



HBCN E-Tax Service

2017.06

HSBC  汇丰

PUBLIC

Introduction

To allow corporate clients to pay taxes (levied by both State Tax Bureau and Local Tax Bureau) electronically, HSBC Bank (China) Company Limited (HSBC China) has completed the system development and obtained the approval from People's Bank of China ("PBOC") HQ and PBOC Shanghai Office in Aug 2013 to join in the national electronic tax payment system – Treasury Information Processing System ("TIPS"). Since Oct 2013, our corporate clients registered in **Shanghai** can enjoy E-tax payment service. Afterwards, HSBC China will gradually launch this E-tax payment service in other branches/sub-branches to help our clients improve payment efficiency and optimize account structure.

Til Jun2017, HSBC's **Shanghai, Beijing, Xiamen, TaiYuan, Wuhan, Chengdu, Wuxi, Xi'an, Chongqing, Dalian, Kunming, Nantong, Tangshang, Haerbing, Changsha, Tianjing, Yangzhou, Nanchang, Hefei, Changchun, Nanjing, Shenyang, Zhuhai, Zhengzhou, Ningbo, Fuzhou, Ji'Nan, Hangzhou, Qingdao** can provide E-tax services to local registered corporate clients. More branches will roll out this service in 2017. For more details, please refer to the following session.

Taxes Supported

Our E-tax payment service can support the taxes levied by State Tax Bureau and Local Tax Bureau, as well as some administrative fees charged by government institutions, upon local practice and regulatory requirements.

The major types are:

1. Value Added Tax (VAT)
2. Business Tax
3. Consumption Tax
4. Individual Income Tax (IIT)
5. Corporate Income Tax (CIT)
6. Increment Tax on Land Value
7. Real estate tax
8. Vehicle and Vessel Tax
9. Urban Maintenance Tax
10. Stamp Duty
11. Education Surcharge
12. Foreign-invested Enterprises Land Usage Fee and etc.

Note: Custom Duty, Import VAT and other import related taxes are excluded. They are currently processed via another electronic system. Withholding tax cannot be paid via TIPS, as it requires case by case approval from the Tax Bureau. Please consult your local Tax Bureaus on the supported tax types.

E-tax Payment Service

HSBC China will offer two types of E-tax payment service: Auto Debit and E-tax Payment via Counter.

- **Auto Debit:**

The client must sign a tripartite agreement with the Tax Bureau and the payment Bank. The agreement specifies that the client authorize the bank to process the tax payment automatically based on the debit instruction sent from Tax Bureau via TIPS. Once the agreement is effective, the client can log in Tax Bureau's website or go to their office to do tax filing, and then the Tax Bureau will send the debit instruction to the bank. Upon receipt of the debit instruction, the bank will debit the client's account and send acknowledgement back automatically. Manual intervention is not needed in the whole process at bank side and the payment is completed on real-time basis.

- **E-tax Payment via Counter:**

The client will obtain an E-Tax payment slip from Tax Bureau, after tax filing is completed in Tax Bureau. Then the client need bring the E-Tax payment slip to Bank Counter and request for payment. Bank Counter staff will verify the payment instruction in TIPS and then process it.

Auto Debit is much more efficient compared with Tax Payment via Counter. Auto Debit allows corporate clients to complete tax payment without the need of going to Bank Counter in person. Therefore, we strongly recommend our corporate clients to adopt Auto Debit and enjoy the efficiency. Furthermore, the local regulators are also promoting Auto Debit, in order to improve the efficiency of the whole tax payment process.

Special notes:

1. E-tax payment can be made via both In-city RMB basic account and RMB general account. Clients can assign an existing HSBC RMB account for tax payment, and opening an account specifically for tax payment is not necessary. Other payments can be made via the same RMB account and clients shall ensure the available balance is sufficient to cover tax payment.
2. The tax payment account shall be opened in the HSBC branch/sub-branch of the same city where the client is registered, as E-tax payment does not support cross-city transfer.
3. Our E-tax service is free, including both Agreement setup and individual tax payment.
4. Usually, if the payment status is “Debit Successfully” on Tax Bureau’s website, the tax payment can be regarded as completed.

General E-Tax Payment Service Process

Tripartite Agreement Execution Process

1. The client raises the request to the Tax Bureau for E-tax payment, and obtains a set of E-tax tripartite agreement (3 originals) from Tax Bureau.
2. The client’s Legal Representative signs on the agreement (3 originals) and Company Chop shall be sealed. Next, an HSBC E-Tax Payment Application Form shall be filled, which shall be signed by person(s) of the group with the highest authorization limit for RMB payments. Then the client’s staff brings the agreement and application form to our Corporate Counters in Shanghai (now available in Shanghai Branch, Hong Kong Plaza sub-branch and Xujiahui sub-branch).
3. When our counter staffs receive the agreement and application form, they will verify the signatures, customer name, account number, etc. If everything is fine, they will input the agreement into E-tax system and seal bank’s chop on the agreement (3 originals);
4. Bank counter staffs will keep one original of the agreement and give the other 2 back to the client staff;
5. The client staff should submit the remaining 2 originals of agreement to the Tax Bureau promptly. Tax Bureau need initiate agreement validation via E-tax system. Once completed, the agreement is effective, and the client can use the designated RMB account for Auto Debit in the next calendar month.

* The whole signing process only requires 1-3 working days.

According to the provisions from Shanghai State and Local Tax Bureaus, all banks should conduct Auto Debit if the corporate clients raise E-tax payment requests. Therefore, clients must execute tripartite agreements and the detailed steps are listed as below.

HSBC Service Available Time:

Every bank working day: 9:00 - 15:00

Notes

1. If you would like to do on-line tax filing (instead of going to Tax Bureau offices in person), please ensure you have applied for the Logon Profile and Certificate from your Tax Bureaus. This process usually takes around 1 to 2 weeks; therefore, we suggest the application be completed as early as possible.
2. Clients just need sign one set of E-tax tripartite agreement in Shanghai, which can support payments for tax levied by both State Tax Bureau and Local Tax Bureau. In other cities, clients may need sign E-tax tripartite agreements separately with State Tax Bureau and Local Tax Bureau.

3. We recommend clients to raise the Auto Debit request to Tax Bureau in the 2nd half of the month, because usually tax payment is made in 1st half and Tax Bureaus don't prefer to make changes on Auto Debit set up before tax payment due dates.
4. In Shanghai, clients can print the electronic tax voucher on Tax Bureau's website 3 working days after the Auto Debit. The bank's debit advice shall be regarded as advice of account entry, instead of tax payment certificate.
5. If clients would like to migrate E-tax payment to HSBC China from existing banks, they need raise a written cancellation application to Tax Bureaus. Tax Bureaus will cancel the Agreement setup with existing banks in system. After that, clients can obtain tripartite agreements from Tax Bureaus, and follow the steps mentioned above to complete Auto Debit set up with HSBC China.

HSBC E-tax Application From:

Please go to www.hsbc.com.cn, Website map -> Download Centre -> Commercial Banking -> HBCN E-tax Services

Shanghai Tax Bureau's website:

<http://www.csj.sh.gov.cn/pub/ssxc/zlzy/zcgll/csky/>

Conclusion

Til Jan 2017, HSBC's Shanghai, Beijing, Xiamen, TaiYuan, Wuhan, Chengdu, Wuxi, Xi'an, Chongqing, Dalian, Kunming, Nantong, Tangshan, Haerbing, Changsha, Tianjing, Yangzhou, Nanchang, Hefei, Changchun, Nanjing, Shenyang, Zhuhai, Zhengzhou, Ningbo, Fuzhou, Ji'Nan, Hangzhou can provide E-tax services to local registered corporate clients. If you have any enquiries, please contact your HSBC Relationship Manager, GLCM Sales Manager or GLCM Client Service Manager.

About HSBC China

HSBC Bank (China) Company Limited started operations on 2 April 2007 as a locally incorporated foreign bank. It is owned by the Hongkong and Shanghai Banking Corporation Limited, the founding member of the HSBC Group, which was established in Hong Kong and Shanghai in 1865. HSBC China incorporated the previous Mainland offices of its parent.

HSBC is one of the largest investors among foreign banks in mainland China, having invested in the growth of its own operations and in select Mainland financial services entities, including Bank of Communications.

HSBC China employs about 6,000 staff, around 99 per cent of whom were recruited locally. It has a branch network of more than 170 outlets across more than 50 cities. This is the largest service network covering the widest geographical reach by any foreign bank in mainland China.

➤ North China

Beijing, Changchun, Dalian, Harbin, Shenyang, Taiyuan, Tangshan, Tianjin, Zhengzhou.

➤ East China

Changshu, Fuzhou, Hangzhou, Hefei, Jiangyin, Jinan, Kunshan, Nanchang, Nanjing, Nantong, Ningbo, Qingdao, Shanghai, Suzhou, Taicang, Wuxi, Yangzhou, Yixing, Zhangjiagang.

➤ Central and West China

Chengdu, Changsha, Chongqing, Kunming, Wuhan, Xi'an.

➤ South China

Chaozhou, Dongguan, Foshan, Guangzhou, Heyuan, Huizhou, Jiangmen, Jieyang, Maoming, Meizhou, Nanning, Qingyuan, Shantou, Shanwei, Shaoguan, Shenzhen, Xiamen, Yangjiang, Yunfu, Zhanjiang, Zhaoqing, Zhongshan, Zhuhai.

With our extensive network worldwide, HSBC brings a true global reach to its extensive local strength and knowledge in mainland China.



Disclaimers

This document is the property and copyright of HSBC Bank (China) Company Limited, which is not to be used for any other purposes, copied, distributed or transmitted in any form or by any means without the prior written consent of HSBC Bank (China) Company Limited. The information contained herein is derived from sources we believe to be reliable, but which we have not independently verified. HSBC makes no representation or warranty (express or implied) of any nature nor is any responsibility of any kind accepted with respect to the completeness or accuracy of any information, projection, representation or warranty (expressed or implied) in, or omission from, this document. No liability is accepted whatsoever for any direct, indirect or consequential loss arising from the use of or reliance on this document or any information contained herein by the recipient or any third party.