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New Financial and Tax Policies

Service Cases

KRESTON News

Seniority as of Now

*BRIGHTURE, 20 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 boost consumption, foster new growth points and promote new energy vehicle consumption, related industrial upgrading, green and low-carbon development, **it was decided on the State Council executive meeting on August 18 that:**

(1) **The new energy vehicle purchase tax exemption policy, which due to expire at the end of this year after two extensions, will be further extended to the end of next year, representing an additional 100 billion Yuan in tax exemption.**

(2) **Maintain the stability of policies related to new energy vehicle consumption, continue to exempt vehicle and ship taxes and consumption taxes, and provide support in terms of road permission and license plate indicators.**

(3) **Establish a coordination mechanism for the development of new-energy automobile industry, adhere to market-oriented methods to promote the survival of the fittest in automobile enterprises and the development of supporting industries, and boost the competitiveness of the whole industry. Vigorously promote the construction of charging piles supported by policy-based development financial instruments.**

2. In order to promote elderly care and childcare services, the National Development and Reform Commission and 13 other departments issued **the Circular on Policies and Measures for Support of the Elderly Care and Childcare Services (FGCJ [2022] No.1356), which requires:**

(1) **For old-age care service and childcare service institutions (hereinafter referred to as old-age care and childcare service institutions) which are small, medium and micro enterprises or individual household businesses and rent state-owned houses, their rent shall be exempted until the end of 2022.**

(2) **In 2022, local governments will reduce the resource tax, urban maintenance and construction tax, property tax, urban land use tax, stamp tax (excluding stamp tax on securities transactions), farmland occupation tax, education surcharge, and local education surcharge for eligible old-age care service and childcare service institutions by a maximum of 50 percent.**

3. In order to step up the piloting of comprehensive digital electronic invoice, with the approval of the State Administration of Taxation, tax authorities in 18 regions issued a notice, deciding to carry out piloting receipt of electronic invoices, which will take effect from August 28, 2022. **As of now, the piloting receipt of electronic invoice has been expanded to 36 provinces, autonomous regions, municipalities directly under the central government and cities with independent planning, where taxpayers may, only as the drawees, receive invoices from some taxpayers issued through electronic invoice service platform in**

**Guangdong Province (excluding Shenzhen), Shanghai City and Inner Mongolia Autonomous Region.**

4 To support the development of small and micro enterprises, **Qingdao Finance Bureau and Qingdao Taxation Bureau jointly issued the Policy of Reducing or Exempting Rent and Property Tax for Leasers Who Exempted or Reduced Rentals for Small and Micro Enterprises and Individual Households Businesses (QCS[2022]No.17), which provides:**

(1) **From January 1, 2022 to December 31, 2022, for the lessers who provide rent reduction or exemption for small and micro enterprises and individual household businesses, the property tax and urban land use tax from the property and land that is subjected to the rent reduction or exemption will be exempted or reduced in 2022 as per the number of months and the proportion of rent reduction or exemption.**

(2) The term "small and micro enterprises" mentioned herein refers to the small and micro enterprises classified in accordance with the "Notice of the Ministry of Industry and Information Technology, National Bureau of Statistics, National Development and Reform Commission and the Ministry of Finance on the Issuance of the Provisions on the Classification Standards for Small and Medium-sized Enterprises" (MIIT [2011] No. 300).

(3) The lesser enjoying the preferential policies stipulated herein shall declare tax reduction or exemption in accordance with the provisions, and shall keep the relevant rent reduction and exemption agreements, contracts and relevant documents for future reference

(4) For the tax which should have been exempted or reduced but paid before the date of issuance hereof, taxpayers may duly apply for a reduction of the tax payables in subsequent tax periods or for a refund.





### Case of Financial and Taxation Services

**Background:** An enterprise is a trading company with a decade's history. It plans to carry out housing rental business which is a brand-new business for it.

The owner hoped to invite a professional team to guide the establishment of business entity, provide tax consultation and other services, and provide solutions to financial problems encountered in day-to-day operation. It learned that Brighture can provide one-stop services such as the establishment of commercial entities, fiscal and tax review and consultation, so it came for help.

**Service provided:** Upon understanding the demand, Brighture had an in-depth communication with the company management to know the company's development plan. A set of business establishment and tax consultation service scheme suitable for the enterprise has been formulated, through which the fiscal and tax problems have been solved, and a solid foundation has been laid for the development of enterprises.

### Friendly Reminder

When a business entity is established, it is necessary to register the tax category with the tax authorities. The selection of tax category is a very important link in tax planning. Tax registration types are divided into small-scale taxpayers and general taxpayers. Different types are subject to different tax payment methods. On the value-added tax, for example, effective from April 1, 2022 to December 31, 2022, the preferential policy for small-scale VAT taxpayers allows exemption of VAT on the strength of general invoices.

At present, there are 18 categories of tax in China, and businesses belonging to different industries are subject to different tax categories. Therefore, there must be a comprehensive analysis of the tax categories before tax registration and identification.

## *Recent Events of Kreston*

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

1. Kreston Global indirect tax experts share insight in Taxation Magazine. The management of indirect taxes can be a challenge due to constant global change and the wide range of systems in countries and regions. This impacts the businesses trading overseas financially. Compliance is a key issue, with tax authorities reaching beyond borders to exchange information. Kreston's indirect tax experts recently shared the global themes they consider to be significant to businesses with Taxation Magazine, mainly including European indirect tax themes, European e-invoicing rules, United States indirect tax themes and India's indirect tax themes.



2. Kreston Global has welcomed a new member firm, Saudi Arabia-based Nefel Barrak Beneyyah (NBB). NBB offers a wide range of services in different fields for all types of entities and corporations, which includes audit and assurance services, financial advisory services, consulting services, accounting services, internal audit, forensic accounting services and tax advisory. NBB was founded by Managing Partner Nefel Barrak. The firm provides innovative and contemporary solutions that allow its clients to maximise their potential.



**Jessica Li**  
Operation Support Dept.  
- 16 Years

**Motto:**  
Work as hard as anyone  
else.



**Amy Zhang**  
VIP Customers Dept.  
-11 Years

**Motto:**  
Emulating water, nourishing  
but never competing with all  
things;  
God rewards those who help  
themselves.

*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 13<sup>th</sup> 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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We provide domestic and foreign enterprises with financial, tax, legal, audit and business services leveraging our 20 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 13<sup>th</sup> largest accounting network in the world.

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