

Tax Alert

January 2018



Requirements on corporate income tax provisional payments

During the first 90 days of a fiscal year, the enterprises must carry out a series of compliant works for corporate income tax (“CIT”) declaration purposes. One of them is to make payment for the provisional CIT for the 4th quarter of the just-ended fiscal year.

For the companies having fiscal year ended on 31 December 2017, the deadline for the last provisional CIT payment is 30 Jan 2018.

In addition, please note that if the total provisional CIT paid during the last year is less than the CIT payable under the company’s CIT finalization return by 20% (of the finalized CIT liability) or more, interest on late payment will be applied on the outstanding liability exceeding 20% of the finalized CIT liability, calculated from 31 January 2018 to the date of payment of the outstanding amount.

We therefore would like to draw your attention on the mentioned requirements. The company should ascertain its total provisional payments during the last year and reconcile it to the estimated yearly CIT payable. If you expect any difference exceeding the statutory cap, the company should arrange for the provisional payment by 31 January in order to minimize the risk of late payment.

If you need any further information on this or need our assistance on CIT compliance, please do not hesitate to contact us.

Contact

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