC) approval, convertible

Foreign Currency	Permitted with prior SAFE approval, convertible	Not applicable
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Lifting fees

- Per item-based charges and/or subscription fees are applied on payments between resident and non-resident bank accounts.

BNP Paribas Cash Management Capabilities

Collections

Cash collections	<input checked="" type="checkbox"/>
Cheque collections	<input type="checkbox"/>
Direct debit collections	<input checked="" type="checkbox"/>
Domestic incoming transfers	<input checked="" type="checkbox"/>
Virtual IBAN	<input type="checkbox"/>
Virtual accounts	<input type="checkbox"/>
International incoming transfers	<input checked="" type="checkbox"/>
Card acquiring	<input type="checkbox"/>

Payments

Cash withdrawals	<input type="checkbox"/>
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Cheque payments	<input checked="" type="checkbox"/>
Direct debit payments	<input checked="" type="checkbox"/>
Domestic outgoing transfers	<input checked="" type="checkbox"/>
Commercial cards	<input type="checkbox"/>
Virtual cards	<input type="checkbox"/>
International outgoing transfers	<input checked="" type="checkbox"/>
SWIFT gpi	<input type="checkbox"/>
Real-time international payments through BNP Paribas' network	<input type="checkbox"/>
Card issuing	<input type="checkbox"/>

Channels

Local e-Banking	<input type="checkbox"/>
Global e-Banking - Connexis	<input checked="" type="checkbox"/>
SWIFT/ host to host	<input checked="" type="checkbox"/>

Payments & collections

Market overview

China has embraced the digital payments revolution. In Q3 2020, 64.97 billion electronic payments were processed with a value of RMB 696.4 trillion; mobile payments reached 34.5 billion, with a value of RMB 116.74 trillion, a year-on-year increase of 26.5% and 35.6% respectively. Having trialled a scheme to replace paper money with a digitized version of the Renminbi, China's is on target to become the first country to introduce a digital economy. QR codes are a common method of payment with Alipay and WeChat Pay the largest digital payment platforms in the country; both platforms have registered over a billion users. Over 94% of people use WeChat Pay or Alipay as their primary payment method.

Electronic banking services are available from most banks. There is no national electronic banking standard in China, so companies use banks' proprietary services. Online and mobile banking services are widely available and hugely popular, given the high numbers of smartphone users using their devices to access the internet (approximately 99% of users).

The Internet Banking Payment System (IBPS) integrates the online banking operations of most of the country's large domestic and foreign banks. Customers can make online transactions in real time, as well as access real-time account information via the IBPS. The limit for a single transaction is RMB 1M.

Payment Systems

CNAPS-HVPS	Type	<ul style="list-style-type: none"> • high-value real-time payment system.
	Participants	<ul style="list-style-type: none"> • Direct & indirect participants are the commercial banks approved by PBOC.
	Transaction types processed	<ul style="list-style-type: none"> • HVPS mainly handles inter-city and local credit transfers above a given value (RMB 1M) as well as urgent low-value transfers electronically. Payment instructions are sent in real time and cleared transaction by transaction.
	Operating hours	<ul style="list-style-type: none"> • 08:30–17:00 CST, operates on business days.
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> • Payments are cleared and settled in real time if both the sending and recipient banks are direct clearing members of CNAPS (China National Advanced Payment System). • All other payments are settled on business hours. • Cut-off time = 17:00 CST.
CNAPS-BEPS	Type	<ul style="list-style-type: none"> • Bulk Electronic Payment System.

	Participants	<ul style="list-style-type: none"> • Direct & indirect participants are the commercial banks and the city-level branches of PBOC.
	Transaction types processed	<ul style="list-style-type: none"> • Low-value (below RMB 1M) and non-urgent RMB-denominated electronic credit and debit payments.
	Operating hours	<ul style="list-style-type: none"> • 24/24, 7/7. The processing cycle of the system runs from 16:00 on T-1 to 16:00 on T.
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> • The credits and debits of a receiving bank are settled on a next-day basis. • Dated debits are settled on a two-day cycle. • Cut-off time = 16:00 CST.
CIPS	Type	<ul style="list-style-type: none"> • Cross-border RMB Payment.
	Transaction types processed	<ul style="list-style-type: none"> • Cross-border RMB payments resulting from trade in goods and services, direct investment, financing and fund transfers for individual customers.

	Operating hours	<ul style="list-style-type: none"> • 5 business days x24hrs, plus 1st working day after holiday from 5am to 9am.

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax and treasury payments.
- High-value (above RMB 1M) and urgent RMB-denominated credit transfers are settled in real time via CNAPS-HVPS.
- Low-value (under RMB 1M) and non-urgent RMB-denominated credit transfers are settled on a same-day or next-day basis via CNAPS-BEPS.
- Foreign currency (AUD, CAD, CHF, EUR, GBP, HKD, JPY and USD) fund transfers can be settled during business hours via the CFCPS.
- Cross-border transfers can be made via SWIFT and settled through correspondent banks abroad.
- The number of credit transfers processed fell by 11% in 2019, to eight billion. Value fell 0.4% to RMB 2,706 trillion.

Direct debits

- Direct debits are available but not widely used in China.
- Direct debits are available in the form of pre-authorized collections or dated debits.
- Direct debits can be settled on a same-day (pre-authorized collections) or next-day (dated debits) basis via CNAPS-BEPS.

Cheques

- The cheque is a common cashless payment instrument used primarily by small companies.
- There is a maximum permitted payment value of RMB 500,000 per cheque.
- Intercity cheques are truncated into electronic items and processed via the CIS. Final settlement is via CNAPS-BEPS.
- Intracity cheques are settled via the local clearing house system on a same-day basis.
- The value of cheques processed in 2019 fell 10% to RMB 134 trillion.

Card payments

- Card payments, particularly debit cards, are increasingly popular, especially for retail transactions.
- In Q3 2020, there were 97.5 billion card transactions, with a value of RMB 235.7 trillion, a year-on-year increase of 11.6% and 6.9% respectively. There were over eight billion active bank cards.
- China UnionPay (CUP) is China's national payment card operator. It has 80 member banks.
- Most payment cards are issued under the CUP brand.
- Visa and MasterCard-branded payment cards are also available.
- The central bank is promoting the use of chip-embedded payment cards with IC-based bank cards. Two billion IC cards had been issued in China.
- Contactless payment cards are issued.
- All card payments are processed and cleared via CNAPS-BEPS on a same-day or next-day basis.

ATM/POS

- There were approximately one million ATMs in China at the end of 2020.
- There were approximately 33.5 million POS terminals in China at the end of 2020.
- All payments are settled via CNAPS-BEPS on a next-day basis.

Electronic wallet

- Mobile wallet payments are popular for small-value items. WeChat and Alipay mobile payment apps are most popular accounting for more than 94% of all mobile payments.
- In Q3 2020, 64.97 billion electronic payments were processed with a value of RMB 696.4 trillion; mobile payments reached 34.5 billion, with a value of RMB 116.74 trillion, a year-on-year increase of 26.5% and 35.6% respectively.
- The NetsUnion Clearing Corporation platform is mandatory for transactions involving third-party online payment firms and banks.
- In Q3 2020, the NetsUnion platform processed 156.122 billion transactions, with a value of RMB 97.21 trillion, up 43.82% and 40.87% respectively year on year.

Short term investments

Market overview

Interest payable on credit balances

- Interest-bearing current, checking and [demand deposit](#) accounts are permitted.

Demand deposits

- Demand deposits denominated in RMB or major foreign currencies are available.
- Banks are free to set rates on EUR, HKD, JPY and USD deposits if amounts are equal to or higher than USD 3 million or its foreign currency equivalent. The interest rate on amounts less than USD 3 million denominated in EUR, HKD, JPY and USD, is subject to a ceiling published by the central bank.

Time deposits

- Time deposits are available in RMB or major foreign currencies for terms ranging from one week to one year.
- Banks are free to set rates on EUR, HKD, JPY and USD deposits if amounts are equal to or higher than USD 3 million or its foreign currency equivalent. The interest rate on amounts less than USD 3 million denominated in EUR, HKD, JPY and USD, is subject to a ceiling published by the central bank.
- Foreign currency time deposits are available for terms ranging from three months to two years.

Certificates of deposit

- CDs can be issued paying fixed or variable interest. Fixed rate CDs have terms of a year or less. Variable interest CDs have maturities greater than one year.
- In 2021, the PBC approved the launch of foreign currency interbank CDs.

Treasury (government) bills

- Short-term Treasury bills are issued by the Chinese government. Terms vary.

[Commercial paper](#)

- Domestic commercial paper and corporate bills are issued by companies. All commercial paper in excess of RMB 3 million is required to be issued electronically.

Money market funds

- Domestic money market funds are available in the interbank market.

Repurchase agreements

- Repurchase agreements are increasingly commonplace in China.

Bankers' acceptances

- These are not common in China.

BNP Paribas Trade Finance Capabilities

Trade payments

Documentary credits	✓
Documentary collections	✓

Guarantees

Bank guarantees	✓
Standby letters of credit	✓

Supply chain management

Receivables	✓
Payables	✓
Inventory	●

Trade channels

Connexis Trade	✓
Connexis Supply Chain	✓
SWIFTNet Trade for Corporates	✓
Connexis Connect	✓
Connexis Guarantee	●
SWIFTnet Supply Chain	●

- BNP Paribas Global Trade Solutions' (GTS) team in China is made up of 10 transaction banking sales specialists across 3 trade centres in Beijing, Shanghai and Guangzhou respectively. With its extensive product expertise, BNP Paribas' GTS in China has expertise in supporting corporates with the full range of trade finance products.

International trade

General trade rules

- As a member of the Asia Pacific Economic Cooperation (APEC) forum, China has agreed to liberalise trade and investment rules between member states.

Trade agreements

- China has signed bilateral or multilateral free trade agreements with more than 20 countries and regions.
- China has signed a Closer Economic Partnership Agreement (CEPA) with Hong Kong and Macau.
- The China-ASEAN Free Trade Area (CAFTA) eliminates 90% of tariff and investment barriers between the two parties.
- China and 14 other Asia-Pacific countries signed the Regional Comprehensive Economic Partnership (RECP).

Imports / exports

Imports	Crude petroleum	Integrated circuits	Iron	Natural gas	Gold	Motor vehicles	
Primary Import sources	South Korea (9.0%)	Japan (8.0%)	Australia (7.0%)	Germany (7.0%)	USA (7%)	Taiwan (6.0%)	
Exports	Broadcasting equipment	Computers	Integrated Circuits	Office machinery	Telephones		
Export markets	USA (17%)	Hong Kong (10.0%)	Japan (6.0%)				

Import / export volumes

		2016	2017	2018	2019	2020
Exports	- goods USD bn	1,990	2,216	2,417	2,387	2,497
	- services USD bn	208	213	234	244	235
Imports	- goods USD bn	1,501	1,740	2,037	1,994	1,982
	- services USD bn	442	472	526	506	381
Current account as % GDP		1.8	1.6	0.2	0.7	NA

Sources: IMF, International Financial Statistics and World DataBank, June 2021.

Trade finance - Imports

Documentation

- The following documentation is required in order to import goods into China:
- bill of lading
- certificate of origin
- commercial invoice
- contract
- custom import declaration
- import Licence approved by the Ministry of Commerce for Mechanical and Electrical Products
- inspection declaration
- packing list
- telex release guarantee letter.

Import licences

- Licences are required when importing certain items for reasons of health and safety, environmental protection and/ or national security.

Import taxes and tariffs

- Tariffs are set in one of six categories: most favoured nation, conventional, preferential, general, tariff quota and temporary.
- From January 1, 2021, China has reduced conventional duty rates with New Zealand, Peru, Costa Rica, Switzerland, Iceland, South Korea, Australia, Georgia, Pakistan and Asia-Pacific Trade Agreement countries.
- As of 1 July 2019, goods originating in Hong Kong and Macao have zero tariffs.

Financing requirements

- None

Risk mitigation

- None

Prohibited imports

- Prohibited imports are published on a negative list.
- China prohibits the import of certain items in order to protect fauna and flora, for health and safety or moral reasons, and/or for national security.
- Narcotics, weapons, recorded or printed materials are also controlled and restricted.

Trade finance - Exports

Documentation

- The following documentation is required in order to export goods from outside China:
- bill of lading
- certificate of origin
- commercial invoice
- custom declaration letter of trust
- custom export declaration
- customs power of attorney
- packing list.

Export licences

- Licences are required when exporting certain agricultural products, certain metals, vehicles, ozone depleting goods, paraffin, certain fresh and frozen meats, molybdenum and its products, vitamin C and citric acid.

Export taxes and tariffs

- Export tariffs of between 5% and 75% are placed on certain goods. Export rebates are part of China's VAT system.

Financing requirements

- None

Risk mitigation

- The China Export and Credit Insurance Corporation (Sinosure), China's official export and credit insurer, provides state-supported export credit insurance.
- Export credit insurance and finance are also available from the state-owned Export-Import Bank of China (China Eximbank).

Prohibited exports

- Prohibited exports are published on a negative list.
- China prohibits the export of certain items for cultural and moral reasons, and/or for national security.
- Certain items are subject to a Chinese government monopoly.
- Certain items can only be exported by specially designated traders.

Regulatory requirements

Reporting regulations

- Transactions between resident accounts and non-residents accounts must be reported to SAFE.
- Foreign currency transactions to or from a resident account must be reported to SAFE.
- Trading entities must provide details of all foreign trade transactions to SAFE.

Exchange controls

- Exchange controls are administered by SAFE under the direction of the PBOC. There are no controls on current account items.
- Trade-related settlement transactions are classified as current account transactions, and mainly relate to import payments and export proceeds.
- Companies are permitted to hold foreign exchange income in current accounts in line with their operational requirements and subject to quotas.
- Resident and non-resident companies are permitted to use RMB for trade and investment.

Taxation

Resident / non-resident

- The Enterprise Income Tax Law (EITL) adopts the international concept of residence, expanding the Chinese definition to cover both enterprises incorporated in China and enterprises that are effectively managed or controlled in China.
- Effective management is defined as substantial and overall management and control over manufacturing and business operations, human resources, financial and property aspects of the entity. A foreign company also will be subject to tax in China if it has an “establishment” in China or, if it does not have an establishment in China, it derives income from China. The definition of establishment is broad and does not include an exemption for an independent agent. If a foreign company has an establishment in China, it will be subject to China tax on all income effectively connected with that establishment.

Tax authority

- Ministry of Finance (“MOF”).
- State Administration of Taxation (“SAT”).

Financial instruments

- Interest income from central government bonds is exempt from income tax. Interest income from local government bonds issued in 2012 and thereafter is also exempt from income tax.
- In order to encourage the continued growth of securities investment funds, corporate investors are temporarily exempt from enterprise income tax for any income distributed from securities investment funds under specific rules (Caishui [2008] No 1).

Interest and financing costs

- The EITL has a thin capitalisation rule, which is further specified in specific rules (Caishui [2008] No 121): a debt-to-equity ratio of 2:1 for general enterprises, and of 5:1 for financial enterprises. A deduction is not allowed for interest expenses incurred on any related-party debt investments exceeding these debt-to-equity ratios, unless the underlying transactions are in compliance with the arm’s-length principle (demonstrated through contemporaneous documentation), or the interest expenses are payable to domestic related parties subject to higher effective tax rates. The implementation rules of the EITL clarify that ‘debt investments’ refers to arrangements where an enterprise has directly or indirectly acquired financing from related parties, and where the enterprise is required to repay the principal and make interest payments to the lending party (or any other form of compensation which is of an interest payment nature).

Foreign exchange

N/A

Advance tax ruling availability

- There generally is no advance ruling procedure, by the tax authorities can issue rulings in special cases. Taxpayers normally consult their local in-charge tax officials when issues arise.
- Advance pricing agreements may be concluded.

Capital gains tax

- Gains and losses from the transfer of assets generally are combined with other operating income and taxed at the applicable company tax rate.
- For resident companies with foreign investments, capital gains are taxed as part of a company's taxable profits at the applicable corporation tax rate. Capital gains derived from the transfer of equity interest are calculated as the difference between the sale proceeds and the original cost of the investment. Specific guidance (Guoshuihan [2010] No. 79) further clarifies that undistributed profits and other reserves of shareholders are included in the computation of capital gains.
- Chinese-sourced gains derived by foreign companies from property transfer are generally subject to a 10% withholding income tax under the implementation rules of the EITL.

Withholding tax (subject to tax treaties)

Payments to:	Interest	Dividends	Royalties	Other income
Resident entities	N/A	N/A	N/A	N/A
Non-resident entities	10/20%*	10/20%	10/20%†	25%††

* Although the EITL provides for a 20% withholding tax, the rate is reduced to 10% under the implementation rules. As a measure to promote foreign investment, the government has issued rules to provide a deferral of withholding tax on dividends and profits distributed to foreign investors and reinvested into encouraged investment projects in China, with retroactive effect from 1 January 2017.

** A 10% withholding tax, which is lowered from a 20% statutory rate, applies to interest paid to a non-resident unless the rate is reduced under a tax treaty. A 6% VAT also is imposed. Bond interest derived by foreign institutional investors from Chinese bond markets may be exempt from both income tax and VAT for the period from November 7 2018 to November 6, 2021.

†A 10% withholding tax, which is lowered from a 20% statutory rate, applies to royalties paid to a non-resident unless the rate is reduced under a tax treaty. A 6% VAT generally is applicable, but may be waived when royalties are paid for the transfer of qualified technology.

†† Technical service fees paid to a non-resident are subject to the statutory enterprise income tax rate (i.e. 25%) on a net-profit basis to the extent the services are rendered in China, unless the tax is reduced under a tax treaty. A minimum 15% deemed profit rate is used where documents substantiating costs and expenses are unavailable. A 6% VAT generally will be levied regardless of where the services are rendered.

Tax treaties / tax information exchange agreements (TIEAs)

- China has a broad tax treaty network. Most of China's tax treaties are based on the OECD model treaty, providing for relief from double taxation on all types of income.
- China has over 100 tax treaties and arrangements.

Thin capitalisation

- China imposes mandatory debt-to-equity ratios for foreign invested enterprises, and the equity of a foreign invested enterprise should be paid up within a stipulated time period.
- The EITL has a thin capitalisation rule, which is further specified in specific rules (Caishui [2008] No 121): a debt-to-equity ratio of 2:1 for general enterprises, and of 5:1 for financial enterprises. A deduction is not allowed for interest expenses incurred on any related-party debt investments exceeding these debt-to-equity ratios, unless the underlying transactions are in compliance with the arm's-length principle (demonstrated through contemporaneous documentation), or the interest expenses are payable to domestic related parties subject to higher effective tax rates. The implementation rules of the EITL clarify that 'debt investments' refers to arrangements where an enterprise has directly or indirectly acquired financing from related parties, and where the enterprise is required to repay the principal and make interest payments to the lending party (or any other form of compensation which is of an interest payment nature).

Transfer pricing

- China has transfer pricing rules. China has adopted a broad definition of associated enterprises with a strong emphasis on control. An entity with significant control over the taxpayer's senior management, purchases, sales, production and the intangibles and technologies required for the business is defined as a related party. Accepted methodologies are the comparable uncontrolled price, resale price, cost plus, transactional net margin, profit split and other methods in compliance with the arm's-length principle. Contemporaneous documentation is required (with certain exemptions) and cost sharing agreements may be used for developing intangible property or for shared services arrangements. A resident taxpayer that is the ultimate parent of a multinational group

with annual consolidated revenue exceeding a threshold amount or that is appointed as the filing entity of a multinational group is required to file a country-by-country report.

- Advance pricing agreements are available.

Stamp duty

- Stamp duty at varying rates applies to contracts, agreements and certain legal documents.

Cash pooling

- There are no specific tax rules in China that apply to [cash pooling](#) arrangements.

Financial transactions / Banking services tax

- The 6% VAT on financial services applies to lending, fee-based financial and banking services, insurance services, and transfers of financial assets. Financial leasing in the form of "sale-first-lease-back" is also treated as a lending service under the VAT reform. Financial assets cover foreign exchanges, equity securities, non-commodity futures and other financial products (e.g. funds, trusts, asset management programmes and other financial derivatives)

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