Announcement on Matters Concerning the Individual Income Tax Policy on Dividends of Foreign Individuals of the PRC

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Announcement No. 27 of 2026 of the Ministry of Finance and the State Taxation Administration

Issued on September 1, 2026

Effective: September 1, 2026

Subject: Individual income tax on dividends received by foreign individuals from foreign-invested enterprises

Repeals: Item (8) of Article 2 of the Notice of the Ministry of Finance and the State Administration of Taxation on Several Policy Issues Concerning Individual Income Tax (Cai Shui Zi [1994] No. 20)

It is hereby announced as follows with regard to matters concerning the individual income tax policy on dividends of foreign individuals:

Article 1 — Dividends derived by foreign individuals from foreign-invested enterprises shall be subject to individual income tax under the category of “interest, dividends and bonus income”, and the tax rate of 20% shall apply.

Article 2 — When a foreign-invested enterprise pays dividends to a foreign individual, it shall withhold the tax and file the tax return within 15 days of the month following the month in which the income is paid. Where a foreign-invested enterprise fails to withhold the tax, the foreign individual who derived the dividends shall pay the tax by June 30 of the year following the year in which the income was derived; where the tax authorities give notice of a deadline for payment, the foreign individual shall pay the tax within that deadline.

Article 3 — This Announcement shall be implemented from September 1, 2026, and Item (8) of Article 2 of the Notice of the Ministry of Finance and the State Administration of Taxation on Several Policy Issues Concerning Individual Income Tax (Cai Shui Zi [1994] No. 20) shall be repealed simultaneously.

It is hereby announced.

Ministry of Finance and the State Taxation Administration

September 1, 2026

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