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Brighture Salon

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Seniority as of Now

BRIGHTURE, 19 Years in financial and tax services

Mission Statement :

Add value to clients by professionalism, be a respected financial consultant

Vision :

Be a leader in financial service sector and a century business

Values :

Always focus on the clients and serve them with professionalism, integrity and efficiency



Shanghai



Qingdao

1. In order to implement the Corporate Income Tax Law of the People's Republic of China and relevant tax policies, **the State Administration of Taxation issued the Announcement on Matters Concerning Annual Settlement of Corporate Income Tax (SAT [2021] No.34)**, which provides:

Taxpayers who have paid in advance more than the amount due for annual settlement of corporate income tax within a tax year shall apply for tax refund in time, **and competent tax authorities shall duly refund in time the excess tax paid and shall not keep the excess tax to offset the income tax payables for the next year.**

2. In order to implement the Opinions on Deepening the Reform of Tax Collection Administration issued by the General Office of the CPC Central Committee and The General Office of the State Council, **the Ministry of Finance and the State Administration of Taxation issued the Announcement on Collection and Administration of Individual Income Tax from Income from Equity Investment Operations (SAT & MOF Announcement [2021] No.41)**, which provides:

An individual proprietorship or partnership (hereinafter referred to as a proprietorship partnership) holding equity investments such as stock rights, stocks and partnership property shares, shall be **subjected to audit collection for individual income taxes.**

This Announcement shall take effect from January 1, 2022.

3. Subject to the Circular of the Ministry of Finance, the State Administration of Taxation and the People's Bank of China on Further Strengthening the Administration of Tax Withholding and Collection Agencies (CAIHANG [2019] No. 11),

Qingdao Tax Bureau issued the Notice on Application for Tax Withholding Commission for 2021 and Drawing of Tax Withholding Commission for 2020 (Qingdao Tax Bureau Circular No. 1, 2021), which provides:

The tax withholding and collecting agent shall apply for withholding commissions for 2021 and draw tax withholding commissions for 2020 prior to **March 30, 2022.**

4. Subject to the Notice of Shandong Provincial People's Government on Release of List of Quality Development Policies in 2022 (Batch One), **Qingdao Finance Bureau and Qingdao Taxation Bureau issued the Notice on Continuation of Relief Policies for Urban Land Use Tax and Real Estate Tax (QCSH [2022] No.1)**, which provides:

The time limit for the exemption of urban land use tax and property tax from small-scale VAT payers contained in the Circular on Relief Policies for Land Use Tax and Real Estate Tax in Urban Areas During the COVID-19 Pandemic (QCSH [2020] No.5) and **the Notice on Continuation of Relief Policies for Urban Land Use Tax and Real Estate Tax (QCSH [2021] No.7)**, both issued by Qingdao Finance Bureau and Qingdao Taxation Bureau, shall be **extended to December 31, 2022.**





Case of Financial and Taxation Services

Background: A foreign-funded enterprise established in Qingdao for more than 10 years and mainly engaged in import and export business has a score of employees. The corporate culture of the company is rather inclusive, and the management of employees is more relaxed, mainly relying on their self-discipline instead of written rules and regulations. Recently, a new recruit had been performing very poorly and committed frequent absenteeism, seriously affecting company business. However, in the absence of written rules and regulations, the management was unable to take any administrative actions against him. Later on, the management learnt that Brighture can draft staff manual for customers and provide legal services concerning labor relations, so they turned to Brighture for help.

Services provided: In-depth discussions were held between our professional legal advisors and the company management, and it was established that the major problem for this passive situation was the lack of employee manual, which should have been signed by each employee upon employment. Should any employee violates the rules and regulation contained therein, penalty may be meted out against him accordingly. Our professional legal advisors worked out the employee manual for the company based on the operation and establishment of the company, its rules over leaves, and relative labor laws and regulations. In addition, the professional legal advisors organized training courses for all the employees to help them understand the manual and help enterprises prevent and control employment-related risks.

2 BRIGHTURE NEWSLETTER (No. 269). February 2022

Friendly Reminder

Employee Manual is the most direct carrier for employees, especially new ones, to understand the basic situation and corporate culture. It's the medium of corporate culture, which conveys the institutional culture of the company and informs employees of the code of conduct, and the best textbook for employee training. It can help enterprises reduce personnel management costs and employment-related risks, and help employees avoid mistake, improve work efficiency, and safeguard their own rights and interests. If an enterprise has a perfect Employee Manual from the very beginning, many disputes can be avoided, cutting employment-related risks and costs, and lowering the probability of being involved in disputes.

Brighture can draft staff manual for businesses, and our professional legal team will communicate the enterprise management, formulate and improve the Employee Manual, so that the enterprise can be managed on the basis of rules and regulation, and become more institutionalized and standardized.

Brighture first Salon for 2022 was held from 19:00 to 20:00 on January 28, 2022 under the theme of "Interpretation of foreign individual income tax policy on wages and salaries".

The lecturer for this event was Mrs. Yuhou Zhang, an Intermediate Accountant and senior financial and taxation consultant, who has served Brighture for 11 years with profound theoretical basis and rich practices in Japanese-funded enterprise's financial and taxation management and foreign individual income tax consultation.

The lecture covers three aspects, namely "judgment of tax status of individual resident and individual non-resident, calculation method of individual income tax of different tax status, matters for attention in declaration of taxes for taxpayers of different status".

1. Government subsidy related policies

On January 1, 2019, the new Individual Income Tax Law came into effect, which began to adopt the "comprehensive + classified" taxation mode. This is also the first time that the collection and management method of "pre-payment + annual settlement" is introduced in China's individual income tax system. There are many important spots in the implementation of the new individual income tax law.

(1) Judgment of individual resident and non-resident taxpayers

It is provided in Article 1 of the Individual Income Tax Law: **Any individual who has a domicile within the territory of China or who has no domicile but has stayed within the territory of China for an aggregate of 183 days or longer in a single tax year is considered as a resident individual.** Any individual who has no domicile and does not stay within the territory of China or who has no domicile but has stayed within the territory of China for less than 183 days in aggregate is considered as a non-resident individual.

A resident individual shall pay individual income tax for any income sourced within and outside the territory of China according to the provisions of this Law. A non-resident individual shall pay individual income tax for any income sourced within the territory of China according to the provisions of this Law.

(2) Calculation methods of individual income tax of different tax status

Individual income tax of different taxpayers are calculated through different methods. The overall calculation method is: firstly, convert the salary obtained into RMB, then determine the taxable

income, and finally, calculate the individual income tax payable by the formula.

Effective from January 1, 2019 to December 31, 2023, foreign individuals who meet the conditions for individual resident status may elect to enjoy special additional deduction, or elect to enjoy housing subsidies, language training fees, children's education fees and other subsidies, provided that only one of the tax relief preferential policies is available which, once selected, cannot be changed within a tax year.

Effective from January 1, 2024, foreign individuals are not eligible for housing subsidies, language training fees, children's education fees and other subsidies, except for special additional deduction only.

(3) Matters for attention in taxes declaration for taxpayers of different status

Individual income tax shall be calculated on an annual basis for comprehensive income obtained by individual residents; where there is a withholding agent, the withholding agent shall withhold and pay tax in advance on a monthly basis or as per time; where annual settlement is required, it shall be handled between March 1 and June 30 of the year following year in which the income is obtained. As for income from wages and salaries, remuneration for personal services, author's remuneration and royalties derived by non-resident individuals, where there is a withholding agent, the withholding agent shall withhold and pay tax on a monthly basis or as per time, and annual settlement is not required.

When an individual without domicile makes his first return in a tax year, he shall calculate and pay tax on the basis of the estimated number of days of residence in China within a tax year as agreed in the contract and the number of days of stay in China within the period specified in the tax agreement. **If the actual situation does not conform to the expected situation, relevant measures shall be taken in accordance with relevant provisions.**

As a professional service organization, we help foreign friends to understand China's relevant tax policies on foreign nationals' income, plan in advance, and pay tax duly. If you have any tax related questions, please feel free to contact us.

The Preview of next Salon

The Brighture 2nd Salon for 2022

Theme: Issues about the invoice, payment and taxes in the contract

Time: Mar. 4, 2022, 19:00-20:00

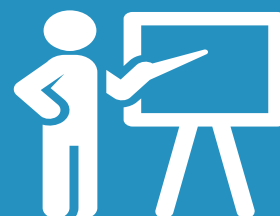
Recent Events of Kreston

In order to promote the communication and cooperation among Kreston members, Kreston recently held the following activities:

1. Each year, a team of Kreston Global UK firms work together to produce an annual benchmark academy report. The survey includes data from 300 trusts representing over 1,500 schools and covers the 2020/21 academic year. This year is the 10th year of reporting, which was a collaboration between Bishop Fleming, Duncan and Toplis, Mitchell Charlesworth, BHP, Clive Owen LLP, Kreston Reeves and James Cowper Kreston.

The report mainly introduces the situation of the academy trust in the past year. If you have a UK-based academy trust and would like accounting advice and support, you can contact them.

2. Kreston Global has today welcomed Johar and Partners, based in Kuwait, to its global network. Johar and Partners specialise in providing audit and assurance, financial advisory, accounting, risk, tax and zakat and bookkeeping services to businesses in Kuwait. The firm will be re-branding as Kreston Kuwait.



3. Sue Staunton, Joint Managing Partner at James Cowper Kreston, discusses the changing landscape of funding in the life science sector post-Covid in PF Magazine. Helpful insight and advice for life-science businesses looking for funding in this sector can maximise opportunities.



Sweetie Sun

Customer Development Dept.
Intermediate Accountant

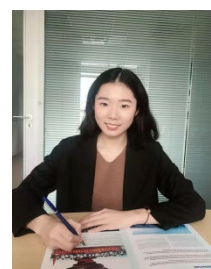
-14 Years



Cindy Yuan

Operation Support Dept.

-11 Years



Candy Yu

Qingdao VIP Dept.
Intermediate Accountant

-8 Years

Motto: Strong will and joyful spirit

Motto: No work is trivial. Details
come from heart and determine
success or failure.

Motto: Achievement is founded on
diligence and wasted upon
recklessness.

Brighture was incorporated at the beginning of 2003 and has been committed to provide domestic and foreign enterprises with financial outsourcing, legal, audit and business services. Our mission is to provide clients with high quality tax services and tailored solutions to meet their different needs, while building trust and long-term partnership with them.

In 2015, Brighture became a member of Kreston International, the 13th largest accounting network in the world. We not only provide services for domestic clients, but also provide resource docking and service assistance for other clients from all over the world based on our international vision and local resources.

Scope of services

Financial and taxation services: Perennial fiscal and tax consultation, fiscal and tax outsourcing, tax planning, export duty rebate, merger and reorganization, transfer pricing, tax training

Legal services: Daily legal consultation, legal due diligence, contract review, compliance review, intellectual property protection, labor relations

Audit services: internal control audit, financial statement audit, fiscal and tax due diligence, asset evaluation, capital verification

Business services: registration of domestic and foreign-funded enterprises, change of registration items, enterprise liquidation and cancellation, personnel outsourcing

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Disclaimer: The information contained herein is for reference only, please refer to the relevant laws, bylaws and judgment made by local administrative authorities.

We provide domestic and foreign enterprises with financial, tax, legal, audit and business services leveraging our 19 year's experience. It is a prudent decision to cooperate with a time-honored consultant with international vision, local resources, one-stop solutions, a member of Kreston International which is the 13th largest accounting network in the world.