



China Tax Center China Tax & Investment Express

*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.

CTIE does not replace our *China Tax & Investment News** which will continue to be prepared and distributed to provide more in-depth analyses of topical tax and business developments in China.

*If you wish to access the previous issues of CTIE and *China Tax & Investment News*, please contact us.

Business circulars

- ▶ **Joint Statement between the People's Republic of China (PRC) and the Kyrgyz Republic (Kyrgyzstan) on Establishing a Comprehensive Strategic Cooperative Partnership for the New Era**
- ▶ **Joint Statement between the PRC and the Republic of Tajikistan (Tajikistan)**
- ▶ **Joint Statement between the PRC and the Republic of Kazakhstan (Kazakhstan)**
- ▶ **Joint Statement between the PRC and the Republic of Uzbekistan (Uzbekistan)**

Synopsis

On 17 and 18 May 2023, the PRC issued Joint Statements (hereinafter referred to as the "Joint Statements") with Kyrgyzstan, Tajikistan, Kazakhstan and Uzbekistan respectively. The objectives of the Joint Statements are to further deepen China's relations with the four countries and pursue comprehensive improvement in the level of cooperation in various fields. Some key points are as follows:

- ▶ Promote cooperation in economy, trade, investment, finance, technology and other fields under the framework of the Belt and Road Initiative, develop green energy and improve energy utilization.

- ▶ Accelerate the development of cross-border e-commerce and digital trade, particularly in high value-added and high-tech commodity trade, and promote balanced growth of bilateral trade.
- ▶ Further expand bilateral cooperation and emphasize importance to cooperation in specific areas such as renewable energy, innovation, food safety, agriculture, transportation and logistics.

We will keep an eye on any further developments and advise you accordingly, please stay tuned.

You can click this link to access the full contents of the Joint Statement between the PRC and Kyrgyzstan:
http://www.gov.cn/yaowen/liebiao/202305/content_6874796.htm

You can click this link to access the full contents of the Joint Statement between the PRC and Tajikistan:
http://www.gov.cn/yaowen/liebiao/202305/content_6874764.htm

You can click this link to access the full contents of the Joint Statement between the PRC and Kazakhstan:
http://www.gov.cn/yaowen/liebiao/202305/content_6874562.htm

You can click this link to access the full contents of the Joint Statement between the PRC and Uzbekistan:
http://www.gov.cn/yaowen/liebiao/202305/content_6874817.htm

- ▶ **The People's Bank of China and State Administration of Foreign Exchange continue to optimize policies for the centralized operation and management of cross-border funds in both RMB and foreign currencies for multinational corporations**

Synopsis

According to prevailing Administrative Regulations on the Centralized Operation of Multinational Corporations' Cross-border Funds announced via Huifa [2019] No. 7 ("Circular 7"), based on the macro-prudential principle, multinational corporations can concentrate domestic member enterprises' quotas of foreign debt and/or overseas lending, and carry on businesses of foreign debt and/or overseas lending on their own within the quotas.

To enhance the synergistic effects between domestic and international markets and better support the development of headquarters economy, the People's Bank of China (PBOC) and State Administration of Foreign Exchange (SAFE) recently decided to launch pilot programs in Beijing, Guangdong, and Shenzhen to optimize and upgrade the policy for centralized operation and management of cross-border funds in RMB and foreign currencies for multinational corporations.

According to the official news regarding the pilot announced on 22 May 2023 via the official website of the SAFE, the pilot measures to be implemented in the three pilot areas would include the following aspects:

- ▶ Optimizing and integrating the existing policies and requirements related to centralized operation of cross-border funds for multinational corporations, benefiting more enterprises
- ▶ Increasing the freedom of cross-border fund operation for enterprises, allowing multinational corporations to determine the consolidation ratio of foreign debt and overseas lending based on macro-prudential principles
- ▶ Supporting multinational corporations to conduct cross-border fund centralized operations in RMB
- ▶ Simplifying the filing process and review of relevant documents for fund utilization

Accordingly, the Administrative Bureaus for Foreign Exchange in the three pilot areas have announced discussion drafts to seek public opinions. Concerned parties are advised to read the Discussion Drafts and are encouraged to express opinions on or before the respective deadlines.

You can click this link to access the full contents of the official news regarding the pilot:
<https://www.safe.gov.cn/zhejiang/2023/0522/1793.html>

You can click this link to access the full contents of Circular 7:

http://www.gov.cn/gongbao/content/2019/content_5404162.htm

You can click this link to access the full contents of the Beijing Discussion Draft:

<https://www.safe.gov.cn/beijing/2023/0516/2126.html>

You can click this link to access the full contents of the Guangdong Discussion Draft:

<https://www.safe.gov.cn/guangdong/2023/0515/2545.html>

You can click this link to access the full contents of the Shenzhen Discussion Draft:

<https://www.safe.gov.cn/shenzhen/2023/0509/1479.html>

Customs circular

- ▶ **Public notice (PN) regarding implementing the mutual recognition of “Authorized Economic Operator (AEO)” between the Mainland of China (Mainland) and Macau Special Administrative Region of China (Macau) (GAC PN [2023] No. 49)**

Synopsis

In February 2023, the General Administration of Customs (GAC) and Macau Customs Services concluded the “Arrangements between the GAC and Macau Customs Services on the Mutual Recognition of Customs Enterprise Credit Management System of Mainland and Customs Recognized Economic Operator Program of Macau” which would become effective on 1 June 2023.

In this regard, the GAC released GAC PN [2023] No. 49 (“PN 49”) on 11 May 2023. According to PN 49, both sides shall recognize the AEOs as determined by the customs of other side and offer customs clearance facilitations accordingly. Relevant businesses are encouraged to read PN 49 for more details.

You can click this link to access the full contents of PN 49:

<http://www.customs.gov.cn/customs/302249/302266/302267/5034150/index.html>

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

- ▶ **PN regarding applying preferential tariff rates under the Regional Comprehensive Economic Partnership for certain imports from the Philippines starting on 2 June 2023 (Customs Tariff Commission PN [2023] No. 5)**
http://gss.mof.gov.cn/gzdt/zhengcefabu/202305/t20230515_3884336.htm
- ▶ **Work Plan for Building Beijing into an International Science and Technology Innovation Center (Guokefagui [2023] No. 41)**
https://www.most.gov.cn/xxgk/xinxifenlei/fdzdgknr/fgzq/gfxwj/gfxwj2023/202305/t20230517_186077.html



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