

## English-Chinese Translation for Tax Vocabularies in Business English

Min SHEN<sup>a</sup> and Liang-qiu LV<sup>b</sup>

North China Electric Power University, Beijing, China

<sup>a</sup>shenminxgg@163.com, <sup>b</sup>llq2803@163.com

**Keywords:** Tax Vocabularies; English-Chinese Translation; Translation Difficulties; Solution

**Abstract.** Tax becomes an increasingly important component in China's economy with China's development of export-oriented economy. An accurate vocabulary translation is the basis of sentence and text translation. This paper aims to discuss characteristics of tax vocabularies, analyze difficulties in English-Chinese translation for tax vocabularies and provide solutions for translators.

### Introduction

China's globally-oriented economy demands that it should absorb more western business expertise which is mainly introduced in English. Business English, a branch of English for specific purpose (ESP), has a high requirement for accuracy of these translated materials because even the slightest negligence of the original may lead to failures of business transaction or even heavy financial losses. An accurate vocabulary translation is the foundation. However, limited findings have been found in English-Chinese translation for tax vocabularies. On the basis of the author's tax text translation practices, this paper intensively studies difficulties in English-Chinese translation for tax vocabularies, and concludes solutions for translators including accumulation and accurate translation of terminologies, consistency of terminologies and comparison of dictionaries and understanding of different tax regimes.

### 1. Characteristics of Tax Vocabularies

Business vocabularies are specific, professional and pertinent to terminologies of accounting, finance and trade. These features also apply to tax vocabularies. Common tax vocabularies mainly include tax terminologies, tax acronyms and semi-specialized terminologies.

#### 1.1 Tax Terminologies

Tax terminologies with fixed Chinese expressions are most commonly used in tax documents, such as “摊销” for “amortization”, “所得税负债” for “income tax liability”, “转移税” for “transfer tax”, “直线折旧法” for “straight-line depreciation”, “坏账” for “bad debt”, “资本弱化” for “thin capitalization” and so on.

#### 1.2 Tax Acronyms

Acronyms, concise and informative, are widely used in tax vocabularies. Tax acronym mainly includes acronyms of tax type, tax payer and of tax document.

Tax acronyms include main types of taxes, such as VAT (value-added tax) 增值税, WHT (withholding tax) 预扣税, CIT (cooperated income tax) 企业所得税, PIT (personal income tax) 个人所得税, and CGT (capital gains tax) 资本利得税. Tax acronyms also involve taxpayers such as PE (permanent establishment) 常设机构, and CFC (controlled foreign company) 受控外国公司.

Tax normally is related to legal documents including treaties, agreement and standards, such as FATCA (foreign account tax compliance act) 海外账户纳税法案, DTT (double tax treaty) 双重税收协定, IFRS (international financial reporting standards) 国际财务报告准则, IAS

(international accounting standards)国际会计准则, and IGA (intergovernmental agreement) 政府间协定等.

Additionally, some countries have their own tax acronyms, such as MRRT (minerals resource rent tax) 矿产资源租赁税, PRRT (petroleum resource rent tax) 石油资源租赁税 in Australia, and PIS (social integration program) 社会一体化税 and COFINS (social contribution on billing) 社会保险融资税 in Brazil.

### 1.3 Semi-specialized Vocabularies

On the basis of meanings and usage, Guangang Dun [1] catalogues finance and trade vocabularies into common vocabularies, specialized vocabularies and semi-specialized vocabularies, and he states that semi-specialized vocabularies, having evolved from common vocabularies, are polysemous words. Many semi-specialized vocabularies are related to tax. For example, “spread” usually means “transmission” or “extension” (“传播, 伸展”) but it also means “price difference”(“差价”); “recognition” usually means “acceptance” or “admission”(“承认, 认可”) but it also means “allowance”(“酬劳, 酬金”); “collection” usually means “selection” or “acquisition” (收集, 收取) but it also means “levy of tax” or “payments” (征税, 应收款额).

## 2. Difficulties in Translating Tax Vocabularies

In translating tax vocabularies, translators face challenges such as semantic change of vocabularies, ambiguous tax terminologies, translation of semi-specialized vocabularies, non-standardization of tax terminologies and variation of tax regime.

### 2.1 Semantic Changes of Vocabularies

Weiyong Gu [2] analyzes cases where business vocabularies change their meanings as change of forms, among which is semantic change of vocabularies from singular to plural forms, which makes tax vocabulary translation difficult. Translators are prone to misinterpret meanings of words according to their usual translation experience.

Example 1: Non-fixed financial gains related to stock/commodities exchange and/or *futures* market transactions are taxed at the rates of 20% (day-trade) and 15% (all other cases).

Translation: 股票/商品交易和/或期货市场交易相关的非固定金融收益征税的税率为20% (日内交易) 和15% (其它所有情况)。

As for Example 1, “futures market” may be translated into “未来市场”. But with an additional “s”, “futures” means something different from “future”. In Investopedia [3], “futures” is defined as “financial contracts obligating the buyer to purchase an asset or the seller to sell an asset, such as a physical commodity or a financial instrument, at a predetermined future date and price.” Besides, some vocabularies such as “security” whose singular form means “safety”, but its plural form “securities” means “stocks or shares in a company”; “receivable” means “can be received”, but its plural form “receivables” means “an asset designation applicable to all debts, unsettled transactions or other monetary obligations owed to a company by its debtors or customers”.

### 2.2 Ambiguity in Understanding Tax Terminologies

When explicit English tax terminologies are translated into Chinese, translators and even editors of some professional E-C dictionaries find it difficult to distinguish meanings of some tax terminologies from those of others. The root cause lies in facts that translators themselves do not distinguish ambiguous tax terminologies from each other.

For example, in distinguishing “tax credit”, “tax exemption”, “tax deduction”, “credit”, “exemption” and “deduction” all means “reduction” (减少) to some degree in Chinese, which may confuse readers.

In *A new English-Chinese & Chinese-English Dictionary of Taxation* [4], “tax deduction” is translated to “减税”, “tax exemption” to “免税”, “tax credit” have multiple meanings including “减税免税, 赋税减免”. But Changshuan Li [5] distinguishes meanings of these three terms and analyzes appropriate Chinese translation for each term and holds that tax credit should be translated to “税额抵免” or “纳税抵免额”, tax deduction to “税前列支” or “税前扣除”, and “tax exemption” to “税收减免”. Take “tax exemption” as a detailed example. In Wikipedia [6], “tax exemption” is defined as “a monetary exemption which reduces taxable income. Tax exempt status can provide complete relief from taxes, reduced rates, or tax on only a portion of items. In MBALib [7] “税收减免” is defined as “税收减免是指对纳税人应纳税款给予部分减少或全部免除”. It is inaccurate if translators translate “tax exemption” into “免税”, which means a complete relief from taxes but it is only one of cases of “tax exemption”. The problem is that translators may divide “tax exemption” into “tax” and “exemption”, and translate “tax exemption” by combining these two separate meanings. Translators should not take tax terms literally, instead, they should take tax term as a whole and contrast bilingual definitions of terms and consult dictionaries with a critical eye.

### 2.3 Semi-specialized Vocabularies

Semi-specialized vocabularies have meanings related to tax in the context of taxation, which demands translators differentiate semi-specialized vocabularies and find exact Chinese expressions for them.

Take “carry forward” and “carry back” as an example.

Example 2: Tax losses may be *carried forward* without any time limitation.

Translation: 税损移后扣减不受任何时间限制。

Example 3: Currently, there is no possibility to *carry back* tax losses in Poland.

Translation: 目前, 波兰税损不能移前扣减。

“Carry forward” (or “carryforward”) and “carry back” (or “carryback”) are concepts related to loss. Investopedia defines loss carryforward [8]: Loss carryforward refers to an accounting technique that applies the current year’s net operating losses to future years’ profits to reduce tax liability and track profits accurately. Loss carryback [9] is defined as: an accounting technique with which a company retroactively applies net operating losses to a preceding year’s income in order to reduce tax liabilities present in that previous year. “Loss carryback” can be translated into “税损移前扣减” or “税损退算” and “loss carryforward” into “税损移后扣减” or “税损结转”. If example 2 is translated to “税损向后推移不受任何时间限制” and example 3 to “目前, 波兰税损不能向前推移”, tax specialists may understand while common readers feel confused. In formal tax documents, specific and accurate expressions are required.

### 2.4 Non-standardization of Tax Terminologies

Same tax terminologies in different Chinese expressions shall cause confusion. The primary problem lies in inconsistency or even mistake of tax terms translated in different financial dictionaries. Take “gearing ratio” as an example. In *A New English-Chinese Dictionary of Accounting* [10], “gearing ratio” is translated into “财务传动比率”; “资本搭配比率” in *English-Chinese Vocabulary of Taxation* [11]; “借入资本与总资本的比率, 举债经营率” in *English-Chinese New Practical Dictionary of Economics and Finance and Trade* [12]; “资本与负债的比率、资本搭配比率” in *A New English-Chinese & Chinese-English Dictionary of Taxation* [13].

When it describes the ratio of debt and equity, it is better to translate gearing ratio into “资产搭配比率”, and to make it more accurate, which is supposed to be translated into “资本搭配比率” under British and Australian tax regime and into “杠杆比率” under United States and other countries’ tax regime. In Moneyterm [14], gearing is defined as “Gearing, called leverage in the US and some other countries, measures the extent to which a company is funded by debt.” In ACCA F9 Financial management (Study Text) [15], gearing is “the amount of debt finance a company uses relative to its

equity finance. The financial risk of a company's capital structure can be measured by a gearing ratio, a debt ratio or debt/equity ratio and by the interest coverage."

“借入资本与总资本的比率” and “资本与负债的比率” in Chinese translation, define “gearing ratio” through a formula, in ACCA F8 Audit and Assurance (International) (Study Text) [16], Gearing ratio is the result of debt capital to equity capital, but we have had a Chinese translation “产  
权比率” for “debt-to-equity ratio”.

## **2.5 Variation of Tax regime**

In general, tax regimes in different countries are similar. Yet different taxation systems vary from country to country due to historical, cultural and economic differences. Some tax terms under different systems should be analyzed and translated respectively.

For example, “goods and service tax (GST)” is an indirect tax levy on sale, manufacture, and consumption of goods and services by the government. GST is a kind of value-added tax (VAT) and consumption tax, but still different from VAT and consumption tax. Most countries in European Union and South Africa call it VAT, “GST” is used in countries such as New Zealand, Canada, Singapore and Australia; In Japan, it is called “consumption tax”, but they are all translated into “增  
值税”. It is better to translate GST, VAT and consumption tax into different Chinese versions on the basis of different taxation regimes, which means “商品服务税” for New Zealand, Canada, Singapore and Australia, “增值税” for European Union, South Africa and China, “消费税” for Japan, and the translator can add “a kind of value-added tax” in brackets as supplementary information.

## **3. Solutions**

Fengxiang Weng [17] puts forward 4Es standards for business English translation, which are semantic equivalence, stylistic equivalence, cultural equivalence and business effect equivalence. The following three solutions are to solve difficulties in tax vocabulary translation and to achieve 4Es equivalence for translators.

### **3.1 Accumulation and Accurate Translation of Terminologies**

A solid foundation of tax vocabulary and profound economic knowledge is necessary for translators. On the basis of tax-related knowledge, translators should judge the meaning of glossaries in accordance with the context and collation. Paper dictionaries and online dictionaries such as Longman, Webster, American Heritage, Oxford and bilingual database such as kingsoft powerword and authoritative publications can also help. For newly-coined terminologies, translators can search foreign countries' taxation office websites, and the Economic and Commercial Counselors' Office of the Embassy of People's Republic of China of foreign countries for information.

### **3.2 Consistency of Terminologies and Comparison of Dictionaries**

In translating tax vocabularies, translators should consult professional dictionaries with a critical eye as many financial and tax dictionaries have multiple and different Chinese expressions for one terminology. Translators should explore English definitions of terminologies and compare Chinese versions from different dictionaries and browse websites pertinent to finance, trade and tax, such as Accounting Tools, the Balance, Investopedia, Moneyterm and Price Waterhouse Coopers (PwC), or check professional books such as ACCA text books, taxation book and so on to find the exact Chinese equivalence.

### **3.3 Understanding of Different Tax Regimes**

Tax vocabulary translation can be regarded as a cross-cultural activity as different countries have different tax regimes which mostly manifested in cultural differences. An understanding of other countries' tax culture contributes to better translation of tax vocabularies. Translators can read books of comparative tax systems and other countries' policies on tax or visit their taxation office websites.

## Conclusion

Accurate tax vocabulary translation underpins sentences and text translation for tax. It is necessary to accumulate tax knowledge, follow international trend of taxation changes and learn newly-coined tax vocabularies in translating tax vocabularies.

## Acknowledgement

This research was financially supported by the Education Reform Program issued by North China Electric Power University and the Fundamental Research Funds for the Central Universities.

## References

- [1] G.G. Dun, features and translation of finance and trade vocabularies, Shandong Foreign Language Teaching Journal, 3 (2002) 37-40.
- [2] W.Y. Gu, translation of business vocabularies of plural forms, Chinese Translators Journal, 5 (2007) 76-79.
- [3] Information on <http://www.investopedia.com/terms/f/futures.asp>
- [4] Y.S. Pu, A New English-Chinese & Chinese-English Dictionary of Taxation. China Taxation Publishing House, Beijing, 2008.
- [5] C.S. Li, several tax terms and their translation, East Journal of Translation, 4 (2016) 51-57.
- [6] Information on [https://en.wikipedia.org/wiki/Tax\\_exemption](https://en.wikipedia.org/wiki/Tax_exemption)
- [7] Information on <http://wiki.mbalib.com/wiki/税收减免>
- [8] Information on <http://www.investopedia.com/terms/l/losscarryforward.asp>
- [9] Information on <http://www.investopedia.com/terms/l/losscarryback.asp>
- [10] Y. Q. Xie, New English-Chinese Dictionary of Accounting, Tianjin Science & Technology Press, Tianjin, 2005.
- [11] G.X. Zeng, English-Chinese Vocabulary of Taxation, Economic Science Press, Beijing, 2003
- [12] K.Q. Zhao, Q. J. Xu, English-Chinese New Practical Dictionary of Economics and Finance and Trade, Wuhan University Press, Wuhan, 2007
- [13] Y.S. Pu, A New English-Chinese & Chinese-English Dictionary of Taxation. China Taxation Publishing House, Beijing, 2008.
- [14] Information on <http://moneyterms.co.uk/gearing/>
- [15] BPP Learning Media Ltd. ACCA F9 Financial Management (Study Text), BPP Learning Media Ltd BPP House, London, 2012.
- [16] BPP Learning Media Ltd. ACCA F8 Audit and Assurance (International) (Study Text), BPP Learning Media Ltd BPP House, London, 2012.
- [17] F.X. Weng, 4Es standards for business English translation, Shanghai Journal of Translators, 1(2013), 36-40.