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Notice to expatriates:

last chance to benefit from the special regime of non-taxation of worldwide income

According to the *PRC Individual Income Tax ("IIT") Law*, an individual who is not tax domiciled in China (generally referring to foreign nationals) will become a Chinese tax resident if he/she stays in China for no less than 183 days in aggregate during a calendar year.

A Chinese tax resident shall, in principle, be taxed in China on his/her worldwide income.

However, under a preferential treatment called "Six-Year Regime", if such a foreign individual can **arrange to leave China for more than 30 days in a single trip in a given year every 6 years**, he/she can be **exempt from the Chinese IIT on his/her foreign-sourced income**, provided however that the income is paid by an overseas entity or individual.

As this Six-Year Regime was introduced in 2019 as a replacement of the previous Five-Year Regime¹, the starting point for the calculation of six-year period is therefore January 1st, 2019.

Hence, if you have spent at least 183 days in China each year since January 1st, 2019, but have not left China for more than 30 days in a single trip, **think about a trip of at least 30 days outside China before the end of year 2024**. Otherwise, you will be subject to taxation in China on your worldwide income as from 2025, or you will have to leave China for more than 183 days in aggregate over a given year in 2025, or in the subsequent years, in order to enjoy again the said Six-Year Regime.

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¹ Same principle as the Six-Year Regime but on a 5-year basis