

# TAX LAW

## 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.

### Tax circulars

- ▶ Notice regarding formulating the lists of integrated circuit (IC) enterprises (projects) and software enterprises eligible for preferential tax policies in 2024 (Fagaigaoji [2024] No. 351)

#### Synopsis

To promote the sustainable and healthy development of China's integrated circuit (IC) and software industries, on 21 March 2024, five central government authorities including the Ministry of Finance and State Taxation Administration (STA) jointly released Fagaigaoji [2024] No. 351 ("Circular 351").

According to Circular 351, both the criteria and procedures for the formulation of the lists of eligible IC enterprises or projects and software enterprises eligible for the tax incentives to be claimed in 2024 generally stay unchanged as those for the year 2023.

Taxpayers applying for eligible IC or software enterprise status in the 2024 lists shall submit applications through the online system from 25 March 2024 to 16 April 2024, relevant documentations and audited financial statements should also be submitted to the competent authorities.

Enterprises that have been included in the 2023 lists also need to re-apply in the system to enjoy the preferential tax treatments to be claimed in the year 2024.

When the listed enterprises declare their Corporate Income Tax (CIT) pre-payment in the next year, they are allowed to claim the preferential tax treatment in its provisional tax filings as if they are approved. The tax benefits claimed shall then be clawed back in the annual CIT filing with no late payment surcharges if they are not included in the lists of the next year.

Relevant enterprises are encouraged to read Circular 351 for detailed information and take immediate action if applicable. If in doubt, consultations with professionals are always recommended.

You can click this link to access the full contents of Circular 351:  
[https://www.gov.cn/zhengce/zhengceku/202403/content\\_6941035.htm](https://www.gov.cn/zhengce/zhengceku/202403/content_6941035.htm)

- Notice issued by the Shenzhen Municipal Tax Service, STA regarding filing of related party transaction (RPT) forms and preparation of transfer pricing (TP) documentations for the year 2023

Synopsis

According to the prevailing STA PN [2016] No. 42 (PN 42, i.e., Public Notice (PN) regarding matters related to improving the administration on reporting of RPT and TP documentations) and other regulations in this regard, the Shenzhen Municipal Tax Service, STA released a notice regarding filing of RPT forms and preparation of TP documentations for the year 2023 (hereinafter referred to as the “SZ Notice”) on 15 March 2024.

The SZ Notice reiterates the scope of taxpayers who should file the RPT forms for 2023 and outlines the arrangements and guidance for the filing. For the preparation of TP documentations, the SZ Notice reiterates the scope of taxpayers who should prepare the TP documentations and when they should have the relevant documentation completed:

TP documentations	When the documentations should be completed
Master file	Needs to be completed within 12 months from the end of the accounting year of the ultimate parent company in the group
Local file	By 30 June 2024
Special issue file	

Taxpayers should stay alert to the notices and guidance released by their local supervising tax authorities in this regard and ensure timely filing and preparation of the relevant documents.

You can click this link to access the full contents of the SZ Notice:  
<https://shenzhen.chinatax.gov.cn/sztax/xxgk/tzgg/202403/715f139b3edb430ca8cd06755cd44b5c.shtml>

You can click this link to access the full contents of PN 42:  
<https://www.chinatax.gov.cn/chinatax/n810341/n810755/c2208516/content.html>

Business circular

- “2024 Special Administrative Measures for Cross-Border Trade in Services (Negative List)” and “2024 Special Administrative Measures for Cross-Border Trade in Services in Pilot Free Trade Zones (PFTZs) (Negative List)” (MOFCOM Order [2024] No. 1)

Synopsis

To enhance the transparency and predictability of cross-border service trade management, the Ministry of Commerce (MOFCOM) issued the “2024 Special Administrative Measures for Cross-Border Trade in Services (Negative List)” (hereinafter referred to as the “National List”) and the “2024 Special Administrative Measures for Cross-Border Trade in Services in PFTZs (Negative List)” (hereinafter referred to as the “PFTZ List”) via MOFCOM Order [2024] No. 1 on 22 March 2024. Both the National List and PFTZ List will take effect on 21 April 2024.

The National List and PFTZ List categorize special administrative measures for cross-border services provided by overseas service providers through various means (e.g., cross-border delivery and overseas consumption) based on the classification of national economic sectors. The National List and PFTZ List cover 11 categories including agriculture, forestry, animal husbandry, fishery, construction, wholesale and retail, transportation, warehousing, postal services, information transmission, software and information technology services. The National List contains 71 items, while the PFTZ List contains 68 items.

It is worth noting that the PFTZ List introduces further opening-up measures in the financial sector, expanding scope of opening-up of the financial industry previously implemented in the Hainan Free Trade Port to all the PFTZs. For instance, it allows qualified overseas individuals to apply for setting up securities accounts and futures accounts and apply for engaging in securities investment advisory and futures trading advisory services.

The issuance of the National List and PFTZ List marks China’s first nationwide implementation of a negative list management system for cross-border service trade, signifying a shift from positive list commitments to negative list management in China’s service trade management.

Both the National List and PFTZ List will come into effect on 21 April 2024. Interested investors and businesses are encouraged to refer to the Lists for more information.

You can click this link to access the full contents of the National List and PFTZ List:  
[https://www.gov.cn/zhengce/zhengceku/202403/content\\_6941047.htm](https://www.gov.cn/zhengce/zhengceku/202403/content_6941047.htm)

Customs circular

► 2024 Legislative Plan of the General Administration of Customs (Shufafa [2024] No. 33)

Synopsis

On 22 March 2024, the General Administration of Customs (GAC) released the “2024 Legislative Plan of the GAC” (hereinafter referred to as the “Plan”) via Shufafa [2024] No. 3 to further improve the system of customs legislative regulation.

According to the Plan, a total of 31 regulations and measures will be formulated or revised in 2024. Key items of the Plan include the followings:

Regulations and measures	To be formulated/revised
Administrative Measures of the People’s Republic of China (PRC) for the Customs Risk Management	To be formulated
Administrative Provisions of the PRC for Customs Declaration of Import and Export Goods	To be incorporated and revised as the “Administrative Provisions of the PRC for Customs Declaration of Import and Export Goods”
Entry-Exit Inspection and Quarantine Provisions	
Administrative Measures of the PRC for the Amendment and Revocation of Customs Declaration Forms for Import and Export Goods	
Administrative Measures of the PRC for Issuance of Certificate of Origin for Export Goods	To be formulated
Administrative Measures of the PRC for Customs Taxation of Imported and Exported Goods	To be revised
Administrative Provisions of the PRC for the Legislative Work of the Customs	To be revised

Relevant parties are advised to make reference to the Plan for details. 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 contents of the Plan:

<http://gdfs.customs.gov.cn/customs/302249/zfxxgk/zfxxgkml34/5774745/index.html>

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

- ▶ Regulations on promoting and standardizing cross-border data flows (CAC Order [2024] No. 16)  
[https://www.cac.gov.cn/2024-03/22/c\\_1712776611775634.htm](https://www.cac.gov.cn/2024-03/22/c_1712776611775634.htm)
- ▶ Notice regarding the “Application Guidelines on Security Assessment of Outbound Transfer of Data (Second Edition)” and the “Guidelines on the Record-filing of Standard Contract for the Outbound Transfer of Personal Information (Second Edition)”  
[https://www.cac.gov.cn/2024-03/22/c\\_1712783131692707.htm](https://www.cac.gov.cn/2024-03/22/c_1712783131692707.htm)
- ▶ PN regarding public opinions consultation on the “Administrative Measures for Data Security of Banking and Insurance Institutions”  
<https://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=1155853&itemId=951&generaltype=2>
- ▶ Guiding opinions on promoting the high-quality development of the catering industry (Shangfumaofa [2024] No. 46)  
[https://www.gov.cn/zhengce/zhengceku/202403/content\\_6942050.htm](https://www.gov.cn/zhengce/zhengceku/202403/content_6942050.htm)



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ED None.

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