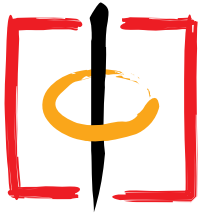


Issue 160 • November 2015



CHINA BRIEFING

From Dezan Shira & Associates

Annual Audit and Compliance in China 2016

P.04 China's Annual Audit and Compliance Requirements

P.11 Q&A: The Benefits of Starting Your China Audit Early

P.06 The Annual Audit Compliance Process for FIEs in China

www.china-briefing.com

Introduction

The beginning of the year is invariably a hectic time for foreign companies in China. Annual licenses must be renewed, new regulations often come into effect, and, perhaps most importantly, firms must prepare their annual audit accounts from the previous year.

All foreign invested entities in China are required to fully comply with the country's statutory annual audit procedures. While the way in which China's audit process functions in now more closely aligned with Western practices than in the past, there are still a number of differences and idiosyncrasies that can quite easily trip up a foreign firm.

New audit procedures are also commonly introduced in China. A number of new standards have been implemented in the last two years alone, meaning that even companies with long-established branches here will have to keep abreast of the latest changes.

In this issue of China Briefing, we provide a comprehensive analysis of the various annual compliance procedures that foreign-invested enterprises in China will have to follow, including wholly-foreign owned enterprises, joint ventures, foreign-invested commercial enterprises, and representative offices. We

include a step-by-step guide to these procedures, list out the annual compliance timeline, detail the latest changes to China's standards, and finally explain why China's audit should be started as early as possible.



Sabrina Zhang
National Tax Partner
Dezan Shira & Associates
Beijing Office

With kind regards,

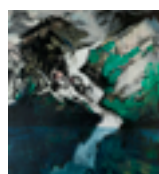
Sabrina Zhang

Reference

China Briefing and related titles are produced by Asia Briefing Ltd., a wholly owned subsidiary of Dezan Shira Group.

Content is provided by Dezan Shira & Associates.

No liability may be accepted for any of the contents of this publication. Readers are strongly advised to seek professional advice when actively looking to implement suggestions made within this publication.



This Month's Cover Art

心居(2014) by Ye Lan (叶澜)

Oil on canvas, 200X150CM

YELAN Art Gallery

yelan12@hotmail.com | +86 180 1609 3520

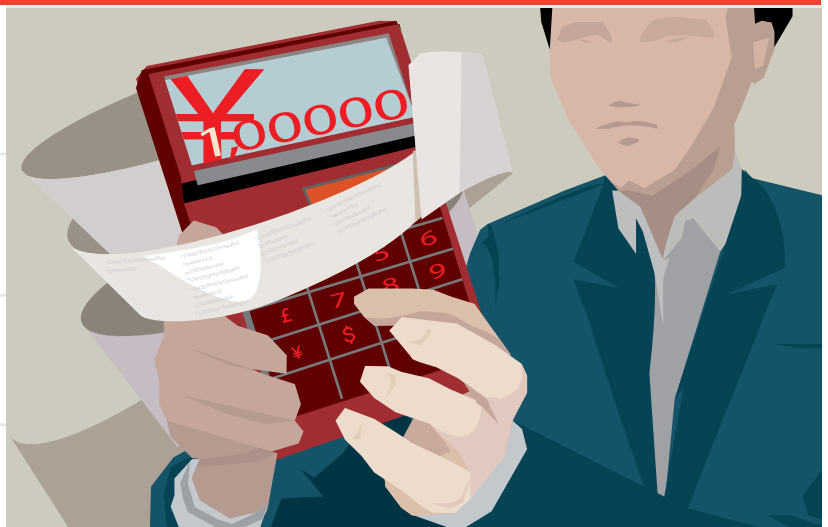
www.yelan.jimdo.com

For queries regarding the content of this magazine, please contact: editor@asiabriefing.com

All materials and contents © 2015 Asia Briefing Ltd.

Table of Contents

- P.04** China's Annual Audit and Compliance Requirements
- P.06** The Annual Audit Compliance Process for FIEs in China
- P.11** Q&A: The Benefits of Starting Your China Audit Early



This Issue's Topic

Annual Audit and Compliance in China 2016

Annual Subscription



China Briefing Magazine is published as 6 Issues and 4 Special Editions per year. To subscribe, please [Click Here](#)

This publication is available as an interactive PDF and ePublication with additional clickable resource icons below:



[Strategic Advisory & Commentary](#)



[Professional Services](#)



[Regulatory Framework & Updates](#)



[Legal, Tax, Accounting News](#)



[Cross Region Comparisons](#)



[Industry Studies](#)



[Magazines, Guides, Reports](#)



[Podcast & Webinar](#)

Online Resources from China Briefing



[Managing Your Accounting and Bookkeeping in China](#)



[Double Taxation Avoidance in China: A Business Intelligence Primer](#)



[Strategies for Repatriating Profits from China](#)



[Preparing For Your China Annual Audit Inspection: Legal Compliance](#)

Online Resources on Emerging Asia



[Audit and Financial Review](#)



[The Gateway to ASEAN: Singapore Holding Companies](#)



[An Overview of IFRS Adoption in ASEAN – Part One](#)



[Preparing your India Business for End of Year Audit](#)



[An Introduction to Vietnamese Accounting Standards](#)

Credits

Publisher / Chris Devonshire-Ellis
Senior Editor / Samuel Wrest
Editor / Steven Elsinga, Qian Zhou and Nathan Wakelin-King
Design / Jessica Huang & Estela Mi

Asia Briefing Ltd.,

Unit 1618, 16/F, Miramar Tower
132 Nathan Road, Tsim Sha Tsui
Kowloon, Hong Kong SAR



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

Our China Practice

Beijing

beijing@dezshira.com

Dalian

dalian@dezshira.com

Qingdao

qingdao@dezshira.com

Tianjin

tianjin@dezshira.com

Shanghai

shanghai@dezshira.com

Suzhou

suzhou@dezshira.com

Hangzhou

hangzhou@dezshira.com

Ningbo

ningbo@dezshira.com

Guangzhou

guangzhou@dezshira.com

Shenzhen

shenzhen@dezshira.com

Dongguan

dongguan@dezshira.com

Zhongshan

zhongshan@dezshira.com

Our Global Practice

Hong Kong

hongkong@dezshira.com

India

india@dezshira.com

Indonesia *

indonesia@dezshira.com

Malaysia *

malaysia@dezshira.com

Singapore

singapore@dezshira.com

The Philippines *

philippines@dezshira.com

Thailand *

thailand@dezshira.com

Vietnam

vietnam@dezshira.com

Liaison Office, Germany

germandesk@dezshira.com

Liaison Office, Italy

italiandesk@dezshira.com

Liaison Office, United States

usa@dezshira.com

* Dezan Shira Asian Alliance Member

Our Services

Pre-Investment and Entry Strategy Advisory

Accounting and Reporting

Corporate Compliance

ERP and Financial Systems Advisory

Corporate Establishment

Treasury Administration

Payroll and Human Resource Services

International Tax Planning

Legal & Financial Due Diligence

Tax and Compliance

Audit and Financial Review

Pan-Asia Corporate Integration

23 Years of Excellence 1992-2015

www.dezshira.com