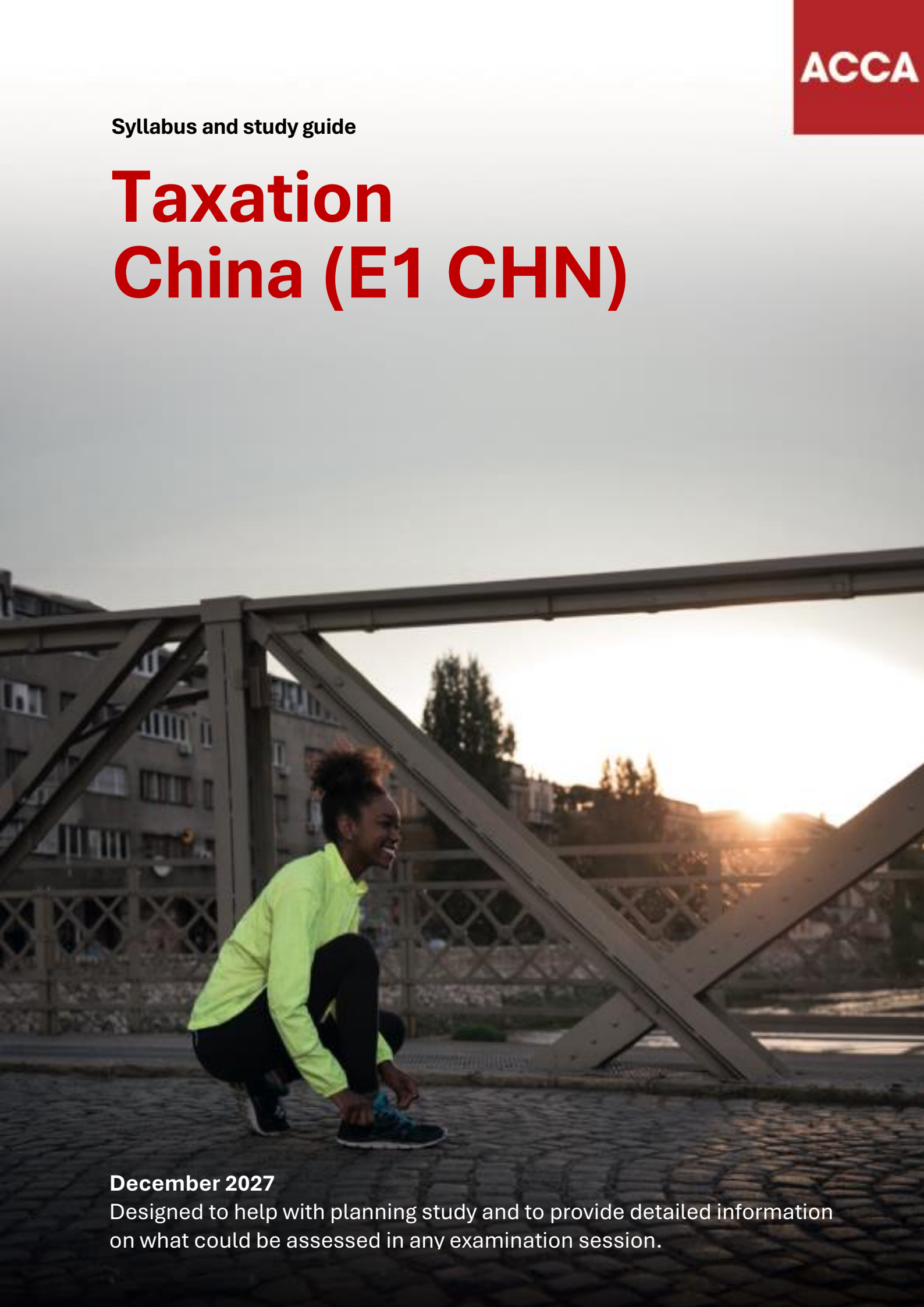
Syllabus and study guide

Taxation China (E1 CHN)



December 2027

Designed to help with planning study and to provide detailed information on what could be assessed in any examination session.

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1. Overall aim of the syllabus

The overall aim of the syllabus is to develop and enable the application of technical knowledge and skills relating to the Chinese tax system as applicable to individuals and companies (resident and non-resident).

2. Introduction to the syllabus

The syllabus for E1 Taxation (E1 CHN) starts by introducing candidates to the functions and systems applicable to Chinese tax, including sources of tax law and practice and the system for self-assessment.

The syllabus then moves on to provide the core knowledge of major technical areas of Chinese taxation as they affect the activities of individuals and businesses, beginning with individual income tax. The syllabus covers the taxation of comprehensive income, income from business operations, property and investments, including the availability of exemptions and reliefs.

The next technical area covered by the syllabus is enterprise income tax (EIT), in particular the profits which are chargeable to EIT, how EIT is calculated and the available exemptions, reliefs and incentives.

The syllabus then moves on to the scope and computation of land appreciation tax, before finally covering the three indirect taxes of value added tax (VAT), consumption tax and customs duty.

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3. Main capabilities

On successful completion of this course of study, candidates should be able to:

- Assess the operation and scope of the Chinese tax system and its administration
- Analyse and calculate the income tax liabilities of individuals
- Analyse and calculate the enterprise income tax liabilities of enterprises
- Analyse and calculate the effects of land appreciation tax for individuals and enterprises
- Analyse and calculate the effects of value added tax (VAT), consumption tax and customs duty for individuals and enterprises
- Assess the impact of relevant taxes which apply in a variety of business and personal contexts

4. Intellectual levels

The ACCA Qualification syllabus is designed to progressively broaden and deepen the technical knowledge, skills and professional values demonstrated by the candidate on their journey through the qualification.

The specific learning outcomes within the detailed syllabuses and study guides are assessed at one of three intellectual or cognitive levels:

Level 1: Knowledge and comprehension
Level 2: Application and analysis
Level 3: Synthesis and evaluation

Very broadly these intellectual levels relate to the three levels of the ACCA Qualification: Knowledge, Expertise and Strategic Professional.

Each learning outcome included in the detailed study guide is given a 1, 2 or 3 superscript, denoting its intellectual level. This gives an indication of the intellectual depth at which a learning outcome could be assessed within the examination. However, while Level 1 broadly equates with the Knowledge level, Level 2 to the Expertise level and Level 3 to the Strategic Professional level of the ACCA Qualification, some lower-level skills can continue to be assessed as the candidate progresses through each level. This reflects that at each stage of study there will be the requirement to broaden, as well as deepen, capabilities.

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5. The syllabus

A The Chinese tax system and its administration

1. Chinese taxes
2. Principal sources of tax law and practice
3. The system for self-assessment, the making of returns, submission of information, claims and the procedures relating to compliance checks, appeals and disputes

B Individual income tax liabilities

1. The scope of individual income tax (IIT)
2. Comprehensive income, including income from employment, income from the provision of services, royalty income and income from manuscripts
3. Income from business operations
4. Property, investment, rental, dividend, interest and contingency (occasional) income
5. The comprehensive computation of taxable income and tax liabilities
6. The use of exemptions and reliefs in deferring and minimising tax liabilities
7. The time limits, including payments on account and penalties for non-compliance

C Enterprise income tax liabilities

1. The scope of enterprise income tax (EIT)
2. The profits chargeable to EIT
3. The comprehensive computation of taxable income and tax liability, and the use of exemptions and reliefs
4. Tax incentives
5. Tax avoidance, transactions with associated parties and special tax adjustments
6. The time limits, including payments on account and penalties for non-compliance

D Land appreciation tax

1. The scope of land appreciation tax (LAT)
2. The computation of LAT liabilities, and the use of exemptions and reliefs

E Indirect taxes – value added tax, consumption tax and customs duty

1. The scope of value added tax (VAT)
2. The computation of VAT liabilities
3. Imports and exports of goods and services
4. The administration of VAT and penalties for non-compliance
5. The scope of consumption tax (CT)
6. The computation of CT liabilities
7. The administration of CT and penalties for non-compliance
8. The scope of customs duty
9. The computation of customs duty
10. The administration of customs duty and penalties for non-compliance of enterprises

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6. Detailed study guide

A The Chinese tax system and its administration

1. Chinese taxes

a) Explain the difference between direct and indirect taxation.[1]

b) Summarise the different types of taxes.[1]

c) Recommend an appropriate ethical action or response to a given tax situation.[2]

2. Principal sources of tax law and practice

a) Explain the overall structure of the China tax system.[1]

b) Summarise the different sources of tax law and regulation.[1]

c) Compare and contrast tax avoidance and tax evasion.[2]

d) Summarise the aims of the anti-avoidance measures and the General Anti-Avoidance Rule (GAAR) for individuals and business entities. [1]

e) Assess the purpose of double taxation agreements.[2]

3. The system for self-assessment, the making of returns, submission of information, claims and the procedures relating to appeals and disputes

a) Summarise the tax registration procedures for taxpayers and withholding agents.[1]

b) Analyse the system by which taxes are reported on a withholding basis in respect of individuals (including non-residents), non-resident enterprises and withholding agents.[2]

c) Analyse the system by which an individual taxpayer must report individual income tax personally.[2]

d) Analyse the system by which enterprises report enterprise income tax.[2]

e) Apply the system by which the liability to land appreciation tax is reported.[2]

f) Analyse the system by which taxpayers report value added tax (VAT).[2]

g) Analyse the system by which taxpayers report consumption tax.[2]

h) Analyse the different types of transfer pricing documentation, including the requirements for preparation and submission of documentation.[2]

i) Summarise the investigating powers of the tax authorities and the procedures for dealing with disputes and appeals.[1]

j) Summarise the circumstances in which the deadline for the submission of returns may be deferred.[1]

k) Summarise the obligations of taxpayers engaged in production and business operations to keep books of account under the tax rules.[1]

B Individual income tax liabilities

1. The scope of individual income tax (IIT)

a) Explain the scope of IIT.[1]

b) Assess and apply how the residence of an individual is determined, including the special provisions relating to non-residents.[2]

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c) Explain the source of different types of income.[1]

d) Assess the tax treatment of income from China and overseas for tax residents and tax non-residents.[2]

2. Comprehensive income, including income from employment, income from the provision of services, royalty income and income from manuscripts

a) Assess the income sources which fall within comprehensive income.[2]

b) Assess the four categories of income which fall under comprehensive income (i.e. employment income, service income, royalty income and manuscript income).[2]

c) Analyse the allowable deductions, including social security contributions and the seven types of specific additional allowable deductions (infants under 3-years old, children's education, continued education, rental, mortgage interest, serious illness and elderly care) for resident taxpayers.[2]

d) Analyse the tax treatment of comprehensive income received by tax residents (worldwide income) and tax non-residents (China sourced income only).[2]

e) Analyse the tax treatment of annual bonuses received by tax residents and tax non-residents (China sourced income only).[2]

f) Compare and contrast the taxable and non-taxable benefits in kind.[2]

g) Analyse the withholding of IIT on the cumulative provisional withholding method on salaries for a tax resident individual.[2]

h) Analyse the IIT withheld by the withholding agent on comprehensive income for a tax resident.[2]

3. Income from business operations

a) Assess the income which falls within the category derived from business operations.[2]

b) Analyse the deductible and non-deductible costs and expenses under the actual basis of computation.[2]

c) Analyse the treatment of losses.[2]

d) Assess the treatment of a partnership.[2]

e) Assess the circumstances in which the deemed taxable income method of computation will apply.[2]

4. Property, investment, rental, dividend, interest and contingency (occasional) income

a) Assess and calculate the income which falls within the category of interest, dividends and bonuses.[2]

b) Assess and calculate the income which falls within the category of rental income derived from the leasing of moveable and immoveable property and apply the relevant deductions.[2]

c) Assess and calculate the income which falls within the category of income from the sale of moveable and immoveable property and apply the relevant deductions.[2]

d) Assess and calculate the income which falls within the category of contingency (occasional) income.[2]

5. The comprehensive computation of taxable income and tax liabilities

a) Assess income taxed at progressive rates and at the prescribed fixed rate.[2]

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b) Calculate the tax payable by a tax resident on comprehensive income and the tax to be withheld by the withholding agent on salary.[2]

c) Calculate the tax payable on comprehensive income by a tax non-resident and the tax to be withheld by the withholding agent for non-residents working full-time in China.[2]

d) Calculate the annual tax payable by an individual business operator and partnership, including in situations where a fixed monthly 'salary' is paid.[2]

e) Calculate the fixed rate tax payable on receipts of other categories of income.[2]

6. The use of exemptions and reliefs in deferring and minimising tax liabilities

a) Assess the income which is exempt from or not subject to IIT.[2]

b) Calculate the deduction available for charitable donations made by individuals.[2]

c) Analyse and calculate the correct deductions and reliefs in given circumstances.[2]

7. The time limits including payments on account and penalties for non-compliance

a) Analyse the system by which taxes are paid on a withholding basis in respect of individuals (including non-residents) and withholding agents.[2]

b) Analyse the system by which an individual taxpayer must pay IIT personally.[2]

c) Explain the circumstances in which the deadline for the payment of tax may be deferred.[1]

d) Analyse the circumstances in which a penalty or late payment surcharge can be imposed.[2]

e) Calculate the surcharge and other monetary penalties (fines) payable on overdue tax.[2]

C Enterprise income tax liabilities

1. The scope of enterprise income tax (EIT)

a) Assess the scope of EIT and the basis of assessment for resident and non-resident enterprises.[2]

b) Explain how the residence of an enterprise is determined and explain the terms 'place of registration' and 'place of management' in determining residency of an enterprise.[1]

c) Assess the source of different types of income.[2]

d) Assess the tax treatment of income from China and overseas for resident enterprises.[2]

e) Assess the tax treatment of income from China for non-resident enterprises.[2]

2. The profits chargeable to EIT

a) Analyse the different income recognition methods and the treatment of deemed sales for resident and non-resident enterprises (including representative offices).[2]

b) Analyse the deductible and non-deductible costs and expenses in computing taxable income.[2]

c) Analyse the treatment of asset losses and pre-commencement expenses.[2]

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d) Capital expenditure:

(i) Compare and contrast the depreciable and non-depreciable tangible fixed assets.[2]
(ii) Calculate depreciation allowances for tangible fixed assets using the straight-line method.[2]
(iii) Calculate amortisation allowances for intangible assets.[2]

e) Analyse how relief for losses can be obtained in the current year and by carry forward.[2]

f) Analyse the tax consequences of doing business in China through a representative office or branch.[2]

3. The comprehensive computation of taxable income and tax liability, and the use of exemptions and reliefs

a) Calculate taxable income from various sources and the tax payable.[2]

b) Calculate the deductions available for donations for public welfare and for cultural purposes.[2]

c) Calculate the tax credit available for foreign tax paid on foreign income.[2]

d) Calculate the tax liability of a non-resident enterprise for China-sourced income.[2]

4. Tax incentives

a) Assess and apply the tax incentives which are targeted at enterprises engaged in certain industries (e.g. high/new technology enterprises, small-profit enterprises and software enterprises).[2]

b) Assess and apply the 'super-deductions' for research and development expenses.[2]

c) Assess and apply the tax incentives to the purchase of equipment specifically for the purpose of protecting the environment, achieving energy or water saving.[2]

d) Assess and apply the accelerated depreciation to the purchase of fixed assets.[2]

e) Assess and apply the tax incentives for development of the Central and West Regions.[2]

5. Tax avoidance, transactions with associated parties, and special tax adjustments

a) Explain the arms-length principle and the adjustment methods.[1]

b) Analyse when a transfer pricing adjustment should apply in relation to the sale/purchase of goods and services and calculate relevant amounts.[2]

c) Explain the anti-avoidance rules on transactions without commercial purposes.[1]

d) Assess the consequences of special adjustments, including the statute of limitation on tax and interest.[2]

6. The time limits including payments on account and penalties for non-compliance

a) Analyse the system by which taxes are paid on a withholding basis in respect of non-resident enterprises.[2]

b) Analyse the system by which enterprises pay EIT, including making prepayment instalments (the provisional quarterly EIT filing).[2]

c) Analyse the consequences of non-compliance in respect of the submission of transfer pricing documentation and assess the amount of penalties.[2]

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d) Summarise the circumstances in which the deadline for the payment of tax may be deferred.[1]

e) Summarise how a tax refund can be obtained.[1]

f) Assess the circumstances in which a penalty or late payment surcharge can be imposed.[2]

g) Calculate the surcharge and other monetary penalties (fines) payable on overdue tax.[2]

D Land appreciation tax

1. The scope of land appreciation tax (LAT)

a) Explain the scope of LAT.[1]

2. The computation of LAT liabilities, and the use of exemptions and reliefs

a) Explain how the transaction price is determined.[1]

b) Analyse the costs and expenses which are generally deductible.[2]

c) Analyse the additional deduction available to real estate developers. [2]

d) Calculate the value added amount and the tax payable on newly built property and used buildings.[2]

e) Assess the exemption available for the construction of ordinary standard residences.[2]

f) Assess the exemption available for the assignment or exchange of an individual's residential house.[2]

g) Assess the circumstances in which a temporary exemption from tax will apply.[2]

h) Summarise the system by which liability to LAT is paid, including advance payments on presales.[1]

E Indirect taxes – value added tax, consumption tax and customs duty

1. The scope of value added tax (VAT)

a) Explain the scope of VAT.[1]

b) Assess who is a VAT payer.[2]

c) Compare and contrast the treatment for general taxpayers and small-scale taxpayers.[2]

d) Analyse the VAT exemption for small-scale taxpayers.[2]

e) Summarise the principal reduced rate, zero rate and exempt supplies.[1]

f) Summarise deemed supplies.[1]

2. The computation of VAT liabilities

a) Assess how the time of supply of goods, services, intangible assets and immovable properties is determined.[2]

b) Assess how 'sales value' is determined.[2]

c) Analyse the circumstances in which input VAT is not creditable.[2]

d) Calculate the VAT liability of a general taxpayer using the input-output method.[2]

e) Calculate the VAT liability of a small-scale taxpayer and the specific supplies using the simplified formula except for the special incentives granted to special industries.[2]

f) Analyse and calculate the additional input credits for the main industries.[2]

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3. Imports and exports of goods and services

a) Assess how the composite tax value and VAT payable on imported goods is determined.[2]

b) Calculate the refund applicable to an export under both the 'exemption, credit and refund' method for production enterprises and the 'export exempt and refund' method for trading enterprises.[2]

c) Assess the VAT exemption and zero-rating for export of services by enterprise taxpayers.[2]

d) Calculate the VAT to be withheld for overseas suppliers on importation of services.[2]

4. The administration of VAT and penalties for non-compliance

a) Summarise the criteria for determining a general taxpayer and a small-scale taxpayer for sale of goods and provision of services.[1]

b) Analyse how VAT is accounted for and administered, including the filing of VAT returns and the payment of VAT.[2]

c) Analyse the circumstance in which penalties and/or interest will be charged in respect of failure to make returns and/or late payment of VAT.[2]

d) Assess how VAT is accounted for in the case of sales of goods or provision of services by enterprises which are subject to different rates of tax.[2]

5. The scope of consumption tax (CT)

a) Explain the scope of CT.[1]

b) Assess who is liable to pay CT.[2]

c) Compare and contrast the taxable and exempt activities and goods.[2]

6. The computation of CT liabilities

a) Explain how the composite taxable value is determined.[1]

b) Calculate the tax payable at appropriate rates, according to the ad valorem, fixed rate and compound rate methods.[2]

c) Assess how CT is accounted for in the case of sales of goods subject to different rates of tax.[2]

d) Assess the treatment of imported goods.[2]

7. The administration of CT and penalties for non-compliance

a) Analyse how CT is accounted for and administered.[2]

b) Assess the deadlines for the filing of returns and the payment of tax, and the consequences of late payment.[2]

8. The scope of customs duty

a) Explain the scope of customs duty for enterprises.[1]

b) Explain the principles and functions of Customs Special Zones (e.g. Free Trade Zones) and assess the treatment of goods imported from overseas into China or exported from China to Customs Special Zones.[2]

9. The computation of customs duty

a) Assess how the dutiable value is determined.[2]

b) Calculate the import/export duty payable, including for goods within the custody period by enterprises.[2]

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10. The administration of customs duty and penalties for non-compliance of enterprises

a) Analyse how customs duties are accounted for and administered.[2]

b) Assess by when customs duties must be paid and the consequences of late payment.[2]

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7. Reading list

China Distance Education Holdings Ltd., CDEL
Website: http://www.cdeledu.com
Study Text – China Taxation
2027 edition

Recommended reading:
“Taxation Law”, edited by the Chinese Institute of CPAs, 2026 edition
“Taxation Law I” and "Taxation Law II", edited by the Chinese Institute of tax agents, 2026 edition

8. Approach to examining the syllabus

The syllabus for E1 Taxation (E1 CHN) is assessed by a three-hour computer-based examination.

The examination will consist of two sections:

Section A will contain 15 two-mark objective test questions (OTs).

Section B will contain six constructed response questions (CRs). Four of the CR questions will be worth 10 marks each and two of the CR questions will be worth 15 marks each. The two 15-mark questions will focus on individual income tax (syllabus area B) and enterprise income tax (syllabus area C).

All other questions can cover any areas of the syllabus.

Tax rates, allowances and information on certain reliefs will be given in the examination.

9. Guide to ACCA examination structure and delivery mode

The structure of examinations varies, depending on the level of the qualification.

The Expertise examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

All Expertise examinations are assessed by three-hour computer-based examinations.

The pass mark for all Expertise examinations is 50%.

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10. Guide to ACCA examination assessment

ACCA reserves the right to examine anything contained within the study guide at any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For specified financial accounting, audit and tax examinations, except if indicated otherwise, ACCA will publish examinable documents once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions. For most examinations (not tax) regulation issued, or legislation passed on or before 31 August annually, will be assessed from 1 September of the following year to 31 August of the year after. Please refer to the examinable documents for the examination (where relevant) for further information.

Regulations issued or legislation passed in accordance with the above dates may be examinable if the effective date is in the future, unless explicitly stated otherwise in the syllabus and study guide or examinable documents. The terms 'issued' or 'passed' relate to when regulation or legislation has been formally approved.

The term 'effective' relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list, where applicable.

For E1 CHN, generally examinations in June and December will be based on legislation passed by the previous 30 September. Note: Exceptionally, the examination in June 2027 will be based on legislation passed by 30 September 2025 and only the examination in December 2027 will be based on legislation passed by 30 September 2026.

11. Learning hours and education recognition

The ACCA Qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA candidates find themselves.

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognised and valued by governments and regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognised on the educational frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.

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