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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 support the China Import and Export Commodity Fair (hereinafter referred to as the Canton Fair), with the approval of the State Council, **the Ministry of Finance, the General Administration of Customs and the State Administration of Taxation issued the Notice on Preferential Tax Policies for Imported Exhibits Sold during the Exhibition Period of Canton Fair 2023.(MOF GAC SAT [2023]No.5)**, which provides:

( 1 ) **Import duty, import value-added tax and consumption tax will be exempted for imported exhibits sold within the duty-free quota set by the Ministry of Commerce for the Canton Fair 2023.** The ceiling of the total tax incentives for each exhibitor during the exhibition period based on the exhibition categories, sales quantity or amount shall be subject to the regulations.

( 2 ) The exhibits eligible for tax incentives **do not include the commodities prohibited from import by the State, the endangered animals and plants and their products, tobacco, wine, automobiles and the commodities listed in the Catalogue of Major Technical Equipment and Products Not Eligible for Duty Exemption.**

( 3 ) For the exhibits sold by an exhibitor during the exhibition that are **beyond the categories or quota of the exhibits that are eligible for tax incentives, as well as the exhibits that are not sold during the exhibition period and will not be shipped out of the country after the exhibition, taxes shall be levied subject to relevant regulations of the state.**

( 4 ) The list of exhibitors and the list of imported exhibits sold during the exhibition **shall be submitted to Guangzhou Customs by China Foreign Trade Center or China Foreign Trade Center Group Co., LTD.**

( 5 ) The exhibits sold by an exhibitor during the exhibition shall not be treated as **specific goods of duty reduction and exemption and therefore the customs authorities will no longer exercise follow-up supervision thereon.**

( 6 ) China Foreign Trade Center shall report the implementation of policy to the Ministry of Finance, General Administration of Customs and State Administration of Taxation **within 6 months after each Canton Fair.**

2. In order to further reduce the burden and enhance the vitality of enterprises and to boost the stability of employment, upon the approval of the State Council, **the Ministry of Human Resources and Social Security, the Ministry of Finance and the State Administration of Taxation jointly issued the Notice on Periodical Reduction of the Rates of Unemployment Insurance and Work-related Injury Insurance (MOHRSS [2023] No. 19)**, which provides:

( 1 ) **Effective May 1, 2023 up to the end of 2024, the policy of periodical reduction of unemployment insurance premiums to 1% shall remain in force.**

Within a provincial (autonomous region or municipality) administrative area, the rates paid by the employer and the individual shall be uniform, and the rate paid by individual shall not exceed the rate paid by the employer.

( 2 ) Subject to the conditions set out in the Notice of The General Office of the State Council on the Comprehensive Scheme for Reducing Social Insurance Premium Rates (GOOSC [2019] No.13 ) and effective May 1, 2023 up to the end of 2024, the policy of periodical reduction of employment injury insurance premiums shall remain in force.

3. In order to support the Hainan Free Trade Port and further improve the shopping experience of tourists on Hainan Islands, **the General Administration of Customs, the Ministry of Finance and the State Administration of Taxation jointly issued the "Announcement on Introducing New Ways of Picking Up Goods for Duty-Free Shopping on Hainan Islands" (GAC MOF SAT [2023] No. 25)**, which provides:

**"Picking-up on guarantee" and "Picking-up upon purchase" have been introduced.** When a passenger purchases duty-free goods at Hainan duty-free shops (excluding online sales Windows) with valid ID cards or travel documents and travel information, in addition to picking up the goods at designated areas of airports, railway stations and wharves, and the option of delivery by post or picking by islanders after returning to the Island, **duty-free goods at a unit price of more than 50,000 yuan (inclusive) may be picked up on guarantee, while duty-free goods at a unit price of less than 20,000 yuan (exclusive) may be picked up upon purchase.** Where the duty-free goods purchased in any of the aforesaid circumstances are final commodities for personal use by consumers, such goods should be taken out of the islands in one time and should not be resold again.

4. **The People's Government of Shandong Province issued a notice on promoting quality development of the real economy and the third batch of policy of "Improving Stability and Quality" in 2023 (LUZHENG [2023] No. 4) which provides: for small-scale VAT payers, the property tax and urban land use tax in the second quarter of 2023 shall be temporarily exempted.**





## Case of Financial and Taxation Services

**Background:** A French technology company hired a Chinese natural person Ms. Wang for the development of new materials. Since Ms. Wang's family live in China, and in order to balance work and family, she spends about half of the year working in France and half working from home in China. Both the employer and Ms. Wang would like to know whether Ms. Wang is still a resident taxpayer in China, and whether her salary obtained from France needs to be taxed in China. The French company is also concerned about whether Ms. Wang's home office in China would constitute a permanent establishment of the French company in China and whether the French company would have to pay taxes in China. Therefore, the French company came to Brighture for help.

**Service provided:** After learning the needs of the French company, we had an in-depth communication with the chief financial officer and Ms. Wang to fully understand the situation. Based on Ms. Wang's situation and in accordance with China's individual income tax law, corporate income tax law and the tax agreement between China and France, a special consulting report was issued which answered all the questions concerning Ms. Wang's individual tax and whether Ms. Wang's home office in China constitutes a permanent establishment of the French company in China, thus helping them avoid tax risks.

## Friendly Reminder

It is common for Chinese people employed by foreign companies to work in two offices in China and abroad, and it is complicated to determine their tax liabilities in China. It is necessary to comprehensively consider the factors such as household registration, family and the location of economic interests to determine whether a Chinese person has domicile in China. If he or she has domicile in China, he or she is a tax resident in China. If he or she has no residence in China, it is necessary to further determine whether he/she has tax liability in China based on the number of days he/she has lived in China, the tax agreement between China and the other country and so on.

Brighture have rich experience in personal income tax consultation and declaration. We will provide consultation and tax declaration services based on individual taxpayer's specific situation to help them avoid tax risks.

## 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 tax team invited tax professionals from the Asia Pacific region to participate in the international tax regional conference held on April 19, 2023 at 9:30 am (UK time).

The overall theme of the meeting was twofold. Firstly, it aimed to discuss the latest developments in international taxation, and secondly, it strived to explore the expected future developments and how Kreston, as a network, can take advantage of the opportunities that come with it. This meeting was hosted by Susan Li from Brighture and Ganesh Ramaswamy, and the speakers included well-known tax practitioners from the Asia Pacific region.



2. As Earth Day 2023 approaches, it is important to acknowledge the importance of sustainability in the corporate world. Due to the increasing environmental difficulties, it is crucial for businesses to integrate sustainable methodologies into their activities. Liza Robbins, CEO of Kreston Global, has published the latest article providing her perspective on how tax and accounting specialists can assist businesses in focusing on sustainable practices.

3. Accounting leaders discuss the advantages of joining a network

In a recent Accounting & Business magazine feature, leaders from Kreston Global offered their insights on the benefits and factors to consider when joining a network, such as a larger group or association. The article includes comments from Kreston Global's CEO, Liza Robbins, Modern Mutumwa, managing partner at Kreston Zimbabwe, and Sudhir Kumar, senior partner at Kreston Menon in the UAE.

When considering whether to join a larger group, such as an association or network, many accountancy firms weigh the advantages of being an independent operator against the benefits of being part of a larger entity. Joining a larger group can provide opportunities for extending the reach and expanding the knowledge base, as well as staff development and professional bonds across borders.



**Sherry Xi**  
Customer  
Development Dept.  
-13 Years

Motto:  
Self-improvement, social  
commitment .



**Cherries Lan**  
Semi-senior Accountant  
Chinese Dept.  
-12 Years

Motto:  
The great way makes  
everything the most simple,  
those who understand will be  
successful.



**Eva Liu**  
AI Dept.  
-3 Years

Motto:  
Absolute sincerity will  
move a heart of stone.

*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.