

# International Trends in Finance and Investing – Canada, China and Hong Kong

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## Overview

1. CLW Partners LLP – a boutique accounting firm in Calgary and Hong Kong.
2. International Financial Reporting Standards (IFRS).
  - China, effective January 1, 2010
  - Canada, effective January 1, 2011
3. Tax treaties between Canada, China and Hong Kong.



## Overview (con'd)

4. Corporate structure to mitigate risk, facilitate operations and minimize taxes.
5. TSX Venture Exchange's Capital Pool Company ("CPC") to raise capital and evaluate businesses in China.
6. Canadian investors, entrepreneurs or managers to minimize their taxes on their earnings.
7. Q&A.




CLW Partners

CLW Partners deliver professional services in financial statement audit, vendor audit, accounting, taxes, merger and acquisition, public-listing and management consulting. We focus on small-to-medium businesses and oil and gas projects in Canada, China and Hong Kong.



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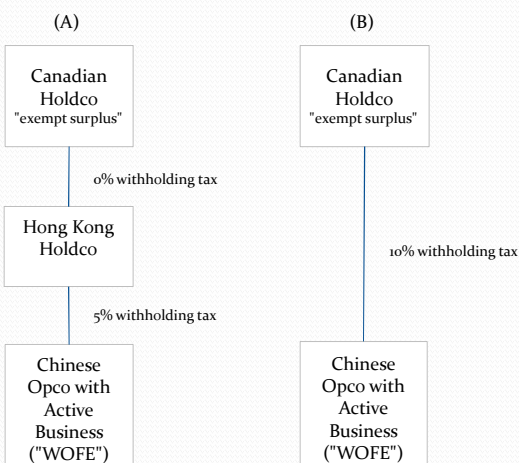
## Comparison on Tax Rates in Tax Treaties

Type of Income	Tax treaty 12-May-86 Canada - China	Tax treaty 1-Apr-07 China - Hong Kong	No tax treaty Canada - Hong Kong
Dividend	15% to 10% (a)	10% to 5% (b)	Exempt surplus - Yes/No (c)
Interest	10%	7%	Exempt surplus - No
Royalties	10%	7%	Exempt surplus - No

- (a) Lower rate applies to holding of at least 10% interest.  
 (b) Lower rate applies to holding of at least 25% interest.  
 (c) Exempt surplus only applies to active business income from overseas operations.

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## Corporate Structure for Doing Business in China



(i) Wholly owned foreign enterprises ("WOFE")'s profit is subject to 25% income tax in China.

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## TSX Venture Exchange's Capital Pool Company ("CPC")



## 2011 Marginal Tax Rates

	Interest/ Salary	Stock Option Benefit (a)	Capital Gain	Tax on Actual Eligible Dividend
Taxable income above:				
\$10,527.00	15.00%	7.50%	7.50%	NA
\$16,977.00	25.00%	12.50%	12.50%	NA
\$41,544.00	32.00%	16.00%	16.00%	7.84%
\$83,088.00	36.00%	18.00%	18.00%	13.48%
\$128,800.00	39.00%	19.50%	19.50%	17.71%

(a) Stock options of the TSX-V public company can be granted to managers or consultants, who will not be taxed until they exercise the options. The option price must not be lower than the share market price at the date of grant.

Questions?



Thank you.

