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## **Notice on the Implementation of Preferential Policies for Individual Income Tax in Guangdong-Hong Kong-Macao Greater Bay Area**

People's Governments of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing (hereinafter referred to as "the nine Pearl Rival Delta (PRD) municipalities"):

According to the *Notice of the State Administration of Taxation and the Ministry of Finance on Preferential Policies for Individual Income Tax in Guangdong-Hong Kong-Macao Greater Bay Area (Caishui [2019] No. 31)*, with the consent of the Provincial People's Government, the relevant implementation matters are hereby notified as follows:

1. For overseas high-end talents and talents in short supply working in the greater bay area, the amount of individual income tax paid by them in the nine PRD municipalities which exceeds the amount calculated by 15% of the taxable income shall be subsidized by the people's government of the nine PRD municipalities, which shall be exempted from individual income tax.
2. The term of "tax paid" in this Notice refers to the amount of individual income tax paid on the following income items in accordance with the Individual Income Tax Law of the People's Republic of China:
  - (1) Income of wages and salaries;
  - (2) Income of remuneration for personal services;
  - (3) Income of author's remuneration;
  - (4) Income of royalties;
  - (5) Income of business operations;
  - (6) Subsidized income obtained from selected talent projects or talent projects.

3. Subsidies shall be given once a year and calculated according to the above six individual income items (comprehensive calculation of comprehensive income) and consolidated subsidies for these items. For talents who have obtained the income of remuneration for personal services from 2 or more sources, the subsidies shall be shared and given according to the territorial principle.
4. The identification of overseas high-end talents and talents in short supply working in the greater bay area shall be conducted in accordance with the principles of voluntary declaration and scientific objectivity.

(1) Basic Requirements for Applicant:

- a. Permanent residents of Hong Kong and Macao, Hong Kong residents who have obtained the Hong Kong Quality Migrant Admission Scheme (talents, professionals and entrepreneurs), residents of Taiwan, foreign nationals, or returned students and overseas Chinese who have obtained the right of long-term residence abroad;
- b. Working in nine PRD municipalities and pay taxes according to laws;
- c. Compliance with laws and regulations, ethics of scientific research and integrity of scientific research.

(2) The applicant shall meet at least one of the following requirements:

- a. Candidates of national, provincial and municipal major talent projects who have obtained "Guangdong Talented Card", working permit for foreigners (class A) or confirmation letter of overseas high-end talents, and other high-level overseas talents identified by national, provincial and municipal governments;
- b. The scientific research team member, institutions of higher education, scientific research institutions, hospitals and other relevant institutions of scientific research and technology team members of national, provincial, municipal major innovation platform, the backbone and excellent managerial talents who focus on developing industries and key areas in our province employment entrepreneurship skills, and other talents in short supply with special expertise identified by nine PRD municipalities..

The specific standards and operating methods for the identification of high-end talents and talents in short supply shall be formulated by each municipality according to local conditions.

5. The municipal science and technology (foreign expertise) departments are the identification institutions for high-end talents, the human resources and social security departments are the identification institutions for talents in short supply, and the financial departments are the institutions for accepting, verifying and distributing subsidies. The financial departments take the lead in organizing the examination and verification work of science and technology (foreign expertise), human resources and social security, and tax departments. The application may be submitted by the applicants themselves or the employing unit to the local financial department, and the employing unit submit the application shall be encouraged.

In accordance with the requirements of this Notice, the nine PRD municipalities shall, in light of the local realities, formulate measures for the recognition of talents and the payment of subsidies, and submit such measures to the provincial department of finance, provincial department of science and technology (provincial foreign expertise affairs), and provincial department of human resources and social security for the record before the end of July. The provincial department of finance, together with the provincial department of science and technology (provincial foreign expertise affairs), the provincial department of human resources and social security, and the provincial tax bureau, shall guide nine cities to achieve relatively unified talent recognition standards and subsidy payment procedure.

6. If the applicant is found to have violated laws and regulations or made false declaration, the applicant shall be disqualified from enjoying preferential policies after verification and shall be withdrawn the financial subsidy funds which have already issued. Where a crime is suspected, it shall be handed over to the judicial branch to be investigated for criminal responsibility according to law.
7. This Notice shall be implemented on January 1, 2019 for a trial period of one year. Notice of Interim Administrative Measures of Guangdong Provincial Finance Department on Individual Income Tax Subsidy for Hong Kong and Macao Residents Working in Hengqin New District of Zhuhai (Yuecaifa [2012] No. 93) shall be invalidated as of January 1, 2019.

*Guangdong Provincial Finance Department,  
State Administration of Taxation,  
Guangdong Provincial Taxation Bureau*

*June 17, 2019*