



China Tax & Business Update – Issue No. 2006.0301



Tax Breaks for Shanghai World Expo 2010

Ministry of Finance and the State Administration of Taxation jointly issued Circular Caishui [2005]180 on December 31, 2005. The Circular offers tax preferences to various participants of the Shanghai World Expo 2010 including the organizer (i.e. the Shanghai World Expo Bureau), the official agent (i.e. the Shanghai World Expo Group) as well as third party participants, including both corporations and individuals.

To be more specific, the following preferential treatments are applicable to the third party participants:

- Donations contributed to the Expo can be fully deducted for income tax purpose;
- Foreign employees who work for exhibitors during the Expo can be exempted from individual income tax in case their presence in China will be less than 183 days;
- The service remunerations received by foreign experts hired by the Shanghai World Expo Bureau can be exempted from individual income tax;
- The real estate taxes on land and buildings within the Expo site are waived till the end of the Expo;
- Stamp Duty related to the donation to the Shanghai Expo Bureau is exempted; and
- Cosmetics and skin-care products produced by domestic enterprises which are used by Shanghai Expo Bureau can be exempted from consumption tax.

China Tax and Business Update is prepared by the professionals of Hendersen Consulting. The contents are for general reference only. Readers are advised to consult their advisors before acting on any information contained in this newsletter. For more information or advice on the above subject or analysis of other tax/business issues, please contact our Partners, at (8621) 6447 7878, or send us an email at the address below. We will be glad to help.

www.hendersen.com

HENDERSEN CONSULTING

Room 08-10, 23rd Floor, 1 Grand Gateway

No. 1 Hongqiao Road

Shanghai, 200030

People's Republic of China

Telephone: +86 (21) 6447 7878

Facsimile: +86 (21) 6447 3722

E-mail: contact@hendersen.com