

NEWSLETTER
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China to cut VAT rate to 3% for housing sales held under 2 years

China has lowered the value-added tax (VAT) levy rate from 5% to 3% for individuals selling housing purchased less than two years ago, effective Jan. 1, 2026. The new policy, jointly released by the Ministry of Finance and the State Taxation Administration, further clarifies that sales of housing purchased two years ago or more are exempt from VAT. ([Xinhua](#))

China begins work on ultra-high voltage transmission project

China broke ground on an ultra-high voltage transmission project, a critical green artery designed to funnel massive amounts of renewable energy from the western parts of Inner Mongolia autonomous region to the industrial heartland of Beijing and Hebei province. The direct current line, spanning 700 kilometers with a transmission capacity of 8 million kilowatts, is expected to go into operation by 2027. ([China Daily](#))

China launches commercial property REITs pilot to back new real estate model

China has launched a pilot program for commercial property real estate investment trusts (REITs), a key step toward using market-based mechanisms to support a new model of real estate development and promote innovation in asset securitization. Commercial property REITs as closed end publicly offered securities investment funds that hold commercial real estate to generate stable cash flows and distribute returns. ([China Daily](#))

Construction of the largest aircraft maintenance base in Southwest China begins in Kunming

The construction of the largest aircraft maintenance base in Southwest China started in Kunming, Yunnan province. Once completed in 2028, the first phase of the base at Kunming Changshui International Airport will feature a maintenance hangar capable of simultaneously accommodating 10 narrow-body aircraft for regular inspections. ([China Daily](#))

The China Securities Regulatory Commission (CSRC) released an announcement

The China Securities Regulatory Commission released an announcement on rolling out the commercial property real estate investment trusts (REITs) pilot. According to the announcement, commercial properties to be held by REITs must align with national plans and industrial policies, have clear ownership, a well-defined scope, complete key compliance procedures and a track record of sustained stable cash flows. ([China Daily](#))