Early Warning System

ADB-51021-001

Reforming the System of Personal Income Tax and Social Security Contributions

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Quick Facts

Countries	China
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2017-10-24
Borrower	Government of People's Republic of China
Sectors	Law and Government
Investment Type(s)	Grant
Investment Amount (USD)	$ 0.30 million

Project Description

The proposed knowledge and support technical assistance (TA) will develop policy recommendations for the People's Republic of China (PRC) to reform its personal income tax (PIT) and social security contribution (SSC) systems and provide training and capacity building for implementing these reforms. The TA request is part of a broader initiative by the government to adjust the tax system to bring it in line with the economic and social development status of the PRC. The TA will explore options to reform the system of PIT and SSC drawing on the experience and good practice in selected Organization for Economic Cooperation and Development (OECD) countries. Specifically, the TA aims to reform the PIT and SSC system with to (i) increase the contribution of PIT to tax revenue, and (ii) address distortions in the PIT and SSC system, notably those that affect the progressivity of the system and give rise to labor market segmentation.

Investment Description

- Asian Development Bank (ADB)

Contact Information

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ACCOUNTABILITY MECHANISM OF ADB

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Bank Documents

- Project Disclosure PDF [Original Source]
- Technical Assistance Report [Original Source]