



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 circular

- ▶ **Notice issued by Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen regarding the work arrangement related to the 2023 assessment of industries for Corporate Income Tax (CIT) preferential treatment purposes**

Synopsis

Pursuant to Caishui [2021] No. 30 ("Circular 30", i.e., Notice regarding continuously implementing the preferential CIT policies in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone ("Qianhai")) and Shengqianhaigui [2022] No. 4 ("Circular 4", i.e., Notice issued by Authority of Qianhai regarding the "Guidelines of Qianhai for the Recognition of Industries Eligible for Preferential CIT Policies"), on 30 June 2023, Authority of Qianhai issued a work arrangement related to the 2023 assessment of industries for CIT preferential treatment purposes (hereinafter referred to as "2023 Work Arrangement") to specify the procedures and detailed documentation requirements for further determination of enterprises' eligibilities (hereinafter referred to as "further determination").

According to the 2023 Work Arrangement, enterprises established in Qianhai that have already applied the reduced CIT rate of 15% and are listed in Attachment III of the 2023 Work Arrangement are subject to further determination.

The enterprises under further determination should prepare the required supporting documents as specified in Attachments II, IV and V of the 2023 Work Arrangement and submit the same online by 28 July 2023. Enterprises that fail to complete the online submission within the prescribed timeline would be considered disqualified.

Of note, the departments responsible for the further determination may arrange a defense session with the presence of the enterprises. In this respect, the enterprises may arrange for personnel who are familiar with the enterprises' business operations, management, finance, compliance, legal, and technical aspects to attend the defense session.

Relevant enterprises should act promptly to get the relevant supporting documents ready before the due date and prepare for the potential defense session to be arranged by the relevant departments. If any questions, consultations with professionals are always recommended.

You can click this link to access the full contents of 2023 Work Arrangement:

http://www.sz.gov.cn/cn/xxgk/zfxxgj/tzgg/content/post_10683501.html

You can click this link to access the full contents of Circular 30:

<https://shenzhen.chinatax.gov.cn/sztax/zcwj/zxwj/202107/f3b8d885725647328f9b6cd83628e93e.shtml>

You can click this link to access the full contents of Circular 4:

http://qh.sz.gov.cn/sygnan/xxgk/xxgkml/zcfg/gfxwj/content/post_9769641.html

Business circulars

- ▶ **Notice regarding the pilot launch of certain measures aligned with high-level global economic and trade rules to advance institutional opening-up of pilot free trade zones (PFTZs) and free trade ports (FTP)** (Guofa [2023] No. 9)

Synopsis

To promote high-quality development and gradually expand institutional opening-up, on 1 June 2023, the State Council issued a notice regarding the pilot launch of certain measures aligned with high-level global economic and trade rules to advance institutional opening-up of PFTZs and FTPs (hereinafter referred to as the "Measures") to launch a pilot in qualified PFTZs in Shanghai, Guangdong, Tianjin, Fujian and Beijing as well as Hainan FTP.

The Measures focus on pilot measures in six aspects, i.e., trade in goods, trade in services, temporary entry of business personnel, digital trade, business environment, and risk prevention and control.

Notably, it is stated in the Measures that the innovative development of trade in goods shall be further promoted, which include:

- ▶ Conduct pilot for imports of re-manufactured products of key industries.
- ▶ Aircraft and vessels that are temporarily exported for repairs and subsequently re-entered in Hainan FTP are exempt from Customs Duty (CD).
- ▶ Exemption of CD and import level Value-added Tax and consumption tax for certain temporarily import goods.

Also, it is reiterated in the Measures that the consistent policies shall be applied to both domestic and foreign-owned financial institutions in terms of conducting relevant financial services, etc.

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 contents of Measures:

https://www.gov.cn/zhengce/content/202306/content_6889026.htm

► **Joint Statement between the People's Republic of China (PRC) and New Zealand on the Comprehensive Strategic Partnership**

Synopsis

On 28 June 2023, the PRC and New Zealand issued a Joint Statement (hereinafter referred to as the "PRC-New Zealand Joint Statement").

According to the PRC-New Zealand Joint Statement, both countries agree to strengthen cooperation in the fields of food safety, agriculture, customs and trade facilitation, technological innovation, and law enforcement based on recent diplomatic, economic, and defense dialogues.

It is also worthy to note that, both countries emphasize cooperation within the framework of the Regional Comprehensive Economic Partnership (RCEP) agreement. New Zealand welcomes China's application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). In addition, New Zealand also welcomes China's participation in the ongoing in-depth discussions of the working group of the Digital Economy Partnership Agreement.

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 contents of the PRC-New Zealand Joint Statement:

https://www.gov.cn/govweb/yaowen/liebiao/202306/content_6888796.htm

► **Joint Press Statement between the PRC and Socialist Republic of Vietnam (Vietnam)**

Synopsis

On 29 June 2023, the PRC and Vietnam issued a Joint Press Statement (hereinafter referred to as the "PRC-Vietnam Joint Press Statement").

According to the PRC-Vietnam Joint Press Statement, both countries agree to actively promote the alignment of their development strategies and accelerate high-quality cooperation in jointly building the Belt and Road Initiative. In addition, both countries will strengthen connectivity through border highways and railways to establish a diversified, efficient, and robust logistics corridor system, expedite the upgrading and interconnection of ports, and accelerate the integration and development of industrial and supply chains. Both countries will enhance exchanges and mutual learning between state-owned enterprises and actively explore strengthened cooperation in the critical minerals sector through bilateral and multilateral channels. Vietnam will continue to provide a favorable business environment for Chinese enterprises to invest and operate in Vietnam.

On the other hand, both countries will effectively implement the RCEP agreement, and Vietnam will support China's accession to the CPTPP.

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 contents of the PRC-Vietnam Joint Press Statement:

https://www.gov.cn/yaowen/liebiao/202306/content_6889109.htm

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

► **Guidelines on Six Types of Verification Services for the Annual CIT Filing (Trial) (Zhongshuixiefa [2023] No. 29)**

<https://www.cctaa.cn/info/19000>

- ▶ **Public notice (PN) regarding a catalog of invalid/abolished tax-related regulatory documents (STA PN [2023] No. 10)**
<http://www.chinatax.gov.cn/chinatax/n810341/n810825/c101434/c5205533/content.html>
- ▶ **Guiding opinions on deepening the bond registration system reform (CSRC PN [2023] No. 46)**
<http://www.csrc.gov.cn/csrc/c101954/c7415451/content.shtml>
- ▶ **PN regarding extending the implementation period of certain policies related to domestic waterway transport (MOT PN [2023] No. 31)**
https://xxgk.mot.gov.cn/2020/jigou/syj/202306/t20230621_3850797.html
- ▶ **Measures for the Supervision and Rating of Finance Company of Enterprise Group**
<http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=1114483>
- ▶ **Audit report on the central budget implementation and other fiscal revenues and expenditures in 2022**
<https://www.audit.gov.cn/n5/n26/c10338025/content.html>
- ▶ **Notice regarding public opinions consultation on the "Notice Regarding Improving Comprehensive Supervision System to Promote the Development of Commercial Franchise Business (Discussion Draft)"**
<http://fms.mofcom.gov.cn/article/tongjiziliao/202306/20230603418204.shtml>
- ▶ **Regulations of the PRC on the Radio Frequency Division (MIIT Order [2023] No. 62)**
https://wap.miit.gov.cn/gyhxxhb/jgsj/cyzcyfgs/bmgz/wxdl/art/2023/art_1e98823e689f42ca9ed14dcb6feec07a.html
- ▶ **Foreign Relations Law of the PRC (Chairman Order [2023] No. 7)**
<http://www.npc.gov.cn/npc/c30834/202306/d4a1d80fd2764a7ca3c57387cf17109d.shtml>
- ▶ **Interim report on the temporary adjustment of the application of certain laws and regulations in the China (Hainan) PFTZ**
<http://www.npc.gov.cn/npc/c30834/202306/111105d4e7fb4ff1ac2cf523e04e94a9.shtml>
- ▶ **PN regarding implementing the mutual recognition of "Authorized Economic Operator (AEO)" between the Customs of China and Costa Rica (GAC PN [2023] No. 74)**
<http://www.customs.gov.cn/customs/302249/2480148/5119062/index.html>
- ▶ **PN regarding matters related to the administration of bonded warehouses and export supervised warehouses (GAC PN [2023] No. 75)**
<http://www.customs.gov.cn/customs/302249/2480148/5128124/index.html>
- ▶ **PN regarding the adjustments to the classification of certain import and export commodities (GAC PN [2023] No. 76)**
<http://www.customs.gov.cn/customs/302249/2480148/5128389/index.html>
- ▶ **Notice regarding public opinions consultation on the "PN regarding certain matters related to the voluntary disclosure of violations (Discussion Draft)"**
<http://www.customs.gov.cn/customs/302452/302329/zjz/5128347/index.html>

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