



1

Preferential income tax policies for small businesses extended

Mainland authorities have extended the implementation of preferential income tax policies for small and micro enterprises to the end of 2024. For small and low-profit enterprises (SLPEs), of the portion of taxable income between Rmb1 million and Rmb3 million, 25% will be taxed at the applicable corporate income tax (CIT) rate of 20%.

SLPEs refer to enterprises engaged in non-restrictive and non-prohibited businesses with an annual taxable income not exceeding Rmb3 million, no more than 300 employees and no more than Rmb50 million in total asset value.

([Guidelines for Filing Corporate Income Tax Returns by Small and Low-Profit Enterprises](#); in Chinese only)

2

Small and micro enterprises eligible for VAT credit refund

Since 2019, the mainland has implemented a value-added tax (VAT) credit refund scheme in which term-end excess input VAT tax credits are refunded to the taxpayer. The refund scheme has been expanded this year to include small and micro enterprises and the manufacturing industry.

For small and micro enterprises, outstanding VAT credits will be refunded in one lump sum by the end of June, while incremental excess input tax credits will be fully refunded on a monthly basis. For enterprises in the areas of manufacturing, scientific research and technical services, outstanding VAT credits will be refunded by the end of the year, while incremental excess VAT credits will be fully refunded every month. ([China News Service](#); in Chinese only)

3**Small tech companies to enjoy 100% deduction of pre-tax R&D expenses**

To support the research and development (R&D) of technology-based enterprises, the extra deduction on pre-tax R&D expenses for technology-based small and medium-sized enterprises will be raised. If the R&D expenses do not form intangible assets and are included in current profits and losses, an additional 100% of such R&D expenses could be deducted from the taxable income total. If R&D expenses formed intangible assets, they can be amortised before taxation at 200% of the actual cost of the intangible assets. ([People's Daily](#); in Chinese only)

4**Shenzhen increases start-up loan fund for small businesses**

Shenzhen provides up to Rmb5 million in guaranteed start-up loans to small and micro enterprises. Last year, a total of Rmb1.85 billion in these loans were granted to such enterprises and the plan this year is to increase the loan pool to Rmb4 billion. ([Shenzhen Special Zone Daily](#); in Chinese only)

5**Guangdong set to implement regulations to protect intellectual property**

The Regulations of Guangdong Province on the Protection of Intellectual Property Rights will take effect on 1 May. The proposal is to establish a rapid patent examination mechanism, improve the layout of the centres for intellectual property rights protection and related services, and build an intellectual property credit system together with a penalty system to punish violations. The regulations will also accelerate the building of a mechanism for cooperation in intellectual property rights in the Guangdong-Hong Kong-Macao Greater Bay Area. ([Nanfang Daily](#); in Chinese only)