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Kreston International 2023 Asia Pacific Conference

KRESTON News

Seniority as of Now

BRIGHTURE, 20 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 low-profit and individual businesses, the Ministry of Finance and the State Administration of Taxation issued the Announcement on Further Supporting Small and Low-Profit Enterprises and Individual Businesses (CAISHUI[2023] No.12), which provides the following:

(1) Effective from January 1, 2023 to December 31, 2027, the individual income tax shall be halved on the part of the annual taxable income not exceeding 2 million Yuan of individual businesses. This policy is in addition to other preferential policies for individual income tax currently prevailing.

(2) Effective from January 1, 2023 to December 31, 2027, the resource tax (excluding water resource tax), urban maintenance and construction tax, property tax, urban land use tax, stamp tax (excluding stamp tax on securities transactions), farmland use tax, education surcharge and local education surcharge shall be halved on small-scale taxpayers, small and low-profit businesses and individual businesses.

(3) For small and low-profit businesses, 25% of the amount of taxable income shall be taken as tax base, and the corporate income tax shall be paid at the rate of 20% (that is, at the actual tax burden of 5%). This policy shall continue to be in effect up to December 31, 2027.

(4) The small-scale taxpayers, small and low-profit enterprises and individual businesses that are currently benefiting from the other preferential tax policies such as preferential tax policies on resource tax, urban maintenance and construction tax, property tax, urban land use tax, stamp, farmland use tax, education surcharge tax and local education surcharge, may also concurrently benefit from the preferential policy contained in Clause 2 of this Announcement.

(5) The term "small and low-profit businesses" as mentioned herein refers to the enterprises engaged in non-restricted-and-prohibited industries of the state, and meet all the following three conditions: no more than 3 million Yuan in annual taxable income, no more than 300 in total employees, and no more than 50 million Yuan in total assets.

2. In order to support the small and low-profit enterprises and individual businesses, the Ministry of Finance and the State Administration of Taxation jointly issued the Announcement on VAT Exemption for Small-scale Taxpayers (CAISHUI[2023] No.19), which provides the following:

(1) Small-scale VAT payers with monthly sales of less than 100,000 Yuan (inclusive) are exempt from VAT.

(2) For small-scale taxpayers with taxable sales subject to 3% levy rate, VAT shall be levied at a reduced rate of 1%; For VAT items that are subject to 3% prepayment rate, VAT shall be prepaid at the reduced rate of 1%.

(3) This Announcement shall be in effect until December 31, 2027.

3. In order to support entrepreneurship and employment of key groups, the Ministry of Finance, the State Administration of

Taxation, the Ministry of Human Resources and Social Security and the Ministry of Agriculture and Rural Affairs jointly issued the Announcement on Supporting Tax Policies for Entrepreneurship and Employment of Key Groups (CAISHUIRENNONG [2023] No. 15), which provides:

(1) Effective from January 1, 2023 to December 31, 2027, individuals who: (a) have been lifted out of poverty (including individuals being monitored to prevent returning to poverty, the same below), or (b) hold the Employment and Entrepreneurship Certificate (indicating "tax policy for self-employment" or "tax policy for self-employment within graduation year") or the Employment and Unemployment Registration Certificate (indicating "tax policy for self-employment") are engaged in self-employed business, shall, from the month of registration of individual industrial and commercial households, have their value added tax, urban maintenance and construction tax, education surcharge, local education surcharge and individual income tax payables of the current year deducted in turn within 3 years (36 months, the same below), subject to an annual limit of 20,000 Yuan per household, which can be raised by a maximum of 20%.

The above-mentioned individuals include:

A: Individuals who have been lifted out of poverty and being monitored to prevent returning to poverty and linked to the information system for promoting rural revitalization;

B: Persons registered as unemployed for more than half a year in public employment service institutions of human resources and social security departments;

C: Registered unemployed persons of working age of families with zero employment and families eligible for minimum living allowance for urban residents;

D: College graduates in the graduation year. College graduates refer to the graduates of ordinary colleges and universities and adult colleges for higher academic education; Graduation year refers to the calendar year of graduation, that is, from January 1 to December 31.

(2) Effective from January 1, 2023 to December 31, 2027, enterprises recruit people lifted out of poverty, registered unemployed for more than half a year in the public employment service institutions of human resources and social security departments and hold the "Employment and Entrepreneurship Certificate" or "Employment and Unemployment Registration Certificate" (marked "enterprise absorption tax policy"), sign labor contracts for a term of more than 1 year and duly pay social insurance premiums, shall, from the month when the labor contract is signed and the social insurance is paid, have the VAT, urban maintenance and construction tax, education surcharge, local education surcharge and corporate income tax concessions deducted in turn based on the actual number of employees in three years subject to a quota of 6,000 Yuan per person per year, provided that such quota may be raised by a maximum of 30%.





Case of Financial and Taxation Services

Background: A foreign-funded enterprise suspended its businesses due to the COVID-19 Pandemic. Recommended by a foreign bank, it came to us asking whether we could accept as their fiscal and tax agent for suspension period. Our reply was: As long as customers request, we would respond seriously.

Service provided:

- ① Service schedule was worked out based on the specific problems. We found out the issues during suspension that needed to be dealt with, such as electricity, water and telephone bills, as well as costs for staff-on-duty and so on. Corresponding service process was set up to meet the needs of the current situation.
- ② Exquisite assistance in extraordinary issues. We responded promptly to issues such as day-to-day payment and reimbursement.
- ③ Professionalism in handling ordinary businesses. This financial handover is a rather difficult one in that the parties involved did not meet in person, instead, they sent the materials in packages for reconciliation. We compared the balances on the balance sheet and the ledgers, and found that the fixed assets and inventories were inconsistent with a large difference. We made an inquiry over the problems and they explained that the difference had been left over from previous periods. We checked and verified the accounts promptly, analyzed the causes for the differences and took appropriate countermeasures in a professional and honesty manner.

Friendly Reminder

When enterprises are in the preparation stage of resuming business, they need to purchase raw materials in bulk and make certain reserves for production. We will assist customers to check the previous imbalance and at the same time calculate the inventory movement for the current period to prepare for the production and calculation of the input and output.

Through the short contact and the handling of small things, we have won the trust and praise of customers: "You are very capable, and can arrange things reasonably". This is the value of our professional team.

Kreston International Asia Pacific Conference was held in Bali, Indonesia, from July 27 to July 29, 2023, which was attended by nearly 100 representatives from member firms around the world, including Susan Li, Tax Director of Asia Pacific Region and Brighture's Deputy General Manager, and Sherry Xi, Manager of Customer Development Department of Brighture.



A welcome dinner was held on July 27, where Liza Robbins, Kreston's CEO, extended her warmest welcome and best regards to the members attending the conference.



A general meeting was held on July 28 with a welcoming speech by Erwin Winata, Partner of local organizer Kreston Indonesia, who also gave an overview of his institute; next, Rich Howard, Chairman of Kreston's Board of Directors, and Liza Robbins, CEO of Kreston, delivered reports on "Strategy and Governance" and "The Kreston Way," respectively, proposing a clear path for connecting members and enhancing brand influence; Jenny Reed, Kreston's new Director of Quality and Professional Standards, reviewed the efforts made by the Headquarters to raise the quality standards of member firms, as well as the training, mentoring and other support provided. The meeting also welcomed new member firms from Japan and Bangladesh.



In the afternoon, the participants were divided into tax group and audit group for discussion. The discussion in tax group was moderated by Susan Li, Tax Director for Asia Pacific Region of Kreston and Deputy General Manager of Brighture, and Ganesh Ramaswamy, Partner at the Kreston Rangamani member firm. The discussions were over such topics as "Transfer Pricing", "Tax Treaties", "Tax Compliance", "OECD Management System", "Prospects for Tax Reform".



In the afternoon, the meeting ended with a rich and interesting group building activity. The participants were divided into 8 groups trying to complete various task challenges to obtain spare parts for assembling bicycles, which were then donated to orphans in the local communities. The activities increased collaboration and understanding among members and demonstrated Kreston's commitment to philanthropy.



On the morning of July 29, the conference discussed issues such as "ESG (Environment Social Governance)" and "Successful cases", focusing on the cutting-edge dynamics of changes in the international tax environment, and how to move customers through professional and efficient services, which greatly inspired the participants.



This meeting enhanced the friendship between Brighture and the member firms of Kreston, broadened our international vision, and helped to better serve the customers. We believe that under the leadership of Rich Howard and Liza Robbins, Kreston International and its member firms will have a better future.



Recent Events of Kreston

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

1. From July 27 to July 29, 2023, the Kreston International Asia Pacific Conference was held in Bali, Indonesia, attended by nearly 100 member representatives from firms around the world. Susan Li, Asia Pacific Tax Director, Deputy General Manager of Brighture, and Sherry Xi, Customer Development Manager attended the meeting.

2. Navigating the trend of private equity investment in accountancy

Liza Robbins, Chief Executive of Kreston Global examines the reasons behind a growing trend of private equity in accountancy.

Liza joined Kreston in 2018. She manages all network operational activities, including Board and Global Expert Group liaison, and is focused on the development of the Network as a commercially-viable entity for its members and their clients.



3. Kreston Global publishes first impact plan report

As a top 15 global network, Kreston Global is keenly aware of its responsibilities as a business adviser and expert to organisations, entrepreneurs and individuals to help them navigate the ESG landscape over the next few years. In addition, they are very conscious of their duty of care to our people across the globe who want to make a positive difference in their business activities. This strategy is very much a part of helping to deliver this.



Nancy Zhao
VIP Customer Dept.
Semi-senior
accountant
- 12 Years

Mottos: Walk daily, you
can cover thousands of
miles; Do often, you
may achieve every task.



Grace Lv
Project Dept.
CPA
- 5 Years

Mottos: Ocean
Embraces streams all
streams, rules lead to
high destinations.



Juliet Zhou
Chinese Speaking
Dept.1
- 2 Years

Mottos: No pain, no
gain; All roads lead to
Rome.

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 13th 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

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We provide domestic and foreign enterprises with financial, tax, legal, audit and business services leveraging our 20 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 13th largest accounting network in the world.