

SAT Regulates Source Withholding of Income Tax of Non-resident Enterprises

[Chinese version](#) The State Administration of Taxation promulgated the Tentative Measures for the Administration of Source Withholding of Income Tax of Non-resident Enterprises (Guo Shui Fa [2009] No.3) in order to regulate the administration of source withholding of income tax levied on non-resident enterprises.

Non-resident enterprises refer to enterprises which are established in accordance with foreign countries (regions) law and have no actual administrative institutions within China, but have income derived from China and don't establish institutions within China, and enterprises whose income does not have actual connection with its institutions or places established in China.

The Measures also stipulate that stock interest, dividend bonus and other right-related investment revenue, rent, income from royalties, income from property transfer and other income to be levied enterprise income tax shall be subject to the source withholding.

The Measures also regulate the detailed collection and regulation procedure on source withholding of non-resident enterprises.

(Source: the State Administration of Taxation)

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