

Transfer Pricing Country Profile
(to be posted on the OECD Internet site www.oecd.org/taxation)

Name of Country: China Date of profile: November 12, 2009

No.	Item	Reference to and wherever possible text of the provisions; Wherever needed and possible, a translation into one of the OECD official languages would be welcome
1	Reference to the Arm's Length Principle	Article 41 of the Corporate Income Tax Law and Article 110 of its Implementation Rules
2	Reference to the OECD Transfer Pricing Guidelines (if any)	China's transfer pricing legislation has drawn upon the OECD TPG in transfer pricing methodology, comparability analysis, transfer pricing documentation and APA process.
3	Definition of related parties	Article 109 of the Implementation Rules of the Corporate Income Tax Law Article 9 of The Tentative Implementation Rules for Special Tax Adjustments (Guo Shui Fa No.2) (Notice 2)
4	Transfer pricing methods	Paragraph 1 of Article 41 of the Corporate Income Tax Law Article 111 of the Implementation Rules of the Corporate Income Tax Law Chapter 4 of The Tentative Implementation Rules for Special Tax Adjustments (Guo Shui Fa No.2) (Notice 2)
5	Transfer pricing documentation requirements	Article 43 of the Corporate Income Tax Law Article 114 of the Implementation Rules of the Corporate Income Tax Law Chapter 3 of The Tentative Implementation Rules for Special Tax Adjustments (Guo Shui Fa No.2) (Notice 2)
6	Specific transfer pricing audit procedures and / or specific transfer pricing penalties.	Article 48 of the Corporate Income Tax Law Article 121 of the Implementation Rules of the Corporate Income Tax Law Chapter 5 of The Tentative Implementation Rules for Special Tax Adjustments (Guo Shui Fa No.2) (Notice 2)
7	Relevant regulations on Advance Pricing Arrangements	Article 42 of the Corporate Income Tax Law Article 113 of the Implementation Rules of the Corporate Income Tax Law Chapter 6 of The Tentative Implementation Rules for Special Tax Adjustments (Guo Shui Fa No.2) (Notice 2)

8	Link to relevant Government Internet sites	http://www.chinatax.gov.cn/n480462/n3543957/n3544445/index.html
9	Other relevant information	No