News Flash
China Tax and Business Advisory

# Guangdong piloting advance tax rulings for large enterprises to support high-quality development in the Greater Bay Area

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## In brief

On 31 July 2026, the Guangdong Provincial Tax Service, State Taxation Administration issued the Administrative Measures for Advance Tax Rulings for Large Enterprises of Guangdong Provincial Tax Service (Trial)[1] (YueShuiBanFa [2026] No. 34, hereinafter referred to as the "Measures"), which took effect on the date of issuance. The Measures aims to help large enterprises in Guangdong to clarify the application of tax policies to proposed complex tax-related matters and reasonably assess tax costs and potential risks. As a key initiative to optimise the tax business environment in the Greater Bay Area (GBA), the introduction of the Measures will provide more tax certainty to enterprises carrying out major investments, asset restructurings and other commercial arrangements in Guangdong. Previously, Beijing, Shanghai, Fujian and other regions have also issued relevant provisions on advance rulings. For related analyses and practical insights, please refer to the previous issues of PwC's China Tax and Business Advisory News Flash[2].

# In detail

## Background

An advance tax ruling is an arrangement whereby tax authorities, upon application by taxpayers prior to the occurrence of tax-related matters, clarify the application of tax laws and regulations. It is of great significance for enhancing tax certainty and reducing post transaction tax disputes between tax authorities and enterprises. Since the General Office of the CPC Central Committee and the General Office of the State Council proposed in 2021 in the "Opinions on Further Deepening the Reform of Tax Collection and Administration" to "explore and implement advance tax rulings for large enterprises and establish a sound system", provincial-level working measures have been successively introduced in Beijing, Shanghai and other regions.

In the meantime, various cities in Guangdong have also carried out proactive explorations in the field of advance rulings, including the early pilot in Nansha District of Guangzhou in 2020, the joint advance ruling on international tax matters conducted by Guangzhou and Shenzhen in 2021, the "certainty service for international tax matters" launched by Guangzhou in 2022, and the formal advance ruling working mechanisms issued by the Maoming and Guangzhou Municipal Tax Services respectively in 2024 and 2025. In recent years, as tax-related matters of large enterprises in asset restructurings, equity transactions and new business models have become increasingly complex, enterprises' demands for tax policy certainty have grown continuously. The release of the Measures signifies that advance tax rulings for large enterprises in Guangdong Province have officially transitioned from previous municipal-level pilot explorations to a stage of province-wide unified and standardised implementation.

## Scope of application

In terms of **applicable taxpayers**, the Measures explicitly targets headquarters of the "1,000 Business Groups" in Guangdong (excluding Shenzhen, hereinafter the same) as well as provincial-level and municipal-level designated "Large Enterprises" in Guangdong. Among them, headquarters of the 1,000 Business Groups in Guangdong and provincial-level designated Large Enterprises can submit their applications to the provincial or municipal tax bureaus, while municipal-level designated Large Enterprises should submit their applications to their local municipal tax bureaus.

| PwC observations | Limiting the application scope to the 1,000 Business Groups and designated Large Enterprises reflects Guangdong's pragmatic consideration of aligning with tax collection and administration resources while prioritising major and difficult transactions. For certain complex cross-border matters where the taxpayers are non-resident enterprises but |
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involve large enterprises in Guangdong Province—such as cross-border restructurings and offshore indirect equity transfers where the underlying assets are Guangdong large enterprises, or the determination of beneficial ownership under tax treaties where the dividend payer is a Guangdong large enterprise—it remains uncertain whether tax certainty can also be obtained through the advance tax ruling mechanism.

It should be noted that due to its separate tax jurisdiction, Shenzhen is not subject to the Measures.

In addition, the Measures does not impose restrictions on tax types, meaning that common complex Corporate Income Tax (CIT), Value-Added Tax (VAT) and Stamp Duty issues are all eligible for ruling applications.

In terms of **applicable matters**, the transactions for which rulings are requested must be legitimate commercial activities that are expected to occur in the future and have clear, specific arrangements. The Measures establishes a "negative list of matters" that do not fall within the scope of advance tax rulings, including:

| Negative list of matters | PwC observations |
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| **1) Matters without a definite project approval plan or that will not occur within two years** | This means that enterprises can apply for advance rulings on transactions with clear implementation plans within two years to clarify the tax treatment; long term plan without substantive project approval support generally falls outside the acceptance scope.<br>In addition, the Measures stipulates that if the tax-related matter has actually occurred before the ruling is made, the ruling procedure will be terminated according to law. Enterprises planning to apply for advance rulings should properly coordinate the pace of commercial negotiations and transaction closing, and reserve sufficient time for application and review before the transaction is officially implemented. |
| **2) Matters without reasonable commercial purposes or explicitly prohibited by relevant national laws and regulations** | If an enterprise's transaction arrangement is primarily for tax avoidance purposes or falls under businesses explicitly prohibited, advance ruling is not applicable. |
| **3) Tax planning behaviours such as matters providing multiple transaction schemes or submitting different schemes for the same matter in batches** | Advance rulings focus on policy interpretation for established and definitive genuine transactions, and cannot be used as a tool for enterprises to compare tax burdens across different schemes. Enterprises are advised to determine a single, definitive implementation scheme prior to submitting an application. |
| **4) Matters for which existing tax laws and regulations have clear provisions that can be directly applied; matters for which existing tax laws and regulations have no provisions and require the enactment of tax legislation; or purely theoretical questions** | For example, if the tax regulations are already clear for a certain transaction and it can be implemented directly in accordance with the regulations, the transaction does not fall within the scope of advance rulings; if an enterprise intends to engage in an emerging business for which current tax laws have no provisions at all and legislative solutions are needed, it also falls outside the scope of advance rulings. In other words, advance rulings seek an interpretation of the applicable tax treatment of transactions within the framework of existing tax policies. |

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| **5) Matters involving tax assessment, tax audit, risk control inspection, anti-avoidance, tax inspection, etc.** | Advance rulings are ex-ante preventive tax services and cannot serve as a defence for enterprises responding to ongoing tax audits, risk control, or inspection procedures conducted by tax authorities. |
| **6) Matters involving pending administrative reconsideration, arbitration, litigation, or interpretation of foreign laws** | If a relevant matter has entered legal dispute resolution procedures, it is not appropriate to apply for an advance ruling in order to avoid conflicts with administrative remedies or judicial rulings. Meanwhile, tax authorities only issue opinions on the application of China's current tax laws and are not responsible for interpreting foreign laws. |

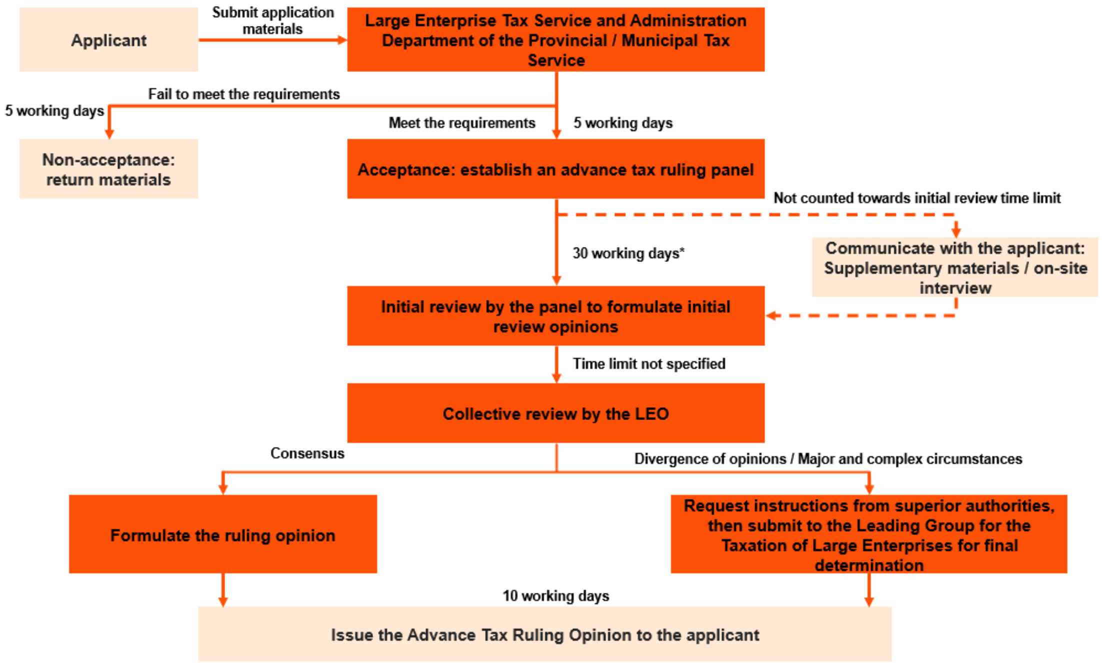
## Application, acceptance, review and decision on advance ruling

Advance rulings are coordinated and handled by the Large Enterprise Tax Service and Administration Department (hereinafter referred to as "the Large Enterprises Department") of the provincial or municipal tax authority on behalf of the Office of the Leading Group for the Taxation of Large Enterprises (hereinafter referred to as "the Large Enterprises Office", or "LEO") at the corresponding level.

In terms of **process**, after receiving the taxpayer's application materials, the Large Enterprise Department must decide whether to accept the application within 5 working days. If accepted, the Large Enterprise Department will convene relevant member units of the LEO and the in-charge tax authority to form a panel, which will formulate initial review opinions within 30 working days. If supplementary materials or on-site interview of the enterprise are required during the review period, the time taken by the enterprise to provide supplementary materials will not be counted towards the initial review time limit. Under special, major, or complex circumstances, the processing time limit may be appropriately extended upon approval by the respective LEO. After the initial review opinion is formulated, it will be submitted to the LEO for collective review. If all departments reach a consensus, the ruling opinion is directly formulated; if there is a divergence of opinions or the situation is major and complex, superior authorities' opinions will be sought before submitting the case to the Leading Group for the Taxation of Large Enterprises for final determination. The tax authorities must issue the Advance Tax Ruling Opinion to the enterprise within 10 working days after the ruling opinion is finally formulated.

In terms of **documents**, materials submitted by the applicant mainly include the Application Form for Advance Tax Rulings, the Declaration of Application for Advance Tax Ruling Services, specific commercial implementation schemes, contracts and agreements, feasibility study reports, board resolutions, approval documents, financial and accounting treatment materials of all parties involved, and legal and tax advisory opinions issued by relevant departments/agencies (if any).

The following chart illustrates the workflow of advance tax rulings for large enterprises in Guangdong for enterprises' reference:




* Note: Under special circumstances such as exceptionally complex situations or significant impacts, the initial review time limit may be extended with the approval of the respective LEO.

| PwC observations | **Handling and supervision mechanisms:** Guangdong adopts a combination of provincial and municipal two-tier acceptance, requires "ruling to be issued by the accepting authority", and where rulings are made by municipal tax authorities, they shall be reported to the provincial LEO for record filing. While ensuring rapid response at the municipal level, this approach enables oversight by the provincial LEO to maintain consistency in the application standard of tax policies across the province.<br><br>**Material requirements and procedural safeguards:** The supporting forms released together with the Measures contain relatively detailed disclosure requirements for taxpayers' basic information. Applicants must specify in detail in the Application Form for Advance Tax Rulings the matters applied for, the enterprise's own views and tax treatment opinions, and the applicable tax policy basis. In other words, it is a prerequisite for the ruling that the applicant has already conducted a relatively clear tax analysis of the matter, which also helps the tax authorities make tax judgements on the ruled matters more efficiently. Meanwhile, the Measures clarifies that all application materials will be returned if the ruling procedure is terminated for any reason, aiming to dispel enterprises' concerns regarding the leakage of trade secrets and the security of internal decision-making materials. |
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# Implementation and post-implementation management

The Advance Tax Ruling Opinion attached to the Measures clarifies that ruling opinions constitute non-binding guidance tax services, do not have compulsory enforceability, and are not disclosed to the public. In addition, the validity of an advance tax ruling opinion is established on the basis of strict factual consistency. Materials submitted by the enterprise must be lawful, authentic, and comprehensive; the actual commercial activities occurring in the future must be consistent with the application content; and the underlying tax laws and regulations must not have undergone substantive changes. If the enterprise conceals facts, if the actual transaction deviates from the application scheme, if the enterprise fails to execute tax treatments in accordance with the ruling opinion, or if relevant tax regulations are amended/repealed or newly issued tax documents render the ruling unenforceable, the advance tax ruling opinion will automatically become invalid.

In the post-implementation management stage, the in-charge tax authority will continue to track the actual implementation and tax filing status of the taxpayer. Meanwhile, the Declaration of Application for Advance Tax Ruling Services attached to the Measures also requires the enterprise, after obtaining the ruling opinion, to notify the in-charge tax authority in writing if the applied matter is no longer implemented, undergoes substantive changes, or has been completed.

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| **PwC observations** | The Measures does not mention whether advance rulings have statutory binding force on tax authorities and taxpayers. Under the current tax system, advance rulings are policy application guidance and customised tax service initiatives provided by tax authorities for large enterprises; they do not constitute specific administrative acts that materially affect the rights and obligations of taxpayers and lack compulsory enforceability.<br>However, the Advance Tax Ruling Opinion is officially issued and stamped by the tax authorities, and the Measures specifies its prerequisite conditions for validity and follow-up management mechanisms. This means that as long as the enterprise faithfully discloses relevant facts and the actual commercial arrangements occurring in the future remain consistent with the application materials, the ruling opinion is reliable and can serve as an important basis for tax filing. |

# The takeaway

Guangdong's advance tax ruling measures will help large enterprises enhance tax certainty and prevent potential tax-related risks, serving as a particularly positive development for large enterprise groups with frequent mergers, acquisitions, and restructurings, major asset disposals, or plans to expand into new business sectors.

As a customised tax service, matters subject to advance rulings are generally complex, involving deliberation and communication across multiple internal departments of tax authorities. Based on past experience in other locations, the entire process often takes several months or even up to half a year. Considering that advance rulings only apply to transactions with definite plans within two years, and that the actual occurrence of the applied tax matter prior to the issuance of the ruling will lead to procedural termination, enterprises need to conduct in-depth business, financial, and tax analyses in the early stage, establish a single and definitive commercial scheme before submitting an application, and reserve sufficient time for subsequent communication, ruling issuance, and actual transaction closing. Large enterprises intending to apply are advised to make arrangements and proceed as early as possible.

With the vigorous development of the Greater Bay Area, cross-regional enterprises operating in the GBA also look forward to Guangdong further promoting collaborative advance tax ruling initiatives with neighbouring provinces and cities in the future, exploring the realisation of “one application, multi-regional recognition”, and providing a more unified and efficient tax environment for cross-regional businesses.

# Endnote

1. Public Notice on Issuing the Administrative Measures for Advance Tax Rulings for Large Enterprises of Guangdong Provincial Tax Service, State Taxation Administration (Trial) (YueShuiBanFa [2026] No. 34)
   https://guangdong.chinatax.gov.cn/gdsw/yhyshjzt2024_zcwj_tssjxl/2026-08/05/content_42149acbcd3a447ca3c0b4dcbb14f7b4.shtml

2. China Tax/Business News Flash Issue 20 of 2022: Exploring cross-regional tax advance rulings to better support the national strategy for coordinated regional development
   https://mp.weixin.qq.com/s/wCVexiOSbEehp_ct2JneNg

   China Tax/Business News Flash Issue 1 of 2024: Interpreting the taxation breakthrough in 2024: Shanghai piloting advance tax rulings to enhance tax certainty
   https://mp.weixin.qq.com/s/nvFZaB2Z3QDut2cs3OGgrA

   China Tax/Business News Flash Issue 11 of 2024: Beijing piloting advance tax rulings to optimise the tax business environment
   https://mp.weixin.qq.com/s/TWW-l9IzQwgg6eFU0dQfOw

   China Tax/Business News Flash Issue 16 of 2024: Learning from cases and exploring innovation – PwC assists in achieving Fujian Province’s first advance tax ruling case on cross-border issues
   https://www.pwccn.com/en/china-tax-news/2024q3/chinatax-news-aug2024-16.pdf

   China Tax/Business News Flash Issue 13 of 2025: Shanghai advance tax rulings: from pilot to official implementation – interpretation of the 2025 new measures
   https://www.pwccn.com/en/china-tax-news/2025q4/chinatax-news-nov2025-13.pdf

# Let's talk

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