

GARRIGUES

TAX CHINA

JUNE 2016



NAME	DATE OF EFFECTIVENESS	GARRIGUES INSIGHT
<p>关于在内地使用香港居民身份证有关问题的公告/ Announcement on Issues concerning Certificates of Resident Status under Arrangement between Mainland and Hong Kong for Avoidance of Double Taxation Specified</p>	15/04/2016	<p>The Announcement is aimed to simplify the execution procedures for the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "Arrangement").</p> <p>According to the Announcement, a Certificate of Resident Status issued by the Hong Kong competent authority to a Hong Kong resident for a particular calendar year serves as a proof of the Hong Kong resident status of the Hong Kong resident for that calendar year and the two succeeding calendar years. Where there are changes in the Hong Kong resident's circumstances such conditions for enjoying tax benefits under the Arrangement are no longer met, said issued Certificate of Resident Status cannot serve as a proof of the Hong Kong resident status after the changes.</p>
<p>关于印发《国家税务局 地方税务局联合稽查工作办法（试行）》的通知/ Measures for the Joint Inspection Work of State and Local Taxation Bureaus</p>	06/06/2016	<p>According to the Measures, state and local taxation bureaus shall work together to establish a daily liaison, consultation and notification system for joint inspection work, and shall, based on the establishment of a list of the objects subject to spot check for tax inspection, cooperate with each other in establishing and maintaining a list of taxpayers under common jurisdiction. Meanwhile, the Measures provide that a state taxation bureau or local taxation bureau shall, select the joint on-site inspection objects to prevent repeated inspections led by different departments, and shall determine the taxpayers under common jurisdiction as the joint on-site inspection objects if they fall under any of the six circumstances including "key tax sources for both the state and local taxation bureau". In addition, the Measures emphasize that when conducting tax inspection on industrial, regional and group enterprises, the state and local taxation bureaus shall prepare an outline for joint inspection to direct the relevant work.</p>
<p>关于《中华人民共和国和德意志联邦共和国对所得和财产避免双重征税和防止偷漏税的协定》及议定书生效执行的公告/ Announcement on the Entry into Force of the Agreement between the People's Republic of China and the Federal Republic of Germany for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Property and the Protocol (Implementation)</p>	06/04/2016	<p>The Announcement states that the Agreement between the People's Republic of China and the Federal Republic of Germany for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Property and the Protocol (the "Agreement") were signed officially on March 28, 2014 in Berlin. China and Germany have completed respective domestic legal procedures necessary for the entry into force of the Agreement. The Agreement shall enter into force as of April 6, 2016 and apply to the income obtained on and after January 1, 2017.</p>

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<p>关于进一步明确全面推开营改增试点有关再保险 不动产租赁和非学历教育等政策的通知/ Circular on Further Clarifying Policies on Reinsurance, Real Estate Leasing and Non-diploma Education in Comprehensively Promoting the Pilot Collection of Value-added Tax in Lieu of Business Tax Circular on Comprehensively Promoting the Reform of Resource Tax</p>	01/05/2016	<p>The Circular prescribes that:</p> <p>First, in respect of reinsurance service, the reinsurance services provided by domestic insurance companies to overseas insurance companies solely for overseas consumption are exempted from value-added tax ("VAT").</p> <p>Second, in respect of the service of operating lease of real estate, a general taxpayer in a real estate development enterprise which leases out an old self-developed real estate project shall choose to apply the simple tax calculation method and be subject to tax payable at a rate of 5%; a general taxpayer in a real estate development enterprise, which leases out a real estate project that is developed on its own after May 1, 2016 and not located in the county (city) where the institution is located, shall prepay tax at a rate of 3% in the location of the real estate before making tax declaration with the competent tax authorities of the location of the institution; a small-scale taxpayer in a real estate development enterprise which leases out a self-developed real estate project shall be subject to tax payable at a rate of 5%.</p>
<p>关于发布修订后的《资源税纳税申报表》的公告/ Announcement on Promulgating the Revised Resource Tax Returns</p>	01/07/2016	<p>According to the Announcement, the State Administration of Taxation revises the original resource tax returns with the Resource Tax Return, the Schedule I to the Resource Tax Return (applicable to tax items for crude ore), the Schedule II to the Resource Tax Return (applicable to tax items for concentrate) and the Schedule III to the Resource Tax Return (details of tax exemption and reduction) are respectively issued.</p>

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