

GARRIGUES

TAX CHINA

JULY 2016



NAME	DATE OF EFFECTIVENESS	GARRIGUES INSIGHT
<p>国家税务总局关于修订土地增值税纳税申报表的通知/ Circular of the State Administration of Taxation on Revising the Land Valued-added Tax Returns</p>	07/07/2016	<p>The State Administration of Taxation (“SAT”) has recently issued the Circular on Revising the Land Valued-added Tax Returns (the “Circular”).</p> <p>The Circular specifies: 1. an additional form is required, namely the Registration Form of Land Value-added Tax Items; and 2. revisions to the land value-added tax returns, including: (1) adding the column of “fees collected on behalf of others” into Form II and Form V of the Land Value-added Tax Returns; and (2) modifying the names of income items, by adding the data column of “deemed sales revenue” into Form I of the Land Value-added Tax Returns, as well as adjusting the column of income from transfer in Form II, Form IV, Form V and Form VI of the Land Value-added Tax Returns and adding the indicator of “deemed sales revenue”.</p>
<p>国家税务总局关于优化《外出经营活动税收管理证明》相关制度和办理程序的意见/ Opinions of the State Administration of Taxation on Optimizing the Relevant System and Handling Procedures for Certificates of Tax Administration for Outbound Operation Activities</p>	06/07/2016	<p>The State Administration of Taxation (“SAT”) has recently issued the Opinions on Optimizing the Relevant System and Handling Procedures for Certificates of Tax Administration for Outbound Operation Activities (the “Opinions”).</p> <p>The Opinions specify: 1. Innovation in the system for Certificates of Tax Administration for Outbound Operation Activities (the “Certificates”) includes improving the definition of the issuance scope, exploring the informatization of tax administration for outbound operations, and extending the validity periods of the Certificates held by taxpayers in the construction and installation industry. The Opinions clarify that a Certificate shall be issued in accordance with the Opinions where a taxpayer conducts operations across jurisdictions of different provincial tax authorities; and whether to issue a Certificate shall be determined by the relevant provincial tax authority at its own discretion when a taxpayer conducts operations across counties (cities) within its jurisdiction. 2. Optimization of the handling procedures for the Certificates covers matters such as issuance, submission for verification and registration, and cancellation. According to the Opinions, a taxpayer engaged in production or operation activities shall, before starting its outbound production or operation, have a Certificate issued by the competent tax authority, and the tax authorities shall issue the Certificates according to the principle of “one Certificate for one place”.</p>

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<p>国家税务总局关于个人保险代理人 税收征管有关问题的公告/ Announcement of the State Administration of Taxation on the Issues concerning the Levying and Administration of Taxes Payable by Individual Insurance Agents</p>	07/07/2016	<p>Recently, the State Administration of Taxation (“SAT”) has promulgated the Announcement on Issues concerning the Levying and Administration of Taxes Payable by Individual Insurance Agents (the “Announcement”) for implementation as of the date of promulgation.</p> <p>The Announcement mainly stipulates that: 1. Regarding the value added tax (VAT) and tax surcharges (including urban maintenance and construction tax, education tax surcharge and local education tax surcharge) payable by an individual insurance agent for his/her insurance agent services to an insurance company, the tax authority may entrust the insurance company to collect taxes from the individual insurance agent; for the individual income tax payable by an individual insurance agent regarding his/her rendering of insurance agent service to an insurance company, the insurance company may withhold taxes on behalf of the individual insurance agent in accordance with the prevailing provisions under the law; 2. an individual insurance agent shall calculate the individual income tax on the basis of the commission income gained by himself/herself less local tax surcharges and business expansion costs in accordance with the provisions; 3. an insurance company may apply, on behalf of individual insurance agents, to the competent tax authority for the issuance of VAT invoices; 4. an insurance company shall provide the detailed list to the competent tax authority when applying for the issuance of VAT invoices on behalf of individual insurance agents.</p>
<p>国家税务总局关于部分地区开展住 宿业增值税小规模纳税人自开增值 税专用发票试点工作有关事项的 公告/ Announcement of the State Administration of Taxation on Matters relating to the Pilot Program for the Issuance of Special Value-added Tax Invoices by Small-scale Value-added Tax Payers in the Lodging Industry in Certain Regions</p>	01/08/2016	<p>Recently, the State Administration of Taxation (“SAT”) has issued the Announcement on Matters relating to the Pilot Program for the Issuance of Special Value-added Tax Invoices by Small-scale Value-added Tax Payers in the Lodging Industry in Certain Regions (the “Announcement”), effective from August 1.</p> <p>According to the Announcement, the scope of the pilot program covers small-scale value-added tax (VAT) payers in the lodging industry with monthly sales of CNY30,000 or more (or quarterly sales of CNY90,000 or more) in 91 cities nationwide. The Announcement provides: 1. Where the taxpayers under the pilot program need to issue special VAT invoices for the provision of accommodation services, sales of goods etc., they may do so on their own through the new management system for VAT invoices, and the competent SAT offices will no longer issue special VAT invoices on their behalf. 2. A single special VAT invoice shall be issued within a maximum amount of CNY10,000 as approved by the competent tax authorities. 3. when completing the VAT returns, the revenue of the special VAT invoices for the current period issued by the taxpayers under the pilot program shall be filled in in Columns 2 and Columns 5 of the VAT Returns (for small-scale taxpayers) by classifying into two tax rates, 3% and 5% respectively.</p>

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<p>国家税务总局关于设有固定装置非运输车辆免征车辆购置税有关事项的公告/ Announcement of the State Administration of Taxation on Matters relating to the Exemption of Vehicle Purchase Tax on Non-transport Vehicles with Fixed Devices</p>	01/08/2016	<p>Recently, the State Administration of Taxation (“SAT”) has issued the Announcement on Matters relating to the Exemption of Vehicle Purchase Tax on Non-transport Vehicles with Fixed Devices (the “Announcement”), effective from August 1.</p> <p>The Announcement defines “non-transport vehicles with fixed devices”. Where a taxpayer applies for tax exemption regarding non-transport vehicles with fixed devices, the competent tax authority shall, according to the catalog for tax exemption and relevant provisions, verify the vehicle pictures and related information provided by the taxpayer and handle the formalities for tax exemption. The Announcement specifies that as of the effective date of the Announcement, When producing (refitting) or importing six types of construction machinery (namely, excavators, motor graders, forklifts, shovel loaders, bulldozers and cranes) and the vehicles with no pictures shown in the catalog for tax exemption as provided by the Announcement, it is required to upload the information in accordance with the Announcement and present the pictures uniformly in the catalog for tax exemption.</p>
<p>国家税务总局关于发布修订后的《出口退（免）税企业分类管理办法》的公告/ Announcement of the State Administration of Taxation on Promulgating the Revised Administration Measures for the Classification of Enterprises Subject to Export Tax Refund (Exemption)</p>	01/09/2016	<p>Recently, the State Administration of Taxation has promulgated the revised Administration Measures for the Classification of Enterprises Subject to Export Tax Refund (Exemption) (the “Measures”) for implementation as of September 1, 2016.</p> <p>The Measures provide that for export enterprises under Category I, the evaluation criteria shall be formulated for production enterprises, foreign trade enterprises and foreign trade integrated service enterprises respectively; in particular, foreign trade enterprises shall meet seven requirements including “the classified administration rating of foreign exchange control is Grade A”. An export enterprise shall be evaluated as one under Category IV if it meets one of the nine circumstances including “newly established by the legal representative”. According to the Measures, the export enterprises under Category I shall be entitled to the preferential policies including the green channel (special service area) and the priority in handling export rebates, and any enterprise with the taxpaying credit rating of Grade A may also enjoy the joint incentives. In addition, when evaluating the administration category of enterprises, the state tax authorities shall make the evaluation based on its category level in the last year.</p>

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<p>国家税务总局关于红字增值税发票开具有关问题的公告/ Announcement of the State Administration of Taxation on Issues concerning the Issuance of Red-letter Value-added Tax Invoices</p>	01/08/2016	<p>Recently, the State Administration of Taxation (“SAT”) has issued the Announcement on Issues concerning the Issuance of Red-letter Value-added Tax Invoices (the “Announcement”), effective from August 1. The Announcement stipulates that, where a special red-letter value-added tax (“VAT”) invoice needs to be issued due to the return of goods sold, wrong invoices, suspension of taxable services or any other situations, which does not meet the conditions for invalid invoice, or due to the return of partial goods sold or sales allowance, after the ordinary VAT taxpayer has issued the special VAT invoice, the treatment methods are as follows: 1. if the buyer gets the special invoice and has used it for the purpose of declaring the deduction, the buyer may fill in, issue and upload the Information Table for Issuing Special Red-letter VAT Invoices (the “Information Table”) in the new system for VAT invoice management; 2. the competent tax authority receives the Information Table online and after such Table passes the automatic check by the system, the system produces an Information Table with the “Information Table Number of Red-letter Invoices”, and synchronizes the information to the taxpayer-end system; and 3. the seller issues the special red-letter invoice based on the Information Table which has passed the check by the system of the tax authority.</p>
<p>国家税务总局关于加强增值税税控系统管理有关问题的通知 Circular of the State Administration of Taxation on Issues/ concerning Strengthening the Administration of the Value-added Tax Tax-control System</p>	19/07/2016	<p>The State Administration of Taxation (“SAT”) has recently issued the Circular on Issues concerning Strengthening the Administration of the Value-added Tax Tax-control System (the “Circular”).</p> <p>According to the Circular, taxpayers who purchase integrated tax-control solutions in a centralized manner in the group headquarters may directly purchase special equipment for tax-control as needed from Aisino Corporation or the National Information Security Engineering Center or sales entities authorized by the said two entities. Sales entities shall ensure the quality and exact supply of special equipment for tax-control, and shall not shuffle, delay or refuse taxpayers’ purchase requirements for any reason. The Circular stipulates that no sales entity may designate any maintenance service provider of the value-added tax (“VAT”) tax-control system for taxpayers, or force taxpayers to accept the services; a service provider shall complete installation and commissioning within three working days after such installation is so requested by a taxpayer; sales entities and service providers are strictly forbidden to carry out the tie-in sale of equipment, software or other products in violation of the provisions or to collect fees other than those specified in the guise of various names.</p>

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<p>关于印发《关于对纳税信用A级纳税人实施联合激励措施的合作备忘录》的通知/ Circular of 41 Joint Incentive Measures Provided for Taxpayers with Class A Credit Rating</p>	08/07/2016	<p>Recently, 29 departments including the National Development and Reform Commission have jointly issued the circular to promulgate the Memorandum of Cooperation on the Implementation of Joint Incentive Measures for Taxpayers with Class A Credit Rating (the "Memorandum").</p> <p>According to the Memorandum, 41 joint incentive measures will be implemented for taxpayers with Class A credit rating in 18 fields including project management, tax services, financing credit, import and export. The Memorandum provides that a general taxpayer is allowed to obtain value-added tax ("VAT") invoices of three months at one stroke, and can adjust the quantity of VAT invoices immediately when such adjustment is needed; obtain plain invoices as required; if rated as Class A Enterprise in terms of export enterprise management when the conditions are met, and is entitled to the convenient service measures for export tax refund (exemption); general VAT payers may be exempted from VAT invoice certification. In addition, the Memorandum clarifies that enterprise credit information will serve as an important reference for the examination and approval of the establishment, change, engagement in the related business and other behaviors of the securities or fund management companies, futures companies and insurance companies.</p>

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