China vs USA

More ownership. More scale. Room to grow.

A practical guide to ownership, tax, visas and business growth.

COMPARE	CHINA | THE OPPORTUNITY	USA
Foreign ownership	**100% foreign-owned** in many sectors; activity restrictions apply.	**100% foreign ownership** generally possible; sector restrictions and investment screening apply.
Corporate income tax	**5% effective CIT** for qualifying small companies with annual taxable profit up to RMB3m.* Standard rate: 25%.	**21% federal C-corporation tax**, plus applicable state/local taxes. LLC tax treatment differs.
VAT / sales tax	**1% on eligible transactions** for small-scale taxpayers, generally with sales up to RMB5m.*	**No federal VAT.** State/local sales and use taxes vary by location and transaction.
Dividend tax	**20% for foreign individuals** from 1 Sep 2026. Corporate shareholders have different rules.	Generally **30% withholding** on dividends to nonresident foreigners; treaties may reduce it.
Repatriating profits	**Permitted after tax and distribution compliance.** Banks review corporate, financial and tax records.	**Generally transferable abroad** after tax and corporate compliance; sanctions and bank checks apply.
Family visa rights	**S1:** eligible spouse, parents, children under 18 and parents-in-law; residence application required.	**E-2 example:** spouse and unmarried children under 21. Other visa categories have different rules.
Hiring & capital	**No general nationwide 4:1 hiring rule.** Local work-permit and capital requirements apply.	Capital rules vary by entity/state. **E-2 requires substantial at-risk investment**; no universal dollar minimum.
Work & residence	Eligible founders can apply through a **genuine operating company**; applicant and job criteria apply.	**No automatic visa from incorporation.** E-2 depends on treaty nationality and investment; other routes differ.
Market size	**Around 1.4 billion people.** A large domestic customer base; demand varies by product.	**Around 342 million people** (2025); a large, high-spending consumer and enterprise market.
Supply chain & talent	**Broad industrial supply chains** and a large workforce for sourcing and scaling.	Strong technology, capital and specialist talent; China offers dense factory and component networks.
Banking & setup	**Multilingual local support** for documents, appointments and bank coordination. Bank approval required.	State registration, tax IDs and bank KYC; foreign-owned entities can face extra reporting obligations.

* China: 5% CIT needs total profit <= RMB3m, <= 300 staff, assets <= RMB50m and eligible activity. Small-scale VAT conditions apply; input VAT generally not deductible. Both concessions end 31 Dec 2027. Standard China VAT rates differ. Dividend figures concern foreign individuals/nonresidents, not total personal tax; treaties may reduce rates. Family rights depend on route; work rights vary. Population figures are rounded 2025/26 estimates. Reviewed 29 Oct 2026.

LET'S TALK CHINA.

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