

China Continues Tax Exemption of Interest on Railway Bonds

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China has announced that it will continue the tax relief for interest on bonds issued by the China National Railway Group. According to the Announcement of the Ministry of Finance and State Taxation Administration [2023] No. 64, issued on 25 September 2023, only 50% of interest derived by an enterprise or individual from these railway bonds issued between 2024 and 2027 will be taxable for enterprise income and individual income tax purposes, respectively. In respect of interest derived by an individual, the payer of the interest is required to withhold the individual income tax at the time of payment.

The exemption was set to expire in 2023 (see [Income tax exemption for interest on bonds issued by China National Railway Group \(1 May 2019\)](#)).