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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 reduce the burden on taxpayers, **the Ministry of Finance and the State Administration of Taxation issued the Announcement on Continuation of Individual Income Tax Policy on Annual Lump-sum Bonus (CAISHUI [2023]No.30)**, which provides:

(1) **The annual lump-sum bonus obtained by an individual meeting the requirement** of the Notice of the State Administration of Taxation on Adjusting the Method of Calculating Individual Income Tax such as Annual lump-sum Bonus Obtained by Individuals (Guo Shui Fa [2005] No. 9) **shall not be incorporated into the comprehensive income of the year. Instead, it shall be divided by 12 months**, and the applicable tax rate and the quick deduction amount shall be determined by the amount of the quotient according to the comprehensive income tax rate table attached hereto, and the tax shall be calculated separately according to the following formula:

Tax payable = Annual lump-sum bonus X Applicable tax rate - Quick deduction amount

(2) **The annual lump-sum bonus obtained by an individual may also be incorporated into the comprehensive income of the current year for tax calculation.**

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

2. In order to reduce the burden on taxpayers, **the Ministry of Finance and the State Administration of Taxation issued the Announcement on Continuation of Individual Income Tax Policy on Subsidies for Foreign Individuals (CAISHUI [2023]No.29)**, which provides:

(1) **Foreign individuals meeting the conditions of individual residents may elect to take special additional deductions of individual income tax, or the tax-relief policies for housing subsidies, language training fees, children's education fees and so on set out** in the Notice of the State Administration of Taxation of the Ministry of Finance on Several Policy Issues concerning Individual Income Tax (CAISHUI [1994] No. 020), the Notice of the State Administration of Taxation on Individual Income Tax Policy of Subsidy for Foreign Individuals (Guo Shui Fa [1997] No. 54) and the Notice of the State Administration of Taxation of the Ministry of Finance on Tax Policy on Individual Income Tax for Foreign Individuals in Obtaining Housing and Other Subsidies in Hong Kong and Macao (CAISHUI [2004] No. 29), provided that such policies are not superimposing, and once taken, shall not be altered within a fiscal year.

(2) **This policy shall be in effect until December 31, 2027.**

3. Subject to the Notice of The State Council on Raising the Special Additional Deduction for Individual Income Tax (GUO FA [2023] No. 13), **the State Administration of Taxation issued the Announcement on Implementing the Policy of Raising the Special Additional Deduction for Individual Income Tax (SAT [2023]No.14)**, which provides:

(1) The special additional deduction for child care (under the age of three) and child education will be raised **from 1,000 Yuan to 2,000 Yuan per month per child**. The parents can elect to have 100% of the amount deducted by one parent or 50% deducted by each parent.

(2) **The special additional deduction for supporting the elderly will be raised from 2,000 Yuan to 3,000 Yuan per month**. In case of only child, he or she may deduct the full 3,000 Yuan per month; in case of non-only child, the siblings shall share the full amount, provided that each of them shall not deduct more than 1500 Yuan. The deduction may be shared equally or by agreement, or be assigned by the dependant. Written agreement must be entered into for agreed or designated apportionment, with designated apportionment taking precedence over agreed apportionment.

(3) Taxpayers who have not yet filled in the application form for the special additional deduction for child care (under the age of three), child education and elderly support can do it through the mobile phone individual income tax APP or through the withholding agent, and the system will deduct the individual income tax payable in accordance with the increased deduction criterion.

Taxpayers who have already filled in the application form for the special additional deduction for child care (under the age of three), child education and elderly support in 2023 need not to redo it again, and the the system will automatically deduct the individual income tax payable in accordance with the increased deduction criterion. Where a taxpayer wishes to adjust the amount of additional deduction for the agreed or designated apportionment for supporting the elderly, he or she can fill in the application form through mobile phone individual income tax APP or through the withholding agent.





Case of Financial and Taxation Services

Background: A seafood import and export company invested by its Canadian parent company engaged an accountant to handle financial operation. Due to the limited professionalism and experience of the accountant, there are irregularities in the handling of accounts that do not comply with relevant fiscal and tax policies and discrepancies between the book-value of the assets and liabilities and the facts, leaving significant financial and tax risks to the company. The person in charge of the company hopes to engage a third party to conduct a systematic review of the accounting treatment, help to find problems and propose solutions to the problems, and prevent and control risks. Therefore, they came to Brighture for help.

Service provided: After understanding the needs of the enterprise, we conducted an in-depth communication with the management of the company to fully grasp the company's development strategy, business model and organizational structure. The accounting treatment was reviewed systematically and the problems discovered were classified and reviewed. Besides, the risk levels of various problems were assessed, and adjustments and corrections were suggested. We also assisted the accountant to make corrections on the books and tax returns, thereby fundamentally reduced tax-related risks. At the same time, we suggested the company to make full use of the preferential tax policies to reduce tax burdens reasonably and in manners permitted by the law.

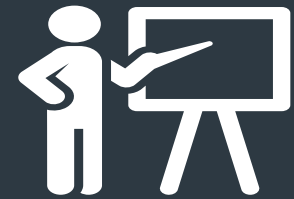
Friendly Reminder

In the process of accounting review, the independent third party will use its professional know-how and rich experience to identify the accounting risks, find problems, and give solutions to the problems from the objective and impartial perspective, assist enterprises to solve problems, help to prevent and control fiscal and tax risks, accurately use relevant fiscal and tax policies and regulations, and lay a solid foundation for the healthy and stable development of the enterprise.

Recent Events of Kreston

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

David Whitmer, National Transfer Pricing Leader at CBIZ and Kreston Global Transfer Pricing Chair explores the challenge of Transfer Pricing in an article on Corporate Compliance Insights.



In order to face this emerging challenge, we first need to understand the existing Transfer Pricing obligations. Secondly, its underlying principle is the “arm’s length principle,” which means that transactions between related parties should yield a tax outcome akin to what would have been realized if unrelated parties had conducted a similar transaction. It’s applicable to tangible transfers like physical goods, intangible transfers like intellectual property, service transactions such as R&D or marketing services, and even financial arrangements. Finally, the impact of the digital economy on Transfer Pricing should also be considered.



Jessica Li
Operation Support Dpet.
- 17 Years

Mottos:
Devoting efforts no less
than anyone.



Amy Zhang
VIP Customer Dept.
- 12 Years

Mottos:
Good is like water, and
heaven rewards
diligence.

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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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 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.