

GARRIGUES

TAX CHINA

SEPTEMBER 2016



NAME	DATE OF EFFECTIVENESS	GARRIGUES INSIGHT
<p>关于营改增试点若干征管问题的公告/ Announcement on Several Collection and Administration Issues concerning the Pilot Program of Value-added Tax in lieu of Business Tax ("Announcement")</p>	01/09/2016	<p>According to the Announcement, four categories of services provided by foreign entities or individuals, such as postal services and receiving and sending services provided outside the territory for exported letters and parcels, shall not be deemed as selling services or intangible assets within the territory. Where individuals lease their immovable property by collecting the total rent in full on a one-off basis, the monthly rent, resulted from averaging the rent collected according to the rental period, is qualified for the value-added tax ("VAT") exemption policy applicable to small and micro enterprises, if such monthly rent income is not higher than CNY30,000.</p> <p>The Announcement also specifies the implementation of single-purpose commercial pre-paid card business that neither enterprises issuing the single-purpose cards or those selling such cards, nor the advance payments in such cards topped up by card users shall be subject to VAT. Sellers of such cards may issue the ordinary VAT invoices rather than the special VAT invoices to card purchasers and persons who top cards up according to the relevant provisions of the Announcement.</p>
<p>关于修订个体工商户税收定期定额征收管理文书的公告/ Announcement on Documents regarding the Regular and Fixed-sum Tax Collection on Individually Owned Business Revised ("Announcement")</p>	01/10/2016	<p>The Announcement specifies that where tax authorities apply the method of regular and fixed-sum tax collection to individually owned business subject to the pilot program of value-added tax in lieu of business tax, the tax authorities shall use the Fixed-sum Information Collection Form for Individually Owned Business (applicable to taxpayers under the pilot program of value-added tax in lieu of business tax) to gather taxpayers' information; additional form templates are presented with such collection information as the total investment amount, operating areas, total amount for invoices monthly issued, annual rental of the real property and others; the original information collection form for business tax payers shall be repealed simultaneously.</p>
<p>关于供热企业增值税 房产税 城镇土地使用税优惠政策的通知/ Circular on Preferential Policies of Value-added Tax, Real Estate Tax and Urban Land Use Tax for Heating Supply Enterprises ("Circular")</p>	24/08/2016	<p>The Circular shall apply to heating supply enterprises in Northeast regions, North China and Northwest regions.</p> <p>It stipulates that: 1. Heating fees charged by heating supply enterprises that supply heat to resident individuals, are exempted from value-added tax (VAT) for the period from January 1, 2016 to the end of the heating period of 2018; and 2. For heating supply enterprises that supply heat to residents and charge heating fees therefrom, the plants and lands used by them for the purpose of heat supply to residents shall be exempted from real estate tax and urban land use tax from January 1, 2016 to December 31, 2018, while other plants and lands used by such heating supply enterprises shall be subject to real estate tax and urban land use tax according to relevant provisions.</p>

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<p>关于纳税人申请代开增值税发票办理流程的公告/ Announcement on the Handling Procedures for Taxpayers to Apply for Issuance of VAT Invoices on Their Behalf ("Announcement")</p>	15/11/2016	<p>According to the Announcement, the following steps shall be followed in the taxpayer service halls where local tax bureaus entrust local offices of the SAT to collect taxes on their behalf:</p> <p>The first step is to submit the Tax Return for Value-Added Tax ("VAT") Invoice Issued on Behalf of Taxpayers, identity card and its photocopy or a business license marked with unified social credit code, as well as the identity card of the handling person and the photocopy at the designated windows of the taxpayer service halls of the SAT offices.</p> <p>The second step is to declare and pay VAT and other taxes at the same window.</p> <p>The third step is to obtain the invoices at the same window. In the taxpayer service halls under the collaboration of local tax bureaus and local offices of the SAT, the following steps shall be followed: (a) submit the Tax Return for Value-Added Tax Invoice Issued on Behalf of Taxpayers, identity card and the photocopy or a business license marked with unified social credit code, and the identity card of the handling person and its photocopy at the designated windows for the SAT in the taxpayer service halls; (b) pay VAT at the same window; and (c) declare and pay relevant taxes at designated windows for local tax bureaus.</p> <p>The final step is to obtain the invoices by presenting the proof of tax payment at the designated windows for the SAT.</p>
<p>国家税务总局关于物业管理服务中收取的自来水水费增值税问题的公告/ SAT Announcement concerning the VAT of Tap-Water Charges Collected by Property Management Services ("Announcement")</p>	19/08/2016	<p>The issues concerning the value added tax of tap-water charges collected by the property management services are hereby announced as follows:</p> <p>The taxpayers, who provides property management services and collects tap-water charges from the service recipient, may determine the revenue as the balance after deducting the tap' water charges, which are subject to a three percent VAT rate in accordance with the simple calculation method.</p> <p>This announcement shall come into force as of the date of promulgation. No adjustments shall be made in connection with the matters that have occurred and have been handled after May 1, 2016; the matters not yet dealt with will be handled in accordance with the provisions of this announcement.</p>

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<p>国家税务总局关于优化完善增值税发票选择确认平台功能及系统维护有关事项的公告/ Announcement of the SAT on Matters relating to the Optimization and Improvement of Functions of VAT Invoice Selection and Confirmation Platforms and System Maintenance (“Announcement”)</p>	01/09/2016	<p>The Announcement stipulates as follows:</p> <p>I. A taxpayer may log on the VAT invoice selection and confirmation platform of his province to inquire, select or confirm the information of the VAT invoice for declaration of credits or export rebates.</p> <p>II. Service providers of the VAT control system are responsible for maintaining the taxpayer-end system of the VAT invoice selection and confirmation platforms.</p> <p>III. This Announcement shall come into force as of September 1, 2016. Article 1 of the Announcement of the SAT on Matters relating to the Optimization and Improvement of Functions of VAT Invoice Inquiry Platforms (Announcement of the SAT [2016] No.32) is simultaneously repealed.</p>
<p>关于完善股权激励和技术入股有关所得税政策的通知/ Circular on Improving the Income Tax Policies relating to Equity Incentives and Technology Shares (“Circular”)</p>	01/09/2016	<p>The Circular makes adjustments to the tax policy on equity incentives by stipulating that taxpayers will be temporarily exempted from taxation when they exercise their stock/ equity options, when the restrictions on the restricted stocks held by them lapse, or when they receive share awards. Instead, they will be taxed in a lump-sum when they transfer the same equity, at a flat tax rate of 20% in the future, which has been reduced by 10 to 20 percent from the previous rate.</p> <p>The Circular also makes adjustments to the tax policy on technology invested as capital stock by stipulating that where enterprises or individuals opt to apply the deferred tax policy to their investments of technology as capital stock, they will be exempted temporarily from taxation for the current period when such investments are made and will be allowed to defer tax payment until their transfer of such technology shares. The income tax is calculated based on the income obtained from share transfer minus the original value of the technology and minus reasonable tax fees.</p> <p>The Circular also sets forth seven restrictive conditions for equity incentive plans benefiting from the preferential deferred tax policy.</p>
<p>关于《关于修订〈中华人民共和国政府和爱沙尼亚共和国政府关于对所得避免双重征税和防止偷漏税的协定〉的议定书》生效执行的公告/ Announcement on the Effectiveness of the Protocol Amending the Agreement between the Government of the People’s Republic of China and the Government of the Republic of Estonia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (“Announcement”)</p>	18/12/2015	<p>The Announcement defines the Protocol Amending the Agreement between the Government of the People’s Republic of China and the Government of the Republic of Estonia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the “Protocol”). Both China and Estonia have completed respective domestic legal procedures necessary for the effectiveness of the Protocol. The Protocol applies to income obtained on January 1, 2016 and thereafter.</p> <p>The text of the Protocol has been published on the website of the State Administration of Taxation.</p>

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<p>关于车辆购置税征收管理有关问题的补充公告/ Supplementary Announcement of the State Administration of Taxation on Issues concerning the Administration of Vehicle Purchase Tax Collection (“Supplementary Announcement”)</p>	01/10/2016	<p>According to relevant provisions of the Administrative Measures for Vehicle Purchase Tax (“VPT”) Collection (published by Order No. 33 and revised by Order No. 38 of the State Administration of Taxation, hereinafter referred to as these “Measures”), the Supplementary Announcement is hereby released as follows:</p> <p>I. The Supplementary Announcement specifies the documents required by referring to the Taxpayer Identity Certificate, Vehicle Price Certificate and Vehicle Conformity Certificate as mentioned in Article 7 of the Measures.</p> <p>II. The Supplementary Announcement also explicitly states the detailed documents required for VPT collection and administration.</p> <p>III. The useful life of a vehicle that becomes ineligible for tax exemption as mentioned in Item 7 of Article 9 of the Measures shall be determined from the date of the first time tax filing to the date on which the vehicle becomes ineligible for tax exemption (for example, the issuing date of used vehicle invoice, or the date that the purpose of using the tax-exempted vehicle is changed).</p> <p>V. Competent tax authorities shall perform tax exemption and refund procedures according to the Tax-exempt Catalogue issued by the State Administration of Taxation for non-transport vehicles with fixed devices that are eligible for tax exemption but have been levied tax. The taxpayer shall fill out the VPT Refund Application Form (Appendix 4) and provide the required materials to perform the tax refund procedure.</p> <p>VI. Other detailed documents are required for overseas students returning to China who purchases domestic vehicle for self-use and applies for tax exemption.</p> <p>VII. If a vehicle is returned to the manufacturer or the dealer as provided in Article 17 of the Measures and the taxpayer has applied for tax refund, the tax-paid term of the vehicle shall be determined from the date on which the taxpayer files the tax return to the date that the vehicle is returned (i.e. the issuing date of the red-letter invoice).</p> <p>VIII. This Announcement shall come into force as of October 1, 2016. The Articles 4, 5, 13, 14, 16 and Appendices 1, 2, 3 and 4 of the Announcement of the State Administration of Taxation on Issues concerning the Administration of Vehicle Purchase Tax Collection (Announcement of the State Administration of Taxation [2015] No. 4) shall be abolished at the same time.</p>

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