

# BRIGHTURE NEWSLETTER

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*BRIGHTURE, 23 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*

1. Subject to the Value-Added Tax Law of the People's Republic of China and the Implementing Regulations of the Value-Added Tax Law of the People's Republic of China (hereinafter referred to as the Implementing Regulations of the Value-Added Tax Law), **the Ministry of Finance and the State Taxation Administration issued the "Announcement on Matters Concerning Deduction of Input VAT and Relevant Issues" (CAISHUI [2026] No. 13) for the continuation of the current system and practices.** It provides as follows:

## (1) VAT input tax deduction

**A: Purchase of motor vehicles:** shall be directly deducted based on the value-added tax amount listed on the invoice obtained from the purchase of motor vehicles .

## **B: Passenger transport service:**

① **Railway/Air:** deduct the tax amount based on the value of the electronic invoice (railway electronic ticket) or an electronic invoice (air transport electronic ticket itinerary) obtained.

② **Road/waterway:** based on a ticket obtained with the passenger's identity information, and calculate the deduction according to the formula: Deductible input tax amount = face value ÷ (1+3%) × 3%.

## ③ **Passage service**

**Toll roads:** deduct the tax amount based on the face value of the electronic ordinary VAT invoice.

**Bridge and gate tolls:** Calculate the deduction according to the formula: Deductible input tax amount = the amount listed on the invoice ÷ (1+5%) × 5%.

## (2) **Value-added tax preferences for asset reorganization**

To support enterprises in optimizing resource allocation, the Announcement states that qualified asset reorganizations are not subject to value-added tax, and the corresponding input tax amount can continue to be deducted.

**1)The asset reorganization by taxpayers through merger, split-up, sale or exchange and meet the following conditions** does not fall under the taxable transactions of value-added tax and the non-taxable transactions that cannot be deducted as stipulated in Article 22 of the Implementing Regulations of the Value-Added Tax Law, the transfer of goods, financial products, intangible assets and real estate (hereinafter collectively referred to as assets) **involved is not subject to value-added tax, and the corresponding input tax amount can be duly deducted from the output tax amount.**

**A:** The subject matter of asset reorganization is the business that can operate relatively independently.

**B:** When taxpayers carry out asset reorganization, they shall put all or part of their assets, along with the corresponding claims, liabilities and employees associated with them, into an asset package for transfer, which shall include assets, claims, liabilities and employees.

**C:** Asset reorganization should have reasonable commercial purposes and should not be primarily aimed at reducing, exempting, deferring the payment of value-added tax, or for early or excessive tax refunds.

**D:** Where the transferor of an asset reorganization is a general taxpayer, the recipient shall also be a general taxpayer.

**2) Where a taxpayer is merged due to the aforementioned asset reorganization and goes through the cancellation of tax registration, the input tax amount that has not been deducted before the cancellation of registration can be continued to be deducted by the surviving taxpayer after the merger.**

## (3) **Rules for mixed sales tax rates**

General taxpayers shall be subjected to the tax rate applicable to the main business of taxable transactions in the following circumstances:

**A:** Services such as software installation, maintenance and training provided in selling software products are subject to the tax rate for software products.

**B:** Installation services in selling prefabricated houses, machinery and equipment, steel structural components and other goods are subject to the tax rate for goods.

**C:** The services for battery replacement, positioning, maintenance and so on in selling electric power products in battery recharging and changing businesses shall subject to the tax rate for electric power products.

**D:** The information technology and other services in providing transportation rental services shall be subject to the tax rate for rental services.

Taxable transactions of taxpayers that are similar to the circumstances mentioned above in this Article shall be handled in the same manner.

2. To align with the policies following the implementation of the "Value-Added Tax Law of the People's Republic of China" and the "Regulations on the Implementation of the Value-Added Tax Law of the People's Republic of China", **The Ministry of Finance and the State Taxation Administration have issued the "Announcement on Value-Added Tax and Consumption Tax Policies for Export Business" (CAISHUI [2026] No. 11)**, with the important regulations regarding export tax rebates as follows:

(1) For goods declared for export by taxpayers (excluding goods exported through bonded zones and those exported via bonded zones) that are subject to export tax rebate (exemption) policies, taxpayers shall collect all relevant vouchers and, **within each VAT tax declaration period from the month following the date of declaration for export to April 30 of the following year, declare VAT and consumption tax rebates (exemptions) to the competent tax authority and duly collect foreign exchange**, failing to collect foreign exchange as of April 30 of the following year, the rebate (exemption) must be returned. If taxpayers fail to declare tax rebates (exemption) within the aforementioned period, they may, within each VAT tax declaration period from April 30 of the following year to **36 months from the date of customs declaration for export**, collect all relevant vouchers and foreign exchange collection materials, and duly declare VAT and consumption tax rebates (exemption) to the competent tax authority.

(2) **If the export goods in question are not declared for tax rebates (exemption) within the 36-month period stipulated herein, they shall be regarded as being sold in the domestic market.**

(3) **Where taxpayers encounter the above-mentioned circumstances deemed as sales to the domestic market, they shall duly pay value-added tax and consumption tax on the deemed sales in the domestic market on the day following the expiration of the 36-month period, provided that, among the said sales**, those that are exempt from tax for domestic sales can still be subject to the tax exemption policy as stipulated.

(4) **Where taxpayers encounter the above-mentioned circumstances deemed as sales to the domestic market, they shall duly pay value-added tax and consumption tax on the deemed sales in the domestic market on the day following the expiration of the 36-month period, provided that, among the said sales**, those that are exempt from tax for domestic sales can still be subject to the tax exemption policy as stipulated.

3. The Policy and Law Department of the State Taxation Administration has issued an immediate response to questions regarding the tax preferential policies enjoyed by small and micro enterprises. In response to the discovery in tax administration that some taxpayers have been maintaining their status as the "small and micro enterprise" by splitting their income for the purpose of enjoying tax benefits, the tax authorities will strengthen tax supervision over these malpractices.

Subject to the provisions of the Civil Law and the Tax Collection and Administration Law, the Value-Added Tax Law, and the Corporate Income Tax Law, **the tax authorities should determine in a comprehensive and all-round manner whether the business operations of enterprises have reasonable purposes, and make tax adjustments to the income-splitting behaviors that obviously lack reasonable commercial purposes, generally covering the following three aspects:**

#### **A. Motive:**

**Reasonable motive:** A reasonable split should conform to industry practices and the enterprise's development strategy, and be able to bring about actual benefits such as improved management efficiency and enhanced market competitiveness, rather than being solely or primarily aimed at reducing, exempting or deferring tax payments.

**Unreasonable motive:** The sole or primary purpose of the split is to reduce taxes without substantial change in the overall business scale or business structure of the enterprise before and after the split, making the operating income be subject to a lower tax rate or enjoy tax benefits only through such a split.

#### **B. Business Entities**

**Reasonable entities:** The entity after a reasonable split should possess independent production and operation capabilities and complete business processes, including organizational independence, asset independence, business independence, and financial independence. It should be able to provide complete negotiation records, contract and agreement documents, contract-fulfillment certificates and other materials, free from such problems as shared assets, mixed personnel, or centralized decision-making control, and in addition, the income of each entity is commensurate with its actual business.

**Unreasonable entities:** The entities often have "multiple certificates in one address", with the registered address being a virtual office or in the same address, without any actual business personnel or trace of business activities, except a small amount of office supplies.

#### **C. Fair transaction**

**Reasonable transactions:** Transactions between reasonably-split entities must be independent. The sales prices of goods and service charges should be consistent with those of similar transactions in the market. Third-party quotations, fair industry data and other supporting materials should be provided.

**Unreasonable transactions:** Profits are often transferred through low-price sales, free services and other means, thus reducing overall tax burden.

# Brighture 2025/2026 Annual Conference

On January 31, 2026, Brighture held the "Brighture 2025/2026 Annual Conference" at its Qingdao office, with colleagues from Brighture Shanghai and Qingdao to review the past and look forward to the future.

In Brighture, customers always come first. Sherry Xi from the Customer Development Department first reported on the customer service for the year 2025. All colleagues of Brighture have always adhered to the mission of "adding value for customers with professionalism", continuously providing added value and developing together with our customer friends.

Ms.Sun, from Client Development Department, and Ms. Jade Zang, Deputy General Manager, reviewed respectively the operations in 2025 and specified detailed targets and plans for 2026.

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.



In 2025, every staff member of Brighture practiced the core values of "customer-centered, newcomer-cultivation, mutual-cultivation and mutual assistant, professionalism, correctness and speediness", 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.

Following the games was a gift exchange which was full of fun and surprises. Each and every workmate carefully prepared a gift to express his wish, such as a hand-made necklace or a thermos cup, or a auspicious porcelain item. Each gift carries the good wishes of the person who gives it. The whole venue was immersed in a warmth and touching atmosphere.



## Brighture 2026 online Finance & Taxation Annual

Subsequently, everyone reviewed their aspirations for 2025. Looking back on the past, we pay tribute to time with growth; Looking to the future, we respond to challenges with actions. The road ahead is long and arduous, but if we keep moving forward, we will eventually reach our destination. With concerted efforts, we will move steadily and far!



General Manager's Message: Embrace the moment, delve deeply into the present, and that is the best investment in the future.

With Chinese New Year at the corner, Brighture once again thank friends for their trust and support, and wish everyone good health, prosperous career, happy family and all the best in the New Year! We'll meet again next year!



On January 1, 2026, the Value-Added Tax Law of the People's Republic of China and its implementing regulations came into effect. As the largest type of revenue in China, the legislation on value-added tax has been elevated from a "provisional regulation" to a "law", marking a crucial step forward in the process of tax legislation. Recently, the Ministry of Finance and the State Taxation Administration have issued a number of supporting policies, which will have a profound impact on enterprises' tax compliance, financial management and overall business strategies.

To help our clients grasp the key points of the new policy and comply with the changes of the new law, Brighture held the "2026 Online Tax and Finance Annual Conference" on Friday, February 6, 2026, from 10:00 to 11:00 a.m.

This year's annual meeting was presented by two senior accountants and tax agents from Brighture, focusing on the core provisions of the latest "Value-Added Tax Law" and the export rebate policy. They analyzed the actual impact and practical changes of the new regulations on business operations and financial and tax management, and provided forward-looking compliance guidance and feasible response strategies, thus helping enterprises smoothly adapt to the new law, consolidate the bottom line of compliance, and optimize business arrangements.

At the end of the meeting, the staff of Brighture took this opportunity to express their sincere gratitude to the clients and friends whose trust and support have always been enjoyed by us. We hereby send them New Year's greetings, wishing everyone a happy Spring Festival, soaring careers and a happy family in the Year of the Horse!



## Background:

A company that has been engaged in the mechanical trade for many years has long entrusted its daily financial and tax operation to a third-party bookkeeping company. Due to the agency's lack of understanding of the enterprise's business compounded by the enterprise's weak control, historical accounts have long been plagued by problems such as "inconsistency between books and actual inventory, and unclear creditor's rights and debts". The shareholders' meeting resolved to distribute the annual profits, but in the face of the "ambiguous financial statements" issued by the bookkeeping company, the shareholders were divided on "exactly how much profit is available for distribution". Under such a circumstance, the management urgently need a financial statement that can stand up to scrutiny, which is also the cornerstone of shareholders' trust and the harmony of the enterprise.

The decision-maker of the enterprise learned through a friend that Brighture could provide professional financial and tax services, So he got in touch with us, hoping that we could review the past three years and issue financial statements that could be used for profit distribution.

## Service provided:

Upon commitment, we had in-depth communication with the decision-making level and promptly formed a special service team led by senior accountants to conduct "diagnostic" accounting in the enterprise. The service team first comprehensively reviewed the vouchers and other materials provided by the enterprise and found that there were three core problems with the original accounts: First, the cost accounting was chaotic; Second, the long-term outstanding receivables and payables have not been cleared, and the creditor-debtor relationship is ambiguous. Third, tax declaration is disconnected from accounting processing, greatly reducing the credibility of the data.

In response to these issues, the service team adhered to the principle of "respecting history, making compliant adjustments, and make clear presentation", and carried out a precise review: On the one hand, the recognition of revenue and the transfer of costs were reorganized to represent the true profit in accordance with the accounting standards for small business enterprises and accounting calculation norms; On the other hand, each transaction was checked and bank statements were verified.

During the process, the service team also took the initiative to communicate with the enterprise's responsible person and the original bookkeeping personnel to trace and verify the "controversial business" left over from history, thus ensuring the accuracy of the data and avoiding new conflicts caused by adjustments. We have issued a complete set of precise financial reports for the enterprise, including the "Balance Sheet, Income Statement, and Account Balance Statement", along with an "Accounting Review Report", detailing the adjustment items and their basis.

This "well-supported" report was quickly accepted by all shareholders, the profit distribution plan was smoothly passed, and the suspicion among shareholders due to poor accounting also dissipated.

## Friendly Reminder:

The value of accurate accounting goes far beyond "compliance". Internally, it serves as the "cornerstone of trust" for profit distribution and shareholder decision-making - clear data can make distribution fairer and prevent shareholder conflicts caused by "muddled accounts". Externally, it is an "invisible asset" of a company's reputation - whether in financing, cooperation or responding to regulation, true and reliable financial statements are the most solid "confidence" of an enterprise.

Brighture can provide accounting services for enterprises, restore the true situation of accounting, and offer precise data support for enterprise decision-making.



## **Kreston Global appoints new chair of Indirect Taxes Group**

Jan Slagter, senior tax manager and head of the VAT team at Bentacera, in the north of the Netherlands, has been appointed as Chair of Kreston's Global Indirect Tax Group (GITG). The GITG exists as part of the network's international tax service portfolio, helping to develop and grow expertise in this area across the network and enabling clients to access this important solution for their businesses.

### **GITG future**

Under Jan's leadership, Kreston Global aims to expand the group's reach and profile as significant changes to global trading patterns continue to occur, enabling the network to respond to a world of changing opportunities. As with the network's other major groups, this will be done by sharing indirect tax experience, both technical and commercial, as far as possible between member firms, to drive excellence and engagement.

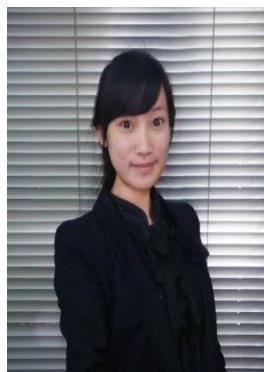
Kreston Global has three main global service line groups run by members and supported by the central HQ team: Tax, Audit, and Advisory. These groups house several subgroups, including Corporate Finance, Indirect Tax, Transfer Pricing, R&D Tax Credits and Internal Audit and Risk.

# Seniority as of Now



**Sweety Sun**  
Customer  
Development Dept.  
Intermediate  
Accountant  
- 18 Years

**Motto:**  
Strong will and joyful  
spirit



**Cindy Yuan**  
HR Legal Dept  
- 15 Years

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



**Candy Yu**  
VIP Customer Dept.  
Intermediate  
Accountant  
- 12 Years

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



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

**Motto:**  
Read yourself, surpass  
yourself, and please  
yourself

*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 Global, 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

We provide domestic and foreign enterprises with financial, tax, legal, audit and business services leveraging our 23 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 Global which is the 13<sup>th</sup> largest accounting network in the world.

**Contact Us**

Shanghai Office, China  
Room 1612, Tomson Financial Tower, 710 Dongfang  
Road, Pudong New District  
Tel: +86-21 6876 9886  
E-mail: cpash@brighture.com



Qingdao Office, China  
Room 602, Building A, Fulin Building, No.87, Fuzhou  
South Road, Shinan District  
Tel: +86-532 8597 9808  
E-mail: cpaqd@brighture.com



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