



## 19th Asian Games Hangzhou 2022

### Hangzhou tax policies for 2022 Asian Games

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The city of Hangzhou will be hosting the 2022 Asian Games, becoming the third Chinese city to host this event.

On April 15<sup>th</sup>, 2020, the Ministry of Finance together with the State Taxation Administration and the General Administration of Customs have issued the **Announcement on the Tax Policies in Hangzhou for 2022 Asian Games and Asian Paralympics Games** ("Announcement") and the **Announcement on the Tax Policies for Three International Comprehensive Sports Events including the 18<sup>th</sup> Gymnasiade**.

In particular, the Announcement provides for an **exemption from Customs duties, import VAT and Consumption tax** for certain designated consumables, which are imported for organizing sports meets and cannot be produced domestically or whose performance does not meet the needs, and are directly used in sports' meets.

On the other hand, the special needs materials imported by the organizing committee (including designated sports competition equipment, medical testing equipment, safety guarantee equipment, transportation and communication) shall be handled in accordance with the provision for **temporary import** of goods during the games. Then, those which are re-exported after the games shall be written off; those which will stay in the PRC or are sold in the domestic market shall go through formal import procedures in accordance with relevant regulations and be subject to relevant Customs duties, import VAT and Consumption tax.

Furthermore, the income received by the organizing committee from the transfer of certain assets after the end of the games **will not be subject to VAT and land appreciation tax**.

Moreover, expenditures related to funds, materials, supplies and services offered for free or donated by enterprises, social organizations and groups will be **deductible in full for EIT purpose**. Relevant services that are offered for free by enterprises as per the sponsorship agreement to the organizing committee **shall be exempted from VAT**.

In addition, pursuant to the Announcement, the following will benefit from **exemption from VAT**:

- ✓ the shared revenues obtained by the executive and the organizing committees of the Hangzhou Asian Games from the allocation of TV broadcasting rights;
- ✓ the shared revenues deriving from the sponsorship programs (e.g., transfer of intangible assets such as logos, publicity promotion fees, ticket sales, toll cards);
- ✓ income obtained from the commemorative stamps and coins;
- ✓ income obtained from media broadcasting, such as Internet, television and other media;
- ✓ the board and lodging expenses of athletes charged by the organizing committee at the prices approved by the organizing committees.

Finally, the Announcement specifies that, there will be a **Stamp duty exemption** on the following:

- ✓ for property owners, all ownership transfer documents prepared for donations of property to the organizing committee,
- ✓ business account books used by the organizing committee;
- ✓ various taxable certificates, such as contracts, signed by the organizing committee.

The above-mentioned tax policies will be implemented from the date of promulgation.

Do not hesitate to contact our *Orcom C&A* Tax Advisory team at [info@orcom-ca.com.cn](mailto:info@orcom-ca.com.cn) for additional information and assistance on this matter.

*Read more at:*

- [http://szs.mof.gov.cn/zhengcefabu/202004/t20200415\\_3498579.htm](http://szs.mof.gov.cn/zhengcefabu/202004/t20200415_3498579.htm)
- [http://szs.mof.gov.cn/zhengcefabu/202004/t20200415\\_3498590.htm](http://szs.mof.gov.cn/zhengcefabu/202004/t20200415_3498590.htm)