

# Contents

New Financial and Tax Policies

Service Cases

Brighture Salon

KRESTON News

Seniority as of now

*BRIGHTURE, 19 Years in financial and tax services*

## **Mission Statement :**

*Add value to clients by professionalism, be a respected financial consultant*

## **Vision :**

*Be a leader in financial service sector and a century business*

## **Values :**

*Always focus on the clients and serve them with professionalism, integrity and efficiency*



Shanghai



Qingdao

1. In order to support the small and micro enterprises and individual household businesses, **the State Administration of Taxation and the Ministry of Finance issued the Public Circular on the Preferential Income Tax Policies for Small and Micro Enterprises and Individual Household Businesses (Public Circular of MOF SAT No. 12, 2021)**, which stipulates:

- ① **For the annual taxable income of a small & low-profit enterprise that does not exceed RMB 1 million**, the corporate income tax shall be further halved (i.e., **the income tax burden is reduced to 2.5%**) on the basis of the preferential policies in Article 2 of the Circular of the State Administration of Taxation and the Ministry of Finance on Preferential Tax Relief Policy for Small and Micro Enterprises (CAISHUI [2019] No. 13);
- ② **For the annual taxable income of an individual household business that does not exceed RMB 1 million**, the individual income tax will be halved on the basis of the current preferential policies;
- ③ This Circular shall be effective from **January 1, 2021 to December 31, 2022**.

2. On April 26, 2021, the State Administration of Taxation and the Ministry of Finance issued the **Public Circular on Abolition of Tax Rebate for Export of Certain Iron and Steel Products (Public Circular of the SAT of MOF, No. 16, 2021)**, which stipulates:

**Effective May 1, 2021, tax rebates for 146 types of steel products will be abolished. The eligibility to this policy shall be subject to the date of export indicated on the customs declaration form.**

3. Subject to the Notice of the People's Government of Shandong Province about Policy List of "Six Stabilities" and "Six Guarantees" for Quality Development (Batch 2) (LZF [2021] No. 4), Qingdao Bureau of Finance, Qingdao Tax Bureau of the State Administration of Taxation issued the "Circular on Continuance of Urban Land Use Tax, Property Tax Relief Policies", which stipulates: **The period for small-scale VAT taxpayers to be**

**exempted from urban land use tax and property tax has been extended to December 31, 2021.**

4. In order to promote the quality development of advanced manufacturing industry, **the State Administration of Taxation and the Ministry of Finance issued the Public Circular on the Policy of Retained VAT Credit Rebate for Advanced Manufacturing Industry (Public Circular of the SAT of MOF No. 15, 2021)**, which stipulates:

- ① **Effective April 1, 2021**, taxpayers in advanced manufacture sector who **also meet the following conditions can apply to the competent tax authorities for the refund of the incremental retention tax credit** from May 2021 and subsequent tax return periods:

**The incremental retention tax credit is greater than zero;**

**Tax credit rating of A or B;**

**There is no fraud in tax rebate retention, export tax rebate or VAT invoice within 36 months prior to the application for the tax refund;**

**Has not been punished twice or more by tax authorities for tax evasion within 36 months prior to the application for the tax refund;**

**Has not enjoyed the policy of refund-upon-taxpaying and refund(rebate)-after-taxpaying since April 1, 2019.**

- ② **The incremental tax retention credit refers to the newly increased tax retention credit from the end of the period as of March 31, 2019.**

- ③ **Taxpayers in advanced manufacture sector who have received the VAT refund under this Circular shall not apply again for the policy of refund-upon-taxpaying and refund(rebate)-after-taxpaying.**







### Case of Financial and Taxation Services

**Background:** In January 2021, an accountant of an enterprise was going to take maternity leave, and there was no suitable candidate to take over her work. The management of the enterprise came to Brighture for help in the form of financial service outsourcing upon the recommendation of friends.

**The service provided:** Our financial and tax personnel promptly communicated with the executives and accounting personnel of the enterprise and had a detailed understanding of the situation of the enterprise. Therefore, they were able to take up the financial and tax operation of the enterprise and ensure the standardization and continuity of the accounting system during the maternity leave of the accountant.

### Friendly Reminder

Finance is an operation requiring highly on professionalism and consistence. When corporate financial personnel are on maternity leave, it is difficult to find professional personnel in a short time, let alone to train another one for the job internally in a short time.

In order to help enterprises solve these problems, Brighture launched finance and taxation outsourcing products to enable the accountants take maternity leave at ease while maintaining smooth financial and accounting operation of the company

The Brighture's 4<sup>th</sup> Salon for 2021 was held through direct broadcast from 19:00 to 20:00 on April 30, 2021 under the theme of **"Foreign trade business entity planning and risk prevention and control"**

The resource person for this event was Ms. Sweety, who has thirteen years' work experience in Brighture and is specialized in export duty rebate, business entity planning, merger and acquisition, liquidation and business deregistration.

The lecture covers four aspects, namely "current situation and development of foreign trade enterprises, foreign trade business entity planning and risk prevention and control, export tax rebate, foreign exchange management, relevant customs policies and risk prevention and control, and matters needing attention for import and export of special goods"

## **(1) Current situation and development of foreign trade enterprises**

In the first quarter of 2021, China's imports and exports of goods hit 8.47 trillion Yuan, up 29.2 percent year on year. According to WTO, the COVID-19 pandemic has ruined international trade in some commodities but boosted trade in others. The general trend of goods export in 2021 can be the industries with large demand base or rapid growth, such as daily necessities and protective products.

## **(2) Foreign trade business entity planning and risk prevention and control,**

① Registration of an export enterprise generally needs to go through 12 steps, and information should be carefully provided in each step, such as:

A: Company name: Chinese and English name should be consistent;

B: Business scope: Business scope is different with different types of enterprises; foreign trade and export enterprises should import and export of goods and technologies, while production-oriented export enterprises should also have categories of products produced;

C: Export tax refund and exemption record filing: ordinary production enterprises should adopt the method of tax rebate; ordinary foreign trade enterprises should adopt tax exemption / refund; small-scale enterprises should choose tax

exemption. Generally, an enterprise can only adopt one method of export tax refund/exemption filing.

## **(3) Export tax rebate, foreign exchange management, relevant customs policies and risk prevention and control**

① Conditions for goods export tax rebate:

A: It must be the export goods declared and left the country;

B: The description, quantity and unit on the input VAT special invoice must be the same as the customs declaration form;

C: Input VAT special invoice must be certified, and the "Tax Refund Box" on the invoice must be checked;

D: Input VAT special invoices obtained after February 1, 2011 must be stamped with the invoice seal of the invoicing party.

## **(4) Matters needing attention for import and export of special goods**

There are some matters needing attention when importing or exporting special goods. For example, the "domestic consignor" on the declaration form for export of non-medical masks is the name of the export company, and the "production and sales unit" should reflect the name of the downstream supplier. Only in the case of "double-consignee export" can the tax refund be declared successfully. Since the export non-medical masks has a long product name, it is recommended to communicate with the supplier about the description of the goods on the input invoice in advance, so that the export duty refund can be processed smoothly without hindrance caused by the product description, quantity and unit on the input invoice.

**As a professional service agency, Brighture can provide one-stop services covering business registration, and export tax refund and contract review in the operation of the business, so as to help enterprises prevent and control risks and enable them do business with peace of mind.**

## **The Preview of next Salon**

The 5<sup>th</sup> Brighture Salon in 2021

Theme: Analysis and interpretation of Cross-border E-commerce tax Policy

Time: May 28, 2021 from 7:00pm to 8:00pm

## Recent Events of Kreston

In order to promote the communication and cooperation among Kreston members, Kreston recently held the following activities:

1. To ensure the strong digital marketing standards required by international accounting firms and to keep clients' private information secure, Kreston recently reviewed the websites of all its member companies, correction requirements for members who do not meet the standards.

2. The next Koffee with Kreston is to celebrate International Human Resource Day on May 20th. Kreston will invite HR colleagues from all over the world to join and do some networking.

3. After listening to members' feedback and learning about their interests, Kreston renewed the license for the ICAEW training films. The content of the film is about False Assurance and Without Question, and these high quality videos and materials are available free of charge to all Kreston members until December 31, 2021.



4. A webinar on the impact of Brexit for the international tax structure, organized by the Kreston Global Tax Group, will be held via zoom from 1:00 p.m. to 2:30 p.m. London local time on May 12. The webinar will be hosted by Group leader Mark Taylor and will attract expert groups from different regions to participate.



**Sherry Xi**

Customer  
Development Dept.  
-11 Years

**Motto:**

Self-  
improvement,  
social  
commitment.



**Cherries Lan**

Chinese Dept.  
Intermediate  
Accountant  
-10 Years

**Motto:**

A simple road  
leads to  
enlightenment



**Rita Liu**

Customer  
Development Dept.  
-8 Years

**Motto:**

To err is human,  
to forgive, Devine.



**May Sun**

Chengyang AI Dept.  
-2 Years

**Motto:**

Erudition,  
integrity,  
good faith.



**Eva Liu**

Chengyang AI Dept.  
-1 Year

**Motto:**

Sincerity  
smooth the way  
to success.

*Brighture was incorporated at the beginning of 2003 and has been committed to provide domestic and foreign enterprises with financial outsourcing, legal, audit and business services. Our mission is to provide clients with high quality tax services and tailored solutions to meet their different needs, while building trust and long-term partnership with them.*

*In 2015, Brighture became a member of Kreston International, the 13<sup>th</sup> largest accounting network in the world. We not only provide services for domestic clients, but also provide resource docking and service assistance for other clients from all over the world based on our international vision and local resources.*

**Scope of services**

**Financial and taxation services:** Perennial fiscal and tax consultation, fiscal and tax outsourcing, tax planning, export duty rebate, merger and reorganization, transfer pricing, tax training

**Legal services:** Daily legal consultation, legal due diligence, contract review, compliance review, intellectual property protection, labor relations

**Audit services:** internal control audit, financial statement audit, fiscal and tax due diligence, asset evaluation, capital verification

**Business services:** registration of domestic and foreign-funded enterprises, change of registration items, enterprise liquidation and cancellation, personnel outsourcing

**Contact Us**

Shanghai Office, China  
Room 1612, Tomson Financial Tower, 710 Dongfang Road,  
Pudong New District  
Tel: +86-21 6876 9886  
E-mail: cpash@brighture.com



**Qingdao Office, China**

Room 602, Building A, Fulin Building, No.87, Fuzhou South  
Road, Shinan District  
Tel: +86-532 8597 9808  
E-mail: cpaqd@brighture.com



**Disclaimer:** The information contained herein is for reference only, please refer to the relevant laws, bylaws and judgment made by local administrative authorities.

We provide domestic and foreign enterprises with financial, tax, legal, audit and business services leveraging our 19 year's experience. It is a prudent decision to cooperate with a time-honored consultant with international vision, local resources, one-stop solutions, a member of Kreston International which is the 13<sup>th</sup> largest accounting network in the world.