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*China Tax & Investment Express (CTIE)** brings you the latest tax and business announcements on a weekly basis. We selected some comparatively key announcements to provide for a synopsis and we also provide a link that leads you to the full content of each latest announcement (in Chinese). Please feel free to contact your EY client service professionals for further assistance if you find the announcements have an impact on your business operations.

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Business circulars

- ▶ **State Council executive meeting deployed policy initiatives to continuously expand effective demand and enhance the pulling power of the economy to resume development**

Synopsis

On 21 July 2022, Premier Li Keqiang presided over an executive meeting of the State Council (hereinafter referred to as the "Meeting"), deployed policy initiatives to continuously expand effective demand, clarified certain matters related to further standardizing administrative discretion, etc.

Key measures introduced in the Meeting are as follows:

- ▶ Establish a coordination mechanism to promote effective investment in major projects, ensure the release of funds for policy-backed and development-oriented financial instruments, speed up project progress and ensure project quality.
- ▶ Support financial institutions to adopt more flexible arrangements for the personal consumer loans that are affected by the epidemic, increase financial support for import and export, and support the healthy development of the platform economy.

- ▶ Promote the steady and sound development of the real estate market with city-specific policies.
- ▶ Deepen the reform of “Delegate Power, Streamline Administration and Optimize Government Services”, further standardize administrative discretion, compress the space of discretion and cancel 29 fine items.

It is expected that relevant implementation measures and rules may be further released. We will keep an eye on any further developments and update you accordingly. Please stay tuned.

You can click this link to access the full content of the Meeting:

http://www.gov.cn/premier/2022-07/22/content_5702362.htm

▶ **Opinions on promoting the high-quality development of foreign cultural trade (Shangfumaofa [2022] No. 102)**

Synopsis

On 18 July 2022, 27 central government authorities, including the Ministry of Finance, State Taxation Administration, jointly released Shangfumaofa [2022] No. 102 (“Circular 102”) aiming to promote the high-quality development of foreign cultural trade.

Circular 102 sets out 31 measures and reiterates the following tax-related policies that may apply to enterprises engaging in foreign cultural trade:

- ▶ Fully implement the export tax refund policy or zero Value-added Tax rate policy applicable to foreign cultural trade.
- ▶ Encourage cultural enterprises to apply for recognition of Technologically Advanced Service Companies and enjoy the relevant tax preferential policies (i.e., the reduced Corporate Income Tax rate of 15%).
- ▶ For cultural projects that fall into the encouraged items, importation of self-used equipment for the above-mentioned projects, as well as technology, parts and components annexed to the equipment (within the cap of total investments) shall be exempt from Customs Duty.

Furthermore, Circular 102 also calls for further facilitation for outbound investments and encourages commercial banks to enhance the cross-border settlement services for enterprises engaging in foreign cultural trade.

You can click this link to access the full content of Circular 102:

<http://www.mofcom.gov.cn/article/zwgk/gkzcfb/202207/20220703334843.shtml>

Customs circulars

▶ **Notice regarding increasing facilitation measures for advanced certified enterprises, improving the quality and promoting the steady development of foreign trade (Shuqifa [2022] No. 73)**

Synopsis

To improve the quality and promote the steady development of foreign trade, on 15 July 2022, the General Administration of Customs (GAC) released Shuqifa [2022] No. 73 (“Circular 73”) to implement the following facilitation measures for advanced certified enterprises:

- ▶ Prioritizing laboratory testing if applicable
- ▶ Optimizing risk management measures for low to medium risk matters
- ▶ Optimizing processing trade supervision

- ▶ Optimizing verification operations
- ▶ Prioritizing port inspection
- ▶ Prioritizing territorial inspection

Relevant parties are encouraged to read Circular 73 for more details. We will keep an eye on any further progress and update you accordingly. Please stay tuned.

You can click this link to access the full content of Circular 73:

<http://www.customs.gov.cn/customs/302249/zfxxgk/zfxxgkml34/4471519/index.html>

- ▶ **Public notice (PN) regarding clarifying the time limits for paying taxes and duties of imported and exported goods (GAC PN [2022] No. 61)**

Synopsis

To enhance tax and duty collection and administration and further improve tax services of the customs, on 15 July 2022, the GAC issued GAC PN [2022] No. 61 ("PN 61") to clarify certain matters related to the time limits for paying taxes and duties of imported and exported goods. Details are as follows:

- ▶ The customs shall issue customs tax/duty payment notices and push them to taxpayers through the "single window" and "Internet plus customs" service platforms.
- ▶ Taxpayers must pay their taxes and duties within 15 days from the date of issuance of the customs tax/duty payment notice. Where the centralized tax collection is adopted, taxpayers shall pay taxes and duties within 15 days from the date of issuance of the respective payment notice or before the end of the fifth working day of the month following. Failure to pay taxes and duties on time can result in late payment surcharge of 0.05% of the overdue taxes and duties per day.
- ▶ The filing date of the formatted "Customs Payment Letter (海关专用缴款书)" that can be printed by taxpayers is the date of issuance of the customs tax/duty payment notice.

PN 61 became effective on its promulgation date, i.e., 15 July 2022. Where there is any discrepancy between GAC PN [2017] No. 45 ("PN 45", i.e., PN regarding the optimization of centralized tax collection system) and PN 61, PN 61 shall prevail. GAC PN [2018] No. 117 ("PN 117", i.e., PN regarding to stop using the former system of electronic payments for customs duties) has been abolished at the same time.

You can click this link to access the full content of PN 61:

<http://www.customs.gov.cn/customs/302249/2480148/4471222/index.html>

You can click this link to access the full content of PN 45:

<http://www.customs.gov.cn/customs/302249/302266/302269/733627/index.html>

You can click this link to access the full content of PN 117:

<http://www.customs.gov.cn/customs/302249/302266/302269/2009050/index.html>

Other business and customs-related circulars publicly announced by central government authorities in the past week:

- ▶ **Implementation plan on the construction of Guanzhong Plain urban clusters during the 14th Five-year Plan period (Fagaiguihua [2022] No. 979)**
https://www.ndrc.gov.cn/xwdt/tzgg/202207/t20220722_1331174.html?code=&state=123
- ▶ **PN regarding the "Customs Clearance Instruction for the 5th China International Import Expo 2022" and "Facilitation Measures of the Customs for Supporting the 5th China International Import Expo 2022" (GAC PN [2022] No. 62)**
<http://www.customs.gov.cn/customs/302249/2480148/4474570/index.html>

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