

China Tax Center China Tax & Investment Express

*China Tax & Investment Express (CTIE)** brings you the latest tax and business announcements on a weekly basis. We selected some comparatively key announcements to provide for a synopsis and we also provide a link that leads you to the full content of each latest announcement (in Chinese). Please feel free to contact your EY client service professionals for further assistance if you find the announcements have an impact on your business operations.

CTIE does not replace our *China Tax & Investment News** which will continue to be prepared and distributed to provide more in-depth analyses of topical tax and business developments in China.

*If you wish to access the previous issues of *CTIE* and *China Tax & Investment News*, please contact us.

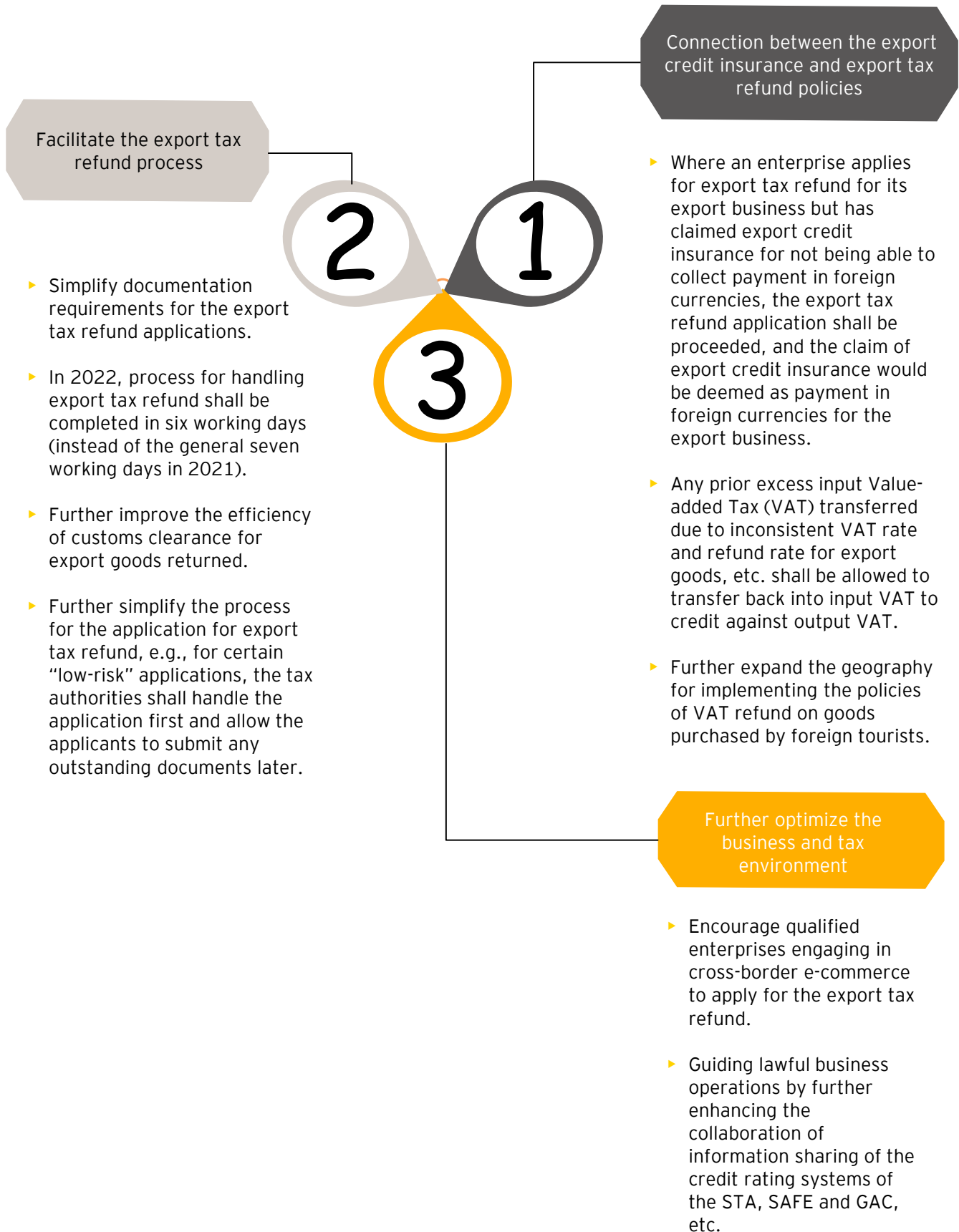
Tax circulars

- ▶ **Notice regarding further enhancing the support for export tax refund and promoting the steady development of foreign trade (Shuizonghuolaofa [2022] No. 36)**
- ▶ **Public notice (PN) regarding matters related to further facilitating export tax refunds and promoting the steady growth of foreign trade (STA PN [2022] No. 9)**

Synopsis

To promote the stabilization of import/export business and ease the pressure of foreign trade enterprises, 10 central government authorities, including the Ministry of Finance (MOF), State Taxation Administration (STA), Ministry of Commerce, State Administration of Foreign Exchange (SAFE), and General Administration of Customs (GAC), etc. jointly announced Shuizonghuolaofa [2022] No. 36 ("Circular 36") on 20 April 2022.

Key features of Circular 36 include the following:



Further to Circular 36, the STA promptly released STA PN [2022] No. 9 (“PN 9) on 29 April 2022 to specify the detailed measures from implementation perspective of tax authorities, including the optimized export tax refund (exempt) management scheme, simplified documentation requirement for export tax refund, etc.

Relevant taxpayers are advised to read Circular 36 and PN 9 in detail and stay alert to any local implementation rules or guidance to be released. We will keep an eye on any further developments and advise you accordingly, please stay tuned.

You can click this link to access the full content of Circular 36:

<http://www.chinatax.gov.cn/chinatax/n377/c5174777/content.html>

You can click this link to access the full content of PN 9:

<http://www.chinatax.gov.cn/chinatax/n377/c5175044/content.html>

▶ **PN regarding the VAT exemption policy for courier services (MOF/STA PN [2022] No. 18)**

Synopsis

To support the prevention and control of epidemic, the MOF and STA jointly issued MOF/STA PN [2022] No. 18 (“PN 18”) on 29 April 2022, announcing that from 1 May 2022 to 31 December 2022, income from providing courier services to residents for necessary living supplies is exempted from VAT.

The specific scope of courier services shall be implemented in accordance with the “Notes on Sales Services, Intangible Assets, and Real Estate”, which is annexed to Caishui [2016] No. 36 (“Circular 36”, i.e., Notice regarding the final stage of the VAT pilot arrangements):

Courier services refer to the business activities of accepting entrustment by senders to accomplish the collection, sorting and delivery of correspondences and parcels within the promised timeframe. Among them, they are:

- ▶ Collection service refers to the business activities that service providers collect correspondences and parcels from senders, and deliver the same to the distribution center in the same city of the service providers.
- ▶ Sorting service refers to the business activities that service providers classify and distribute correspondences and parcels at their distribution centers.
- ▶ Delivery service refers to the business activities that service providers deliver correspondences and parcels from their distribution centers to recipients in the same city.

Courier service providers are advised to read PN 18 and Circular 36 for details so as to fully enjoy the tax exemption policy. If in doubt, consultations with professionals are always recommended.

You can click this link to access the full content of PN 18:

http://szs.mof.gov.cn/zhengcefabu/202204/t20220429_3807783.htm

You can click this link to access the full content of Circular 36:

<http://www.chinatax.gov.cn/chinatax/n359/c2138502/content.html>

▶ **PN issued by the Sichuan Provincial Tax Service, STA regarding the pilot program on fully-digitalized electronic invoices (Sichuan Provincial Tax Service, STA PN [2022] No. 4)**

Synopsis

To further expand the pilot program on fully-digitalized electronic invoices (hereinafter referred to as the “Pilot”), the Sichuan Provincial Tax Service, STA announced its PN [2022] No. 4 (“PN 4”) on 5 May 2022 according to the Opinions on further deepening the reform of tax collection and administration (hereinafter referred to as the “Opinions”).

Under the current practices, the pilot taxpayers in Shanghai, Guangdong Province (except for Shenzhen) and Inner Mongolia Autonomous Region may only issue fully-digitalized electronic invoices to other taxpayers within the respective pilot areas, e.g., pilot taxpayers in Inner Mongolia Autonomous Region may only issue fully-digitalized electronic invoices to other taxpayers under the administration of Inner Mongolia Autonomous Region Tax Service, STA.

According to PN 4, from 10 May 2022, pilot taxpayers in Shanghai, Guangdong Province (except for Shenzhen) and Inner Mongolia Autonomous Region shall be able to issue fully-digitalized electronic VAT special invoices/normal invoices and paper VAT special invoices/normal invoices to taxpayers in Sichuan Province via the E-invoice Service Platform.

Taxpayers in Sichuan Province may receive the abovementioned VAT invoices via the VAT Invoice Comprehensive Service Platform or email, Q&R code, etc.

As China aims to achieve the goal of implementing full digital e-invoices to cover all business sectors, transactions and elements by 2025, it is only a matter of time that the pilots shall be further expanded and eventually be implemented on a national basis. We will keep an eye on any further developments and advise you accordingly, please stay tuned.

You can click this link to access the full content of PN 4:

https://sichuan.chinatax.gov.cn/art/2022/5/5/art_320_683209.html

You can click this link to access the full content of the Opinions:

http://www.gov.cn/zhengce/2021-03/24/content_5595384.htm

Business circulars

- ▶ **2022 work highlights of the Standing Committee of the National People's Congress (NPC)**
- ▶ **2022 legislative work plan of the Standing Committee of the NPC**

Synopsis

On 5 and 6 May 2022, the Standing Committee of the NPC released the work highlights and legislative work plan for year 2022 respectively.

The 2022 work highlights and legislative work plan include continuing to improve the legal system of socialist market economy, formulating tax laws such as the Financial Stability Law, Energy Law, Futures and Derivatives Law, Tariff Law, etc., revising the Company Law, Administrative Reconsideration Law, Enterprise Bankruptcy Law, Anti-monopoly Law, etc., and carrying out special research to further adjust income distribution by improving the Individual Income Tax system, aiming to provide a solid legal basis for building a modern economic system.

It is worth noting that the Real Estate Tax Law is not mentioned in the work highlights and legislative work plan. We will keep an eye on any further developments and update you accordingly, please stay tuned.

You can click this link to access the full content of the work highlights:

<http://www.npc.gov.cn/npc/c30834/202205/e64d6514cc174f8787e53be2ca0e986c.shtml>

You can click this link to access the full content of the legislative work plan:

<http://www.npc.gov.cn/npc/c30834/202205/40310d18f30042d98e004c7a1916c16f.shtml>

Other tax, business and customs-related circulars publicly announced by central government authorities in the past week:

- ▶ **Notice regarding the "2022 Special Action Plan on Supporting the Development of Small and Micro-sized Market Entities" (Shuizongbannafufa [2022] No. 29)**
<http://www.chinatax.gov.cn/chinatax/n810341/n810825/c101434/c5175024/content.html>
- ▶ **2022 Regulations Formulation Plan of Tax Administration**
<http://www.chinatax.gov.cn/chinatax/n810214/n810606/c5174680/content.html>

- ▶ **Notice regarding the 2022 key tasks of government affairs disclosure (Guobanfa [2022] No. 8)**
http://www.mof.gov.cn/zhengwuxinxi/caizhengxinwen/202204/t20220424_3805058.htm
- ▶ **Notice regarding public opinions consultation on the “Regulations on the Export Control of Dual-use Items (Discussion Draft)”**
<http://tfs.mofcom.gov.cn/article/as/202204/20220403306817.shtml>
- ▶ **Notice regarding regulating tax intermediary services and promoting the steady development of the tax intermediary industry (Shuizongnafufa [2022] No. 34)**
<http://www.chinatax.gov.cn/chinatax/n810341/n810825/c101434/c5174824/content.html>
- ▶ **Opinions on further releasing consumption potential and promoting the sustainable recovery of consumption (Guobanfa [2022] No. 9)**
http://www.gov.cn/zhengce/content/2022-04/25/content_5687079.htm
- ▶ **PN regarding the provisional measures for handling relevant business after China acceding to the Hague Agreement (CNIPA PN [2022] No. 481)**
https://www.cnipa.gov.cn/art/2022/4/25/art_74_175158.html
- ▶ **Opinions on enhancing the collaborative protection of intelligent property rights (Guozhifabaozi [2022] No. 20)**
http://www.cnipa.gov.cn/art/2022/4/25/art_75_175160.html
- ▶ **Opinions on accelerating the high-quality development of the public fund industry (Zhengjianfa [2022] No. 41)**
http://www.gov.cn/zhengce/zhengceku/2022-04/27/content_5687452.htm
- ▶ **Notice regarding the “Development Plan of the Advertising Industry During the 14th Five-year Plan Period” (Guoshijianguangfa [2022] No. 47)**
http://gkml.samr.gov.cn/nsjg/gqjgs/202204/t20220426_343967.html
- ▶ **Policy measures for promoting the legalization and standardization of the electronic cigarette industry (trial)**
<http://www.tobacco.gov.cn/qjyc/tzgg/202204/ad5b664f7ef840c59f42808d2e2d98d6.shtml>
- ▶ **Notice regarding the pilot operation of national technology contract management and service system in certain provinces and cities**
<http://www.chinatorch.gov.cn/kjb/tzgg/202204/b71e842a86f846cc84c606fba4709f94.shtml>
- ▶ **The 2022 Legislative Plan of the State Administration for Market Regulation (Guoshijianfafa [2022] No. 50)**
https://gkml.samr.gov.cn/nsjg/fqs/202204/t20220427_344262.html
- ▶ **PN regarding the “Catalog of Non-transport Special Operations Vehicles Equipped with Fixtures That Are Exempt from Vehicle Purchase Tax” (fifth batch) (STA/MIIT PN [2022] No. 8)**
<http://www.chinatax.gov.cn/chinatax/n371/c5174988/content.html>
- ▶ **Notice regarding the revised “Administrative Measures of National Department and Reform Commission on Investment Consultation and Evaluation” (Fagaitouzigui [2022] No. 632)**
https://www.ndrc.gov.cn/xxgk/zcfb/ghxwj//202204/t20220428_1323652.html
- ▶ **Notice regarding exempting the foreign exchange derivative trading fees of inter-bank market for micro, small and medium-sized enterprises (Zhonghuijiaofa [2022] No. 120)**
<https://www.chinamoney.com.cn/chinese/rdgz/20220427/2358977.html#cp=rdgz>
- ▶ **Notice regarding matters related to global systemically important banks’ issuance of total loss-absorbing capacity non-capital bonds (Yinfa [2022] No. 100)**
<http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=1049377>

- ▶ **Guiding opinions on improving the supervision of listed companies after delisting (CSRC PN [2022] No. 31)**
<http://www.csrc.gov.cn/csrc/c101954/c2381210/content.shtml>
- ▶ **PN regarding public opinions consultation on the “Administrative Measures for the Internal Control of Wealth Management Companies (Discussion Draft)”**
<http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=1049428>
- ▶ **PN regarding matters related to the implementation of the “Regional Comprehensive Economic Partnership (RCEP) Agreement” for Myanmar (GAC PN [2022] No. 36)**
<http://www.customs.gov.cn/customs/302249/2480148/4322398/index.html>
- ▶ **PN adjusting the sample enterprises for China’s foreign trade export index survey (GAC PN [2022] No. 35)**
<http://www.customs.gov.cn/customs/302249/2480148/4324119/index.html>
- ▶ **PN regarding applying the preferential tariff rates under the RCEP Agreement to certain imported goods originated from Myanmar (Customs Tariff Commission PN [2022] No. 5)**
http://gss.mof.gov.cn/gzdt/zhengcefabu/202204/t20220427_3806422.htm
- ▶ **PN regarding adjusting import tariffs of coal (Customs Tariff Commission PN [2022] No. 6)**
http://gss.mof.gov.cn/gzdt/zhengcefabu/202204/t20220428_3807196.htm



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