



HONGDA
CHINA COMPANIES MADE EASY

Annual China Accounts Audit Checklist

Procedure & Document Checklist

2026 REVIEW EDITION

For foreign-invested companies, joint ventures and representative
offices in Mainland China.

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Annual Compliance at a Glance

A year-end audit, corporate income tax reconciliation and annual reporting are separate workstreams that should be planned together.

Who this guide is for

Foreign-invested limited liability companies, joint ventures and foreign enterprise representative offices with a calendar-year accounting period. Local, industry and entity-specific requirements may add further filings.

Four workstreams to coordinate

1 Year-end close & statutory audit Close the books, resolve reconciliations and provide complete records to the appointed accounting firm.	2 CIT annual reconciliation Reconcile accounting profit to taxable income and file the annual enterprise income tax return within five months after year-end.
3 SAMR & foreign-investment annual report Report prior-year company and investment information through the enterprise credit information system by 30 June.	4 Representative office annual report From 1 March to 30 June, submit legal-status, activity and audited expense information for the RO.

Calendar-year planning timeline

JAN-FEB Year-end close Freeze the ledger, reconcile balances and prepare the audit pack.	MAR-APR Audit & tax review Complete fieldwork, confirm tax adjustments and resolve open items.	BY 31 MAY CIT filing File annual CIT return and related-party report where applicable.	BY 30 JUN Annual reporting Complete SAMR/FIE annual report; RO reporting runs 1 Mar-30 Jun.
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Core outputs to retain

1 Audit file Final financial statements, signed audit report, adjustment list and management representations.	2 Tax file Annual CIT return, reconciliation schedules, related-party forms and payment or refund evidence.	3 Annual-report file Filed SAMR/FIE annual report, submission receipt and any correction or supplementary filing record.
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Planning note

There is no single national audit-report filing date that applies identically to every private company. Set the audit timetable around the statutory CIT and annual-report deadlines, profit-distribution plans, local requirements and any industry licence conditions.

Year-End Close & Audit Readiness

The audit is faster and more reliable when balances are reconciled before fieldwork starts and responsibilities are assigned in advance.

Close the accounting records

☐ General ledger & trial balance

Post all period-end entries, lock the reporting period and explain unusual or manual journals.

☐ Cash & bank

Reconcile every RMB and foreign-currency account; identify restricted cash and outstanding items.

☐ Receivables & payables

Prepare ageing schedules, confirm balances and assess bad debts, accruals and cut-off.

☐ Revenue & costs

Test contract terms, invoice timing, delivery evidence, cut-off and cost matching.

☐ Inventory & fixed assets

Complete counts, reconcile differences and update depreciation, disposals and impairment.

☐ Payroll & employee taxes

Reconcile payroll, individual income tax, social insurance and year-end bonuses.

☐ Tax accounts

Tie VAT, surcharges, CIT prepayments, withholding taxes and tax-system balances to the ledger.

☐ Related parties & commitments

List related-party balances, guarantees, litigation, leases and other contingencies.

Audit planning pack

☐ Final trial balance and draft financial statements

☐ Account-by-account lead schedules and reconciliations

☐ Prior-year audit report and opening-balance roll-forward

☐ Management contact list, timetable and document owner

☐ List of significant contracts, changes and unusual transactions

☐ Proposed audit-adjustment approval process

Management sign-offs before fieldwork

1

Completeness

All bank accounts, legal entities, related parties and material contracts have been identified.

2

Cut-off

Revenue, purchases, payroll and inventory movements have been recorded in the correct period.

3

Open items

Each unresolved balance has an owner, evidence request and target resolution date.

Control point

Do not wait for the auditor to discover unreconciled bank, tax, payroll or intercompany balances. Resolve ownership of each difference and maintain a written adjustment trail.

Statutory Audit Document Checklist

The final request list is set by the accounting firm and the company's circumstances. This page is a practical baseline.

Corporate, accounting and supporting records

- | | |
|---|---|
| ☐ Business licence, articles of association and current registration details | ☐ Shareholder register, capital contribution records and ownership chart |
| ☐ Board or shareholder resolutions affecting the reporting year | ☐ Prior-year audit report and current draft financial statements |
| ☐ General ledger, sub-ledgers, vouchers and journal-entry support | ☐ Bank statements, reconciliations and bank confirmation information |
| ☐ Accounts receivable/payable ageing and external confirmation details | ☐ Inventory count sheets, costing records and obsolete-stock review |
| ☐ Fixed-asset register, purchase invoices, title documents and disposals | ☐ Material sales, purchase, service, lease, loan and guarantee contracts |
| ☐ Payroll records, employment data, IIT and social-insurance reconciliations | ☐ VAT, CIT, withholding and other tax returns, payments and correspondence |
| ☐ Related-party transaction schedule and intercompany reconciliations | ☐ Litigation, claims, commitments, subsequent events and going-concern information |

External confirmations often requested

- | | | | |
|---|---|--|---|
| 1 Banks
Balances, loans, guarantees, restricted cash and other banking relationships. | 2 Customers & suppliers
Selected receivable, payable, advance and transaction balances. | 3 Legal counsel
Litigation, claims, disputes and other contingent liabilities. | 4 Related parties
Intercompany balances, financing, services, royalties and guarantees. |
|---|---|--|---|

Record format

Accounting records may be electronic, but the company should be able to provide complete, readable and traceable evidence. PRC accounting records and financial reports must meet the applicable Chinese accounting and record-keeping requirements.

CIT Annual Reconciliation & Related-Party Reporting

Accounting profit is the starting point, not the final taxable income. The annual filing reconciles book treatment with tax rules.

Annual CIT reconciliation

Calendar-year deadline: 31 May

Resident enterprises generally file the annual enterprise income tax return and settle tax within five months after year-end. A calendar-year taxpayer therefore normally files by 31 May.

Common reconciliation areas

☐ Non-deductible or limited expenses

Entertainment, advertising, employee welfare, donations, fines and unsupported costs.

☐ Timing differences

Accruals, provisions, depreciation, amortisation, asset losses and deferred items.

☐ Tax incentives

Small-profit status, high-tech treatment, R&D super-deduction and local incentives where eligible.

☐ Cross-border payments

Withholding tax, treaty positions, service fees, royalties, interest and supporting contracts.

☐ Losses and credits

Confirm available tax-loss carryforwards, credits, prepayments and refund positions.

☐ VAT/CIT consistency

Reconcile invoicing, VAT filings, revenue recognition and annual income-tax disclosures.

Related-party reporting

When it applies

A qualifying enterprise that has related-party transactions generally submits the annual related-party transaction forms together with the CIT return. Confirm whether contemporaneous documentation, a master file, local file or country-by-country reporting analysis is required.

☐ Reconcile all intercompany income, expenses, receivables, payables and financing.

☐ Confirm transfer-pricing method, agreements, invoices, benefit evidence and allocation keys.

☐ Document changes in related parties, ownership, functions, risks and business restructuring.

☐ Check whether service fees, royalties, interest or cost sharing require withholding or tax filing.

Management approval before submission

1

Tax adjustments

Approve material permanent and timing differences and the evidence supporting each position.

2

Related-party disclosures

Confirm entities, transaction types, amounts, agreements and transfer-pricing treatment.

3

Payment position

Confirm final tax payable, refund claim, prepayment balance and cash-funding plan.

SAMR & Foreign-Investment Annual Reporting

The annual report is a regulatory disclosure, not a substitute for the audit or the annual CIT return.

Annual enterprise report: 1 January - 30 June

Enterprises report prior-year information through the National Enterprise Credit Information Publicity System. Foreign-invested enterprises also submit annual foreign-investment information through the same reporting channel, with information shared among the relevant authorities.

Information to validate before submission

1

Company profile

Address, contact details, operating status, websites and licences.

2

Shareholders & capital

Subscribed and paid-in contributions, dates, methods and equity changes.

3

Investments & ownership

Investments in other enterprises, equity transfers and foreign-investment data.

4

Financial indicators

Assets, liabilities, equity, revenue, profit and total tax data.

5

Guarantees & commitments

External guarantees and other reportable company information.

6

Employment & business data

Employee counts and other fields required by the reporting system.

Cross-check before filing



Company name, unified social credit code and registered address match the licence.



Capital and shareholder information match the articles, register and contribution records.



Financial indicators reconcile to the final accounts and CIT filing.



Foreign-investment fields are complete, accurate and consistent with ownership changes.



Publicly disclosed fields have been reviewed for confidentiality and accuracy.



A submission receipt and final filed copy are retained in the compliance archive.

After submission

1

Retain evidence

Save the filed report, confirmation page, system receipt and supporting data pack.

2

Correct discrepancies

If audit or tax numbers change, assess whether the annual report also requires correction.

3

Track status

Confirm acceptance, abnormal-list status and any authority follow-up or supplementary request.

2026 reference

The 2025 foreign-investment annual report reporting period closed on 30 June 2026. Late, missing or incorrect reports may require an application for correction or supplementary filing through the relevant system.

Representative Office Annual Compliance

A foreign enterprise representative office follows a different annual-reporting framework from a PRC company.

RO annual report: 1 March - 30 June

Annual report content

The foreign enterprise's legal existence, the RO's activities and the RO's audited expense and income information, together with other information required by the registration authority.

Representative office checklist

☐ Current registration certificate and chief representative information

☐ Legal-existence or good-standing evidence for the foreign enterprise

☐ Annual activity summary and explanation of permitted liaison activities

☐ Audited expense and income report prepared for the RO

☐ General ledger, vouchers, bank statements and head-office funding records

☐ Lease, office-cost evidence and staff or representative information

☐ Tax filing method, annual tax reconciliation and payment records

☐ Prior-year annual report, audit report and correspondence with authorities

Key distinctions from a company

1 No independent profit-making scope

An RO generally conducts liaison and permitted non-profit activities rather than operating as a separate PRC company.

2 Expense-based tax may apply

The assessed tax method and supporting data depend on the RO's circumstances and local tax treatment.

3 Head-office evidence matters

Funding, legal existence and authority documents of the foreign enterprise remain central to the annual report.

RO audit and tax focus

1 Head-office funding

Reconcile remittances from the foreign enterprise to the RO bank and expense records.

2 Expense evidence

Support rent, payroll, travel, professional fees and other operating costs with valid documents.

3 Tax method

Reconcile the assessed or actual-basis tax method to the annual tax return and audit information.

Do not reuse the company checklist

A representative office is not a WFOE or joint venture. Confirm the applicable reporting template, audit scope, tax method and document format with the local registration and tax authorities.

Profit Distribution Readiness & Hongda Support

A completed audit does not by itself authorize a dividend. Corporate, tax and bank requirements must align.

Before declaring or remitting profits

☐ Final audited financial statements and audit report

☐ Annual CIT return completed and outstanding tax issues resolved

☐ Prior-year losses covered before dividend distribution

☐ Statutory reserve allocation: generally 10% of after-tax profit until the reserve reaches 50% of registered capital

☐ Valid shareholder resolution approving the dividend

☐ Withholding tax calculation, treaty analysis and supporting ownership evidence

☐ Outbound-payment tax filing where required, including relevant payments above the applicable threshold

☐ Bank and foreign-exchange supporting documents, beneficiary information and payment instructions

ANNUAL AUDIT & TAX COMPLIANCE CONSULTATION

Coordinate year-end close, audit, CIT reconciliation, annual reporting and profit-distribution readiness with one controlled document plan.

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How Hongda can coordinate the process

1 Close & reconciliation

Resolve schedules, balances, tax accounts and supporting evidence before fieldwork.

2 Audit coordination

Organize requests, confirmations, adjustments and communication with the accounting firm.

3 Tax & reporting

Prepare CIT reconciliation, related-party reporting and annual-report information.

4 English-language handover

Summarize findings, open items and next actions for overseas management.

Official references

1. PRC Company Law - annual financial reports and audit

2. Enterprise Information Disclosure Regulation

3. MOFCOM foreign-investment annual report portal

4. Foreign Investment Information Reporting Measures

5. Annual enterprise income tax return

6. Annual related-party transaction reporting

7. Representative office annual report regulation

8. Tax filing for certain outbound payments

Disclaimer

General information only; not legal, tax, accounting, audit or regulatory advice. Requirements vary by entity, location, industry, tax status, transaction profile and current authority practice. Confirm the final timetable and document list for the specific company or representative office.