

Profit Repatriation Checklist

The documents your bank, SAFE and the tax bureau will ask for — in the order they ask for them.

Before anything else: four conditions

- The profit must be after corporate income tax.
- Prior-year losses must be made up first.
- Statutory reserve: 10% of after-tax profit, until it reaches 50% of registered capital.
- A board or shareholder resolution authorising the distribution.

Documents your bank will ask for

- Board or shareholder resolution on the distribution
- Audited financial statements for the year
- Capital verification report, showing subscribed capital paid in
- Tax filing / withholding tax records for the dividend
- Beneficial owner documentation where a treaty rate is claimed
- Articles of association and the latest business licence
- Bank account opening documents and the entity's signatory list
- Prior-year dividend records, if any
- Loan agreements, where the payment is a repayment rather than a dividend
- Service or royalty contracts, where the payment is a fee rather than a dividend

Withholding tax, briefly

- Dividends to an overseas shareholder are generally subject to 10% withholding.
- Some double-tax treaties reduce this to 5% where the beneficial owner condition is met.
- The rate applied is the one the tax authority accepts, not the one you assume. Confirm before you compute the net amount.

Why transfers stall

- Resolution figures disagree with the audited accounts.
- Registered capital is not fully paid in.
- Prior-year losses were not made up before distributing.
- Intercompany balances are being netted off instead of settled.
- The bank's KYC file on the entity is out of date.

Sequence in one line: audit, then tax settlement, then resolution, then tax filing, then the bank. With documents ready, two to six weeks is typical.

If you want a second pair of eyes on your document set before you go to the bank, send it over. We will tell you what is missing — usually before the bank does.