

Summary of Preferential Policies of Enterprise Income Tax in Xinjiang Region

Poverty-Stricken areas in Xinjiang:

The "Two Exemptions and Three Halves" Policy means that newly established enterprises in poverty-stricken areas in Xinjiang will be exempted from enterprise income tax for the first two years and halved for the next three years, starting from the tax year in which the first income from production and operation is obtained. (During the halving period, the tax payable at the statutory corporate income tax rate of 25% shall be taxed by halving.)

Kashgar and Horgos, Two Special Economic Development Zones in Xinjiang:

The "five exemptions" policy means that newly established enterprises in the two economic development zones will be exempted from enterprise income tax within five years from the tax year in which the first production and operation income is obtained.

Xinjiang Uygur Autonomous Region (including Xinjiang Production and Construction Corps) :

Foreign Invested Enterprise

The corporate income tax shall be levied at a reduced rate of 15%.

Please refer to the attached page for details

Preferential corporate income tax policies for new establishments to encourage the development of industries in poverty-stricken areas of Xinjiang

(The "two exemptions and three halving" policy means that newly established enterprises in poverty-stricken areas of Xinjiang will be exempted from enterprise income tax for the first two years and halved for the next three years from the tax year in which they obtain their first production and operation income)

Enjoy Subject	Enterprises newly established in poverty-stricken areas of Xinjiang fall within the scope of “the Catalogue of Preferential Income Tax Benefits for Industrial Enterprises Encouraged to Develop in Poverty-Stricken Areas of Xinjiang”
Preferential Contents	<ol style="list-style-type: none"> 1. From January 1, 2021 to December 31, 2030, for enterprises newly established in poverty-stricken areas of Xinjiang within the scope of “the Catalogue of Preferential Income Tax for Enterprises of Industries Mainly Encouraged to Develop in Poverty-Stricken Areas of Xinjiang” (hereinafter referred to as “the Catalogue”), starting from the tax year in which the first income from production and operation is obtained, The corporate income tax will be exempted from the first year to the second year, and halved from the third year to the fifth year. 2. Enterprises enjoying regular tax reduction and exemption policies of enterprise income tax shall be taxed by half the tax payable according to the statutory tax rate of 25% of enterprise income tax within the period of half.
Condition of Entitlement	<ol style="list-style-type: none"> 1. Poverty-stricken areas in Xinjiang include the three prefectures in southern Xinjiang, other poverty-alleviation counties (former key counties for national poverty alleviation and development) and border counties and cities. 2. An enterprise within the scope of “the Catalogue” refers to an enterprise whose main business is the industrial items specified in “the Catalogue”, and whose main business income accounts for more than 60% of the total income of the enterprise. 3. The first income from production and operation refers to the first income obtained after an industrial project has been completed and put into operation.

Poverty-stricken areas in Xinjiang include:

Hami City: Balikun Kazakh Autonomous County

Hotan City: Hotan County, Luopu County, Moyu Pishan County, Cele County, Yutian County, Minfeng County

Aksu City: Keping County, Wushi County,

Kashgar: Tashkurgan Takta Autonomous County, Yuepu County, Shufu County, Shule County, Yecheng County, Yingjisha County, Jiashi County, Shache County

Atushi City: akqi county, Wuqia County, Aketedu county

Yining City: Nilka county, Chabuchar Sibo Autonomous County

Tacheng City: Toli County

Altay City: Qinghe County, Jimunai County

Website: <http://www.chinatax.gov.cn/chinatax/c102150/c5178869/content.html>

Preferential corporate income tax policies for Kashgar and Horgos two Special Economic Development Zones in Xinjiang

(The "five exemptions" policy means that newly established enterprises in the two economic development zones will be exempted from enterprise income tax within five years from the tax year in which the first production and operation income is obtained.)

Enjoy Subject	The newly established enterprises in Kashgar and Horgos Special Economic Development Zones of Xinjiang fall within the scope of “the Catalogue of Preferential Income Tax for Enterprises in Key Industries Encouraged to Develop in Poverty-stricken Areas of Xinjiang” (hereinafter referred to as “the Catalogue”)
Preferential Contents	From January 1, 2021 to December 31, 2030, enterprises newly established in Kashgar and Horgos, two special economic development zones in Xinjiang, which fall within the scope of “the Catalogue”, will be exempted from enterprise income tax within five years from the tax year in which they obtain their first production and operation income
Condition of Entitlement	<ol style="list-style-type: none">1. The first amount of production and operation income refers to the first amount of income obtained after an industrial project has been completed and put into operation.2. Enterprises within the scope of “the Catalogue” refer to those whose main business is the industrial projects specified in “the Catalogue” and whose main business income accounts for more than 60% of the total income of the enterprise.

Website: <http://www.chinatax.gov.cn/chinatax/c102150/c5178870/content.html>

A new catalogue of industries that encourage foreign investment was released, the number of encouraged catalogue items in Xinjiang have been further expanded.

<<Catalogue of Industries Encouraging Foreign Investment (2022 Edition) >> (hereinafter referred to as “the Catalogue”),
Effective from January 1, 2023

Enjoy Subject	Xinjiang Uygur Autonomous Region (including Xinjiang Production and Construction Corps)
Preferential Contents	<ol style="list-style-type: none">1. The import of self-use equipment within the total amount of investment shall be exempted from tariffs, except for the products not exempted from duty according to the regulations of the state;2. Priority should be given to the supply of land for encouraged industrial projects with intensive land use, and the base price of transfer can be determined by no less than 70% of the minimum price standard of the corresponding national industrial land transfer in the location;3. For investment in western China and Hainan Province, the corporate income tax can be further reduced by 15%

Website:

<http://www.xinjiang.gov.cn/xinjiang/tztc/202211/44212001e48d4162b0da643984b3a544.shtml>

Registered Xinjiang Company

List of required documents:

1. Company name
2. Business scope of the Company
3. Registered capital
4. Identity documents/passports of all shareholders/directors (All foreigners, The passport provided must be authenticated)
5. Contribution ratio of all shareholders (Share Distribution)
6. Address proof (property ownership certificate/lease certificate)
7. Articles of Incorporation
8. Enterprise establishment registration form

The full set of licences includes:

1. Original/duplicate business license
2. Tax Payment Instructions (1 copy)
3. Articles of Incorporation (1 copy)
4. Official seal/Financial Seal/Special invoice Seal/Private legal person seal (1 each)

Time: 5-7 working days