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New Financial and Tax Policies

Service Cases

Brighture 2022/2023 Annual Conference

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. To support the small and micro enterprises, **the Ministry of Finance and the State Administration of Taxation issued the Announcement on VAT Relief and Other Policies for Small-scale VAT Payers (CAISHUI [2023] No.1), which provides:**

(1) **From January 1, 2023 to December 31, 2023, small-scale VAT payers with monthly sales of less than 100,000 Yuan (inclusive) will be exempt from VAT.**

(2) **From January 1, 2023 to December 31, 2023, VAT For small-scale payers whose taxable sales are subject to the 3% levy rate shall be subject to a reduced 1% levy rate; VAT items subject to 3% prepayment rate shall be reduced to 1% prepayment rate.**

(3) **From January 1, 2023 to December 31, 2023, VAT mark-up deduction policy is subject to the following provisions:**

A: Taxpayers of producer services are allowed to deduct the tax payable with a 5% mark-up on the basis of the deductible input tax for the current period. Taxpayers of producer services refer to taxpayers whose sales of postal services, telecommunication services, modern services and consumer services account for more than 50% of the total.

B: Taxpayers of consumer services are allowed to deduct the tax payable with a 10% mark-up on the basis of the deductible input tax for the current period. Taxpayers of consumer services refer to taxpayers whose sales from consumer services account for more than 50% of the total.

2. In order to support the innovative development of enterprises and the opening up of the capital market, **the Ministry of Finance and the State Administration of Taxation issued the Announcement on the Extension of Preferential Policies on Individual Income Tax (CAISHUI[2023] No.2), which announces:**

(1) **The preferential policy for equity-based incentives calculated on special account for listed companies** contained in the Announcement on Continuation of Preferential Policies for Individual Income Tax Including Annual One-time Bonus [MOF & SAT (2021) No.42] of the Ministry of Finance and the State Administration of Taxation shall remain **valid from January 1, 2023 to December 31, 2023.**

(2) **The preferential individual income tax policy** contained in the Announcement of the Ministry of Finance, the State Administration of Taxation and China Securities Regulatory Commission on the Continuation of the Individual Income Tax Policy in Connection with Shanghai- Hong Kong and Shenzhen-

Hong Kong Stock Market Connect Mechanism and the Mutual Fund Recognition between Mainland and Hong Kong (MOF, SAT & CSRC [2019] No. 93) shall remain **valid from January 1, 2023 to December 31, 2023.**

3. In order to expand the use of digital electronic invoice (hereinafter referred to as "electronic-invoice"), with the approval of the State Administration of Taxation, Qingdao Municipal Taxation Bureau has decided to pilot on electronic invoice and therefore issued the Announcement of Qingdao Municipal Taxation Bureau on Piloting Digital Electronic Invoice (QING[2023] No.1), which provides:

(1) **Starting from January 28, 2023, piloting on electronic invoice will be commenced among some taxpayers in Qingdao, covering: (1) Taxpayers registered before January 28, 2023 and have been using VAT invoice management system to issue VAT special invoice and VAT general invoice; and (2) Taxpayers registered before January 28, 2023 and need to use VAT special invoice and VAT general invoice.**

(2) The taxpayers who use the e-invoice service platform shall be the pilot taxpayers, and the pilot taxpayers shall be determined by **Qingdao Taxation Bureau of the State Administration of Taxation.**

(3) The drawees of the invoices issued through the e-invoice service platform **can be nationwide.**

(4) **The tax authorities shall control the total amount of the invoice issued by the pilot taxpayers.** The total amount refers to the upper limit of the total amount of invoice issued by the pilot taxpayer (VAT exclusive) within a calendar month.

(5) **Pilot taxpayers can deliver electronic invoices via the digital tax account** of the e-invoice service platform, or via email, QR code and so on.





Case of Financial and Taxation Services

Background: Incorporated in Qingdao, a Japanese enterprise has been in operation in equipment manufacturing industry for 18 years, engaging in the design, manufacture, installation of screw vacuum pump, electronic special equipment, exhaust desulfurization blower, sewage treatment device, oil-water separator, environmental protection equipment and other related products, parts and related after-sales service. It has been accredited as a high-tech enterprise for three consecutive periods since 2013, and now it is in the fourth high-tech enterprise accreditation period under our assistance. The business has enjoyed preferential tax policies for high-tech enterprises for a total of 10 years, and has reinvested the tax savings in research and development, forming a well-developed R & D management system.

Services provided: Taking advantage of rich experience, professional technical team and expertise, our high-tech enterprise team has been providing professional services for customers. They completed the application scheme, issued the Feasibility Study on Accreditation of High-tech Enterprises, and the application schedule of high-tech enterprises. In addition, they have provided two training session for the R&D department and finance department which are related to the accreditation. They also prepared patent application, testing report, S&T novelty search report, auditor's report and other third-party certifications, compiled application materials for high and new technology accreditation, and helped enterprises successfully pass the previous accreditations.

Friendly Reminder

The accreditation of high-tech enterprise is a highly professional and comprehensive task, which requires concerted effort and cooperation of the R&D department, human resources department and finance department. With professional service team, we can provide one-stop service including feasibility analysis, declaration planning and design, accounting analysis, preparation of application materials, as well as relevant personnel training, etc.

Let professionals take professional tasks. Our customers need only to concentrate on business management, R&D, innovation and so on, and let Brighture take care of anything else. Let both sides cooperate closely and give full play to our professional strengths, and let us be mutually beneficial partners.

Brighture 2022/2023 Annual Conference was held on January 7, 2023 in Qingdao Office together with Shanghai Brighture colleagues who attended the conference online.



Since 2023 is the 20th anniversary of Brighture, the theme of this annual conference is "New Starting Point and New Journey". We are determined to stay true to our original aspiration and stride forward with greater efforts. In the New Year, we will continue to provide professional, honest and efficient services for esteemed customers and friends and create a better tomorrow.

In Brighture, customers always come first. At the beginning of the Conference, a report on customer services in 2022 was given by Sherry Xi of Customer Development Department. Despite the challenges posed by the COVID-19 pandemic, all colleagues of Brighture were committed to adding values for customers by our professionalism.

Deputy General Manager Mrs. Susan Li and Mrs. Jade Zhang reviewed respectively the operations in 2022 and specified detailed targets and plans for 2023.



In the past year, every member of Brighture practiced the core values of "customer-centered, newcomer-cultivation, mutual-cultivation and mutual assistant, professionalism, integrity and efficiency", dedicated to provide services to customers, and therefore, were spoken highly by our clients. The management commended the teams and staff members who have excelled in performance on the Conference.



The annual meeting is also a good opportunity for staffs to show their talents. Everyone takes part in the game of passing flowers while beating the drums. When the beating of drum stopped, the one holding the flowers was asked to perform on the stage, singing or telling stories. The Shanghai team performed a dance online for the Qingdao team in dynamic rhythm and vigor.



Ms. Annie Sun, General Manager, remarked in her speech that, we should all have sense of responsibility towards our family, friends and society, and this sense of responsibility will make us resilient in overcoming all difficulties. Great thoughts become great undertakings only when they are put into action. All we need is just hard work, leaving everything else to time. Reap where you sow.

Let our smiles be filled with youthful pride, and let us look forward to a better tomorrow!" The meeting came to a close with a chorus. We sincerely wish every client and friend of ours and every family of Brighture's staff a better tomorrow!

On the arrival of the Chinese New Year, we, all the colleagues of Brighture, extend gratitude to our esteemed friends again for your trust and support. We wish you good health, prosperous career, happy family and all the best in the New Year!

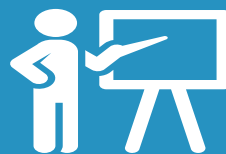


Recent Events of Kreston

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

1. Kreston's Global Indirect Tax Group has welcomed a new regional director--Ankur Jain. Ankur Jain leads the indirect tax practice at MMJS, part of Kreston Menon, our member firm in the UAE.

2. Recently, Kreston Global Chief Executive, Liza Robbins was asked by People Management magazine to write about a subject closer to her heart: leading through crisis. As economic uncertainty becomes more common, it's important for leaders to know how to manage and respond to new challenges. Rather than simply preparing for the worst, leaders can use these difficult times as an opportunity to make positive, lasting changes.



3. Kreston launches new ESG task force for member firms.

As part of the new strategic plan, Kreston Global has launched an ESG Advisory Committee. The committee will be set up as a task force to help guide the network through key areas of ESG and sustainability focus. The task force, which will be led by Kreston Global Board member and Senior Partner at member firm Kreston Reeves, Andrew Griggs, will comprise expertise from across the network.



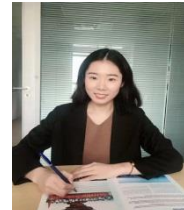
Sweetie Sun
Customer Development Dept.
Intermediate Accountant
-15 Years

Motto: Strong will and joyful spirit



Cindy Yuan
Operation Support Dept.
-12 Years

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



Candy Yu
VIP Customer Dept.
Intermediate Accountant
-9 Years

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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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 13th largest accounting network in the world.