

China Tax Alert

Issue 10, March 2016



China's new VAT rates & rules - Financial Services impacts

Regulations discussed in this issue:

- Circular Caishui [2016] 36 containing the VAT rates and rules for the financial services sector under China's VAT, which take effect from 1 May 2016

Announcement

On 24 March 2016 China's Ministry of Finance (MOF) and State Administration of Taxation (SAT) jointly issued Circular Caishui [2016] 36 (Circular 36) which contains the Value Added Tax (VAT) rates and rules applicable to all of the industries which are transitioning from Business Tax (BT) to VAT, with effect from 1 May 2016.

In KPMG China Tax Alert Issue 9 we examine the general impact of the new rules across all industries. However, in this KPMG China Alert, we examine the impact specifically for the financial services and insurance sector.

Applicable VAT rates for financial services

The VAT rates which KPMG foreshadowed in our China Tax Alert of 5 March 2016 have now been confirmed by Circular 36. The VAT rate for financial services, and a comparison with the current BT rate is set out below:

Sector	Current BT rate	New VAT rate
Financial services	5%	6%

Given that VAT is effectively assessed on a net basis (outputs less inputs) while BT is ordinarily assessed on a gross basis (outputs only), a straight comparison between the new and the old rates is not valid.

Key impacts

These rules ensure that China will be amongst the first countries in the world to apply a VAT generally to financial services. There are few very exemptions. The ability to apply a VAT to financial services is perhaps slightly easier than in many other countries, both because China has had a 5% BT applicable to this sector for many years, and also because of the relatively greater levels of market concentration amongst China's State Owned Enterprise banks and insurers. Notwithstanding this, the implementation of these rules will be watched with considerable interest around the world, with other countries likely to explore the possibility of applying VAT to financial services if China does so successfully.

The key impacts of the new rules in the financial services sector are:

- 6% VAT will apply to nearly all major forms of remuneration derived from financial services, including interest income on lending transactions, on general banking, asset management, securities and trust related services which are remunerated through a margin, commission or fees, and on insurance premiums;
- Exemptions from VAT will be relatively limited, with the main categories being interbank lending transactions, certain intercompany financing arrangements and life insurance and health insurance products with a term >1 year. Deposit-taking is not subject to VAT;
- Interest expenses incurred by general VAT taxpayers will not be creditable, and so too will fees and charges directly connected with loan services. While the rules do not say this, this denial of credits may not be a permanent feature of the system;
- Exports of financial services (except provision of fee-based financial services related to monetary financing and other financial services carried out among foreign entities and insurance services on exported goods) generally are subject to VAT under the rules as presently drafted, though exported financial consultancy services may qualify for exemption. This may possibly change in the near future;
- Imported financial services generally are subject to VAT withholding.

What is included as part of financial services?

The VAT rules contain a definition of "financial services" which comprises:

- (a) Loan services – this is defined as being a service where capital is lent, in return for interest income is derived. Loan services include interest, overdraft interest, interest derived from holding financial products, buying back the sale of financial assets, interest for financial leasing, on-lending/factoring;
- (b) Financial services which are subject to fee based income – this includes the provision of services relating to handling currency and capital, exchange of foreign currencies, account management, digital banking, credit cards, financial guarantees, safety deposit boxes, asset management, trust

- management, fund management, funds clearance etc.
- (c) Insurance services – life and general insurance services
- (d) Trading of financial products – which comprises transfer of ownership of foreign exchange securities, non-commodity futures and other financial products. Other financial products refer to various types of asset management products such as funds, trusts, financial management products, as well as various types of derivatives.

Some areas where uncertainties may arise is where late payment interest or other charges are imposed by a seller of goods. The VAT rate applicable to the sale of goods is 17%, and therefore there may be an incentive to try to restructure such charges as a loan to fall within the scope of the 6% VAT rate which applies to financial services. This may not be all that simple to achieve given that there is often a strong linkage between the scope of the taxpayer's business licence and the applicable VAT rate. Put simply, if the scope of the taxpayer's business licence does not include financial services, achieving a lower VAT rate may be difficult.

What is also interesting is that the definition of "financial services" is likely to become outdated quickly. The phenomenal growth in digital payment services in China, with companies like Alipay and Tencent, together with cryptocurrencies, highlight the fact that "financial services" is not a static concept.

Part 1 - General policies applicable to all (or nearly all) financial services

Quarterly filing period

In a surprise move, the new rules allow for a quarterly filing period for banks, financial companies, trusts, credit cooperatives and other taxpayers approved by the MOF and SAT.

This is important because many financial services businesses were concerned about how they could implement VAT in less than 2 months. However, the extended quarterly filing period now gives them some additional time to put in place the necessary systems changes.

Curiously though, insurers do not seem to feature in the list and, unless some form of clarification is provided, they would seem to be required to file VAT returns monthly.

Foreign currency conversions

Many financial services institutions in China will deal in foreign currency. Given that all VAT invoices and all payments of VAT must be in Chinese Renminbi (RMB), the VAT rules set out the requirements for conversion. They provide that all sales amounts must be converted into RMB, at either:

- The exchange rate of the transaction date; or
- The exchange rate on the 1st day of the transaction month.

Once a conversion policy is adopted, it cannot be changed within 12 months.

General timing rules

The general rule for VAT purposes for most transactions is that VAT must be accounted for in the period in which there is a right to receive payment under a contract, or payment is actually made. However, a specific rule has been inserted to deal with the timing for the transfer of financial products, and it is on the date of the transfer.

Non-performing loans

China's VAT rules do not contain any bad debt relief. However, a specific concession was introduced for the financial services sector to deal with non-performing loans. In effect, where a period of 90 days or more has expired from when interest was receivable but not received, the lender is not required to continue accounting for output VAT until such time as the interest is actually paid. During the initial 90 day period, the VAT which must be accounted for as interest is receivable cannot be reversed.

No grandfathering / transitional relief

While the real estate and construction industry has benefited from relatively generous transitional or grandfathering relief under the new rules, not so the financial services sector. In effect, there is no relief from existing contracts or commercial undertakings agreed before 1 May 2016. They become subject to 6% VAT with effect from 1 May 2016.

Exports and imports of financial services

Curiously, the VAT rules do not contain a general exemption for exported financial services, even though other industries which have transitioned to VAT already have such an exemption. It is especially difficult to understand given that when financial services are exported from China they may now be subject to double taxation – VAT on the export from China, and in many countries they may be subject to a reverse charge on importation into that other country. This policy runs counter to the OECD Guidelines on VAT/GST.

It is hoped that in due course such an exemption will be introduced, especially because the purpose of such an exemption is to ensure that Chinese businesses can be internationally competitive.

The exception to this (that is, where exemption applies) is for fee based services related to Chinese companies assisting in handling overseas currency and capital transactions between overseas entities. Another exception is for exported financial consultancy services which now fall within the scope of exemption for "consultancy services". We envisage this would cover services such as financial planning and wealth management. In addition, insurance services related to exported goods are exempt.

Imported financial services follow the general rule of other imported services in that they will be subject to withholding VAT, and potentially be creditable where the recipient is registered as a

general VAT taxpayer. Refer to the China Tax Alert 9 of 2016 for further information.

Apportionment of input VAT credits

A major VAT issue in most countries is the methodology that financial services businesses can adopt to calculate their input VAT credits. These issues arise because financial services institutions typically make a mix of exempt and taxable or zero rated supplies, and it can be difficult to track the expenses which relate to those supplies.

China's VAT system will be no different. Even though the dominant model for financial services in China is one of taxation, most financial services institutions will still have some exempt supplies. For example, banks will have exempt supplies from interbank lending.

The VAT rules provide that the default method for apportioning input VAT credits is a revenue basis method for those expenses which do not solely relate to making either taxable or exempt supplies. However, there is a special (generous) exception to this rule which provides that fixed assets, immovable assets and intangible assets may be fully creditable for VAT purposes, even if the business is only partially a taxable business.

The flipside though is that the use of a revenue basis methodology may produce unfavourable outcomes for many banks given that the proportion of interbank lending revenue they earn as compared with VAT taxable lending revenue may be substantial, even though very few people or expenses are devoted to those exempt interbank lending activities. This is where the use of other methodologies may be worthwhile to seek approval for.

Part 2 - Key market segments

Banking

As noted previously, the new rules effectively require banks to pay VAT on their interest income, instead of the current 5% BT. Importantly though, the interest income earned by the banks does not give rise to an input VAT credit for the counterparty. There is a specific rule which precludes interest expense from being creditable for VAT purposes. This should mean that banks are not required to issue special VAT invoices in respect of their interest income. In addition, there is a further rule which provides that any input VAT credit is denied for services associated with loan services (such as financial consultancy services and handling charges etc charged by banks to taxpayers).

The effect of the above provisions is that the VAT in relation to interest expenses of general VAT taxpayers is a real cost. It does not give rise to input VAT credits, which means that funding costs for projects in China will be higher than they would have been had a credit been made available. Prior to the release of the rules it had been expected that interest expenses would not be creditable for a "temporary period" only, but there is no indication given of this.

Furthermore, it would seem that bank fees and charges which are related to lending activities are similarly not creditable. However, bank fees and charges which stand apart from any lending activities, such as advisory fees for letters of credit, would seem to give rise to input VAT credits.

The current exemptions from BT for both deposit interest, and for interbank lending transactions, have been continued under the new VAT rules. However, the interbank lending exemption has been extended more broadly, and applies to:

- Lending activities between a bank and the People's Bank of China (PBOC);
- Interbank transactions within the same bank;
- Interbank transactions executed on the PBOC interbank lending platform
- Discounted bills of exchange between financial institutions are exempt from VAT;

One question is whether the exemption for interbank lending transactions within the same bank would apply to a loan from a bank's headquarters to its wholly-owned foreign entity (WFOE) in China. Logically it should if a broad view is taken that they are the "same bank" in an economic sense. Similarly, offline interbank transactions may potentially be taxed for VAT purposes given it is not clear that they fall within the scope of this exemption.

For completeness, there are a few other special rules applicable to banks, including:

- there are exemptions from VAT for certain small loans to farmers, approved income derived by guarantee companies, national loan programs (for students), national debts, special licence programs for individual mortgages, and loans provided by PBOC to other financial institutions;
- the act of selling assets or capital to repay debts by banks which are disqualified by PBOC are also exempt.

Insurance

Insurance companies in China will generally be subject to VAT at the rate of 6% of their premium income. However, there is an exemption from VAT for life insurance policies with a term > 1 year, for healthcare insurance, and for insurance related to goods being exported. These exemptions replicate the current BT exemptions.

From the perspective of claims paid by insurers, the new VAT rules provide that claims are not subject to VAT. While the new rules do not say this specifically, it would seem to suggest that the provision of goods or services in settlement of a claim is not subject to VAT, though the insurer may be able to claim input VAT credits for goods or services they purchase in settling claims. This provides a strong incentive to change the way claims are settled (from cash to goods/services), though there is still a risk the tax authorities may seek to apply the deemed sales rules. Either way, effectively the VAT for insurance services settled by way of cash settlement is a gross premium tax, not a "value added" tax.

While insurers may not be able to claim input VAT credits for cash claims paid to an insured, they should still be eligible for input VAT credits for their claims related expenses. In other words, their general administration expenses. Identifying and apportioning expenses between those which are made in payment of claims, and those which are claims related, will be difficult to administer from a systems and compliance perspective.

Insurers will also need to manage increased compliance costs in relation to the brokers and agents they engage. Not only will the commission or fees paid to those brokers or agents be subject to VAT (and in many cases, the brokers or agents will be small scale VAT taxpayers), but the insurers also need to obtain the information on policies being sold on a timely basis so as to be able to account for VAT on their premium income. Ensuring that VAT is accounted for on gross premiums, rather than on the net amount received after the broker or agent has deducted their commission or fee, will represent a further compliance challenge.

The rules do not specifically deal with reinsurance. There are two schools of thought as to how this may be dealt with in practice. The first is that the current BT position will continue to apply but in a VAT context. Under this approach, if the original policy of insurance is subject to VAT (or is specifically exempted from VAT), then the reinsurance of that policy would not be subject to VAT. The other is that since reinsurance is effectively just a form of insurance for insurers, then the reinsurance policy should follow the same VAT treatment as the underlying insurance. Ultimately this is an area where clarification is urgently needed.

As noted earlier, there is no VAT exemption in the rules for exported financial services. This suggests that products such as international travel insurance, and insurance for goods which are being transported internationally, will not benefit from an exemption from VAT. This is a curious outcome given that in each case the consumption of the insurance really takes place outside of China. There is a general VAT rule which allows services which are consumed wholly outside of China to not be subject to VAT, but that may be difficult to satisfy in these cases.

Trusts and Funds

The growth of trusts and funds in China has outpaced regulation in many respects. The same applies with the VAT rules, which are largely silent on the question of how trusts and funds should account for VAT. A common area of concern is whether each trust and fund must be separately registered for VAT purposes, or whether a single trustee or manager may register for VAT purposes and account for VAT on an aggregated basis for all of the trusts and funds they manage.

Trading in Financial Products

The major impact of the new VAT rules for securities companies is that the government has decided to apply VAT to gains from trading in financial products. The question of whether VAT would apply in this way, or an exemption would apply, had been hotly debated.

In essence, the approach of taxing the gains from trading in financial products replicates the current BT system, albeit with a 6% VAT rate in lieu of a 5% BT rate. Importantly though, while it is called a 6% VAT, in reality it is not. The seller will account for VAT on the gain, but no counterparty is eligible for an input VAT credit. There is a specific rule which provides that no special VAT invoices may be issued for trading in financial products.

The method for accounting for VAT which is adopted in the rules is that the costs of the financial products may be calculated either by a weighted average method, or a moving average method. However, whatever method is adopted cannot be changed for a period of 36 months thereafter. VAT must be accounted for at the time the transfer of the financial product occurs.

Losses can be carried forward to the next filing period, but not to the next calendar year, which mirrors the current BT treatment.

There are six categories of VAT exemption for financial products, and they are:

- Trading of QFII financial products; and
- A shares traded on the stock connect platform
- Purchase and sale of funds registered under Mutual Recognition of Funds
- Purchase and sale of shares and bonds by managers of securities investment funds (either open-ended or closed-ended)
- Purchase and sale of securities investment funds, shares and bonds by the National Council for Social Security Fund or the Investment Manager of the Social Security Fund
- Transfer of financial products by individuals

Finance and Operating Leasing

The finance leasing industry has been subject to VAT for some time at a rate of 17% using a net basis method. However, the new rules subject the financing component of sale and leaseback transactions to 6% VAT. Existing sale and leaseback contracts can continue to use the current 17% treatment using a net basis method until the contract expires.

In addition, all lessors of moveable property (whether under finance or operating leases) can apply the 3% simplified VAT method if the lease is entered into on or before the beginning of the VAT reforms.

Part 3 – Top 10 industry issues - financial services

In our [KPMG China Tax Alert 7 of 2016](#), we identified the top 10 industry issues for the financial services industry. We now revisit that list and examine how each of the issues have been resolved (if at all).

Issues	Outcomes
1. Will interbank lending transactions be exempt from VAT? If so, will this be limited to domestic Chinese banks, or will it apply to cross-border loans between banks too?	Yes, and the scope of interbank exemption is similar to that under current BT regime
2. Will interest on loans paid by general VAT taxpayers be ineligible for input VAT credits, and if so, for how long? Will other fees and charges paid in relation to such loans still be eligible for input VAT credits? Is there any relief on invoicing requirements?	No, they are not creditable and the rules do not suggest this is a temporary measure. Fees and charges relating to such loans will also not be creditable.
3. Will interest on outbound loans (i.e. loans by PRC banks to overseas) be eligible for VAT exemption? Similarly, will inbound loans (i.e. loans from overseas banks to PRC customers) be subject to VAT withholding?	No, there appears to be no exemption for exported financial services (except in limited respects). Inbound loans will be subject to VAT withholding, except where the interbank lending exemption applies.
4. Will there be any bad debt relief for VAT purposes arising from defaults in customers paying interest?	No, there is no formal bad debt relief. However, for non-performing loans (i.e. loans where interest has accrued unpaid for 90 days or more), taxpayers will not be required to continue paying output VAT, unless and until interest is paid.
5. Will gains from trading in financial products be exempt from VAT, or subject to VAT on the gain?	Subject to VAT on the gain
6. Will general insurers be eligible to claim input VAT credits for the goods and services they purchase to settle claims, but not be required to pay output VAT when they provide them to an insured?	Potentially yes, an input VAT credit can be claimed. It remains unclear whether the provision of goods or services to an insured in settling a claim is treated as a deemed sale.
7. Will VAT exemption apply to: (a) insurance relating to risks taking place outside of China (such as overseas travel insurance, or international goods transportation insurance), (b) policies relating to life insurance; and (c) policies relating to health insurance?	There appears to be no general exemption for export of insurance, except for the insurance on exported goods. Life and health insurance is exempt.

<p>8. Does the VAT treatment proposed for reinsurance transactions follow the same VAT treatment as the underlying insurance to which it relates, especially recognizing that in many cases the premium may be ceded to an offshore reinsurer?</p>	<p>This is presently unclear, with two alternatives potentially applicable.</p>
<p>9. How will financial services institutions be expected to apportion their input VAT credit entitlements?</p>	<p>The VAT rules provide for apportion using a revenue basis methodology</p>
<p>10. What will be the VAT treatment of Trust/Fund products? Will each Trust/Fund be required to separately register for VAT purposes, even though they have the same Trustee or Manager?</p>	<p>The rules do not provide any guidance in this respect</p>

Khoonming Ho Head of Tax, KPMG China Tel. +86 (10) 8508 7082 khoonming.ho@kpmg.com	Northern China	Michael Wong Tel. +86 (10) 8508 7085 michael.wong@kpmg.com	Henry Ngai Tel. +86 (21) 2212 3411 henry.ngai@kpmg.com	Joe Fu Tel. +86 (755) 2547 1138 joe.fu@kpmg.com	Sandy Fung Tel. +852 2143 8821 sandy.fung@kpmg.com
Beijing/Shenyang David Ling Tel. +86 (10) 8508 7083 david.ling@kpmg.com	David Ling Head of Tax, Northern Region Tel. +86 (10) 8508 7083 david.ling@kpmg.com	Jessica Xie Tel. +86 (10) 8508 7540 jessica.xie@kpmg.com	Yasuhiro Otani Tel. +86 (21) 2212 3360 yasuhiro.otani@kpmg.com	Ricky Gu Tel. +86 (20) 3813 8620 ricky.gu@kpmg.com	Stanley Ho Tel. +852 2826 7296 stanley.ho@kpmg.com
Tianjin Eric Zhou Tel. +86 (10) 8508 7610 ec.zhou@kpmg.com	Vaughn Barber Tel. +86 (10) 8508 7071 vaughn.barber@kpmg.com	Irene Yan Tel. +86 (10) 8508 7508 irene.yan@kpmg.com	Ruqiang Pan Tel. +86 (21) 2212 3118 ruqiang.pan@kpmg.com	Fiona He Tel. +86 (20) 3813 8623 fiona.he@kpmg.com	Daniel Hui Tel. +852 2685 7815 daniel.hui@kpmg.com
Qingdao Vincent Pang Tel. +86 (532) 8907 1728 vincent.pang@kpmg.com	Yali Chen Tel. +86 (10) 8508 7571 yali.chen@kpmg.com	Sheila Zhang Tel. +86 (10) 8508 7507 sheila.zhang@kpmg.com	Amy Rao Tel. +86 (21) 2212 3208 amy.rao@kpmg.com	Wayne Tan Tel. +86 (28) 8673 3915 wayne.tan@kpmg.com	Charles Kinsley Tel. +852 2826 8070 charles.kinsley@kpmg.com
Shanghai/Nanjing Lewis Lu Tel. +86 (21) 2212 3421 lewis.lu@kpmg.com	Milano Fang Tel. +86 (532) 8907 1724 milano.fang@kpmg.com	Tiansheng Zhang Tel. +86 (10) 8508 7526 tiansheng.zhang@kpmg.com	Rachel Tao Tel. +86 (21) 2212 3473 rachel.tao@kpmg.com	Cloris Li Tel. +86 (20) 3813 8829 cloris.li@kpmg.com	Kate Lai Tel. +852 2978 8942 kate.lai@kpmg.com
Chengdu Anthony Chau Tel. +86 (28) 8673 3916 anthony.chau@kpmg.com	Tony Feng Tel. +86 (10) 8508 7531 tony.feng@kpmg.com	Tracy Zhang Tel. +86 (10) 8508 7509 tracy.h.zhang@kpmg.com	Janet Wang Tel. +86 (21) 2212 3302 janet.z.wang@kpmg.com	Jean Li Tel. +86 (755) 2547 1128 jean.j.li@kpmg.com	Jocelyn Lam Tel. +852 2685 7605 jocelyn.lam@kpmg.com
Hangzhou John Wang Tel. +86 (571) 2803 8088 john.wang@kpmg.com	John Gu Tel. +86 (10) 8508 7095 john.gu@kpmg.com	Eric Zhou Tel. +86 (21) 2212 3438 ec.zhou@kpmg.com	John Wang Tel. +86 (21) 2212 3438 john.wang@kpmg.com	Kelly Liao Tel. +86 (20) 3813 8668 kelly.liao@kpmg.com	Alice Leung Tel. +852 2143 8711 alice.leung@kpmg.com
Guangzhou Lilly Li Tel. +86 (20) 3813 8999 lilly.li@kpmg.com	Naoko Hirasawa Tel. +86 (10) 8508 7054 naoko.hirasawa@kpmg.com	Central China Head of Tax, Eastern & Western Region Tel. +86 (21) 2212 3421 lewis.lu@kpmg.com	Mimi Wang Tel. +86 (21) 2212 3250 mimi.wang@kpmg.com	Grace Luo Tel. +86 (20) 3813 8609 grace.luo@kpmg.com	Steve Man Tel. +852 2978 8976 steve.man@kpmg.com
Fuzhou/Xiamen Maria Mei Tel. +86 (592) 2150 807 maria.mei@kpmg.com	Josephine Jiang Tel. +86 (10) 8508 7511 josephine.jiang@kpmg.com	Anthony Chau Tel. +86 (21) 2212 3206 anthony.chau@kpmg.com	Henry Wong Tel. +86 (21) 2212 3380 henry.wong@kpmg.com	Jennifer Weng Tel. +86 (21) 2212 3431 jennifer.weng@kpmg.com	Ivor Morris Tel. +852 2847 5092 ivor.morris@kpmg.com
Shenzhen Eileen Sun Tel. +86 (755) 2547 1188 eileen.gh.sun@kpmg.com	Henry Kim Tel. +86 (10) 8508 5000 henry.kim@kpmg.com	Cheng Chi Tel. +86 (21) 2212 3433 cheng.chi@kpmg.com	Grace Xie Tel. +86 (21) 2212 3422 grace.xie@kpmg.com	Maria Mei Tel. +86 (592) 2150 807 maria.mei@kpmg.com	Eileen Sun Tel. +86 (755) 2547 1188 eileen.gh.sun@kpmg.com
Hong Kong Karmen Yeung Tel. +852 2143 8753 karmen.yeung@kpmg.com	Lisa Li Tel. +86 (10) 8508 7638 lisa.h.li@kpmg.com	Marianne Dong Tel. +86 (21) 2212 3436 marianne.dong@kpmg.com	Jie Xu Tel. +86 (21) 2212 3678 jie.xu@kpmg.com	Grace Luo Tel. +86 (20) 3813 8615 grace.luo@kpmg.com	Curtis Ng Tel. +852 2143 8709 curtis.ng@kpmg.com
	Thomas Li Tel. +86 (10) 8508 7574 thomas.li@kpmg.com	Alan Garcia Tel. +86 (21) 2212 3509 alan.garcia@kpmg.com	Robert Xu Tel. +86 (21) 2212 3124 robert.xu@kpmg.com	Bin Yang Tel. +86 (20) 3813 8605 bin.yang@kpmg.com	Malcolm Prebble Tel. +852 2684 7472 malcolm.j.prebble@kpmg.com
	Simon Liu Tel. +86 (10) 8508 7565 simon.liu@kpmg.com	Chris Ge Tel. +86 (21) 2212 3083 chris.ge@kpmg.com	William Zhang Tel. +86 (21) 2212 3415 william.zhang@kpmg.com	Lixin Zeng Tel. +86 (20) 3813 8812 lixin.zeng@kpmg.com	Nicholas Rykers Tel. +852 2143 8595 nicholas.rykers@kpmg.com
	Paul Ma Tel. +86 (10) 8508 7076 paul.ma@kpmg.com	Chris Ho Tel. +86 (21) 2212 3406 chris.ho@kpmg.com	Hanson Zhou Tel. +86 (21) 2212 3318 hanson.zhou@kpmg.com	Southern China Lilly Li Head of Tax, Southern Region Tel. +86 (20) 3813 8999 lilly.li@kpmg.com	Hong Kong Ayesha M. Lau Head of Tax, Hong Kong Tel. +852 2826 7165
	Alan O'Connor Tel. +86 (10) 8508 7521 alan.oconnor@kpmg.com	Dylan Jeng Tel. +86 (21) 2212 3080 dylan.jeng@kpmg.com	Michelle Zhou Tel. +86 (21) 2212 3458 michelle.b.zhou@kpmg.com	Yvette Chan Tel. +852 2847 5108 yvette.chan@kpmg.com	Murray Sarelius Tel. +852 3927 5671 murray.sarelius@kpmg.com
	Vincent Pang Tel. +86 (10) 8508 7516 +86 (532) 8907 1728 vincent.pang@kpmg.com	Jason Jiang Tel. +86 (21) 2212 3527 jason.jt.jiang@kpmg.com	William Zhang Tel. +86 (21) 2212 3415 william.zhang@kpmg.com	Lu Chen Tel. +852 2143 8777 lu.i.chen@kpmg.com	David Siew Tel. +852 2143 8785 david.siew@kpmg.com
	Shirley Shen Tel. +86 (10) 8508 7586 yinghua.shen@kpmg.com	Flame Jin Tel. +86 (21) 2212 3420 flame.jin@kpmg.com	Penny Chen Tel. +86 (21) 2212 3488 penny.chen@kpmg.com	Rebecca Chin Tel. +852 2978 8987 rebecca.chin@kpmg.com	John Timpany Tel. +852 2143 8790 john.timpany@kpmg.com
	State Shi Tel. +86 (10) 8508 7090 state.shi@kpmg.com	Sunny Leung Tel. +86 (21) 2212 3488 sunny.leung@kpmg.com	Vivian Chen Tel. +86 (21) 2212 3463 vivian.w.chen@kpmg.com	Matthew Fenwick Tel. +852 2978 8987 matthew.fenwick@kpmg.com	Wade Wagatsuma Tel. +852 2685 7806 wade.wagatsuma@kpmg.com
	Joseph Tam Tel. +86 (10) 8508 7605 laiyiu.tam@kpmg.com	Michael Li Tel. +86 (21) 2212 3463 michael.y.li@kpmg.com	Sam Fan Tel. +86 (755) 2547 1071 sam.kh.fan@kpmg.com	Karmen Yeung Tel. +852 2143 8753 karmen.yeung@kpmg.com	Lachlan Wolfers Tel. +852 2685 7791 lachlan.wolfers@kpmg.com
		Christopher Mak Tel. +86 (21) 2212 3409 christopher.mak@kpmg.com		Barbara Forrest Tel. +852 2978 8941 barbara.forrest@kpmg.com	Christopher Xing Tel. +852 2978 8965 christopher.xing@kpmg.com
					Adam Zhong Tel. +852 2685 7559 adam.zhong@kpmg.com