



China Tax Weekly Update

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Relevant industries: All
Relevant companies: All
Relevant taxes: All

Potential impacts on businesses:

- Risks of being challenged due to non-compliance issues increased
- Operational costs reduced
- Risks of being challenged due to cross-border tax anti-avoidance arrangements increased

You may click the News titles to access full content of the news.

G20 meeting held in Chengdu

The 3rd G20 Finance Ministers and Central Bank Governors Meeting was held in Chengdu from 23 to 24 July 2016. The meeting focused on: the current global economic situation, deepening of structural reform, international financial architecture, investment and infrastructure, reform of financial department, international tax cooperation and green finance etc.

□ [Communiqué of G20 Finance Ministers and Central Bank Governors Meeting](#)

In the Communiqué, international tax cooperation related contents mainly include:

- Call upon all relevant and interested countries and jurisdictions that have not yet committed to the BEPS package to do so and join the framework on an equal footing. In addition to the 46 OECD members, OECD accession countries and G20 members, 39 additional countries and jurisdictions have now joined the G20/OECD Inclusive Framework on BEPS, committed to the BEPS package and participating on an equal footing. This brings the numbers of members in the BEPS Project to 85, with a further 19 countries and jurisdictions that attended the inaugural meeting in Kyoto, and are likely to join the Inclusive Framework by year end
- Reiterate the call on all relevant countries including all financial centers and jurisdictions which have not yet done so to commit without delay to implementing the standard on automatic exchange of information by 2018 at the latest and to sign the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (multilateral Convention). So far, 98 countries and jurisdictions have signed the multilateral Convention, and 83 countries and jurisdictions have signed the multilateral competent authority agreement for Automatic Exchange of Information (AEOI) (CRS MCAA)
- Ask the OECD to report back by June 2017 on the progress made by jurisdictions on tax transparency, and on how the Global Forum will manage the country review process in response to supplementary review requests of countries, with a view for the OECD to prepare a list by the July 2017 G20 Leaders' Summit of those jurisdictions that have not yet sufficiently progressed toward a satisfactory level of implementation of the agreed international standards on tax transparency
- Ask the OECD and the IMF to continue working on the issues of pro-growth tax policies and tax certainty

- Reiterate the call on the FATF and the Global Forum to make initial proposals by our October meeting on ways to improve the implementation of the international standards on transparency, including on the availability of beneficial ownership information of legal persons and legal arrangements, and its international exchange
- [China to implement tax policy that strikes a balance between innovation and sharing](#)
 - On 23 July 2016, Lou Jiwei, Minister of the Ministry of Finance outlined at the G20 Meeting how China's planned tax policy initiatives align with the G20/OECD focus on tax policies that foster innovation while boosting economic equity. China will continue to implement tax policies that balance innovation with equity by means of VAT reform, R&D super deduction policy as well as acceleration of Individual Income Tax (IIT) and Real Estate Tax (RET) reforms
 - With regard to tax policies that encourage innovation, China will push forward the tax system reform in two key areas:
 - (i). Fully implement the VAT reform (i.e. ensure the full rollout of the May 2016 transition from Business Tax to VAT for the finance, construction, real estate and lifestyle service sectors) and encourage refined division of work and innovation;
 - (ii). Introduce new CIT policies on R&D super deduction, including equity incentives for the R&D enterprises and scientific research personnel of research institutions
 - Mr. Lou also said that the promotion of IIT and RET reform is a key focus of China's tax system reform.

Reference: Guo Ban Fa [2016] No. 58 / Joint Decree [2016] No. 60 by seven ministries
 Issuance date: 26 July 2016 / 27 July 2016
 Effective date: N/A

Relevant industries: Taxi industry
 Relevant companies: Enterprises engaged in taxi services
 Relevant taxes: N/A

Potential impacts on businesses:

- Risks of being challenged due to non-compliance issues increased

You may click the circular titles to access full content of the circulars.

New development of taxi industry

On 26 and 27 July 2016, China announced new rules in a move to legalize internet-based taxi services and to push forward the development of car-hailing platforms. Popular car hailing services such as Didi Kuaidi and Uber had previously operated in a legal grey area in China. The documents released by the State Council and seven ministries respectively, shall take effect from 1 November 2016.

- [State Council issues the guidance to push forward the reform of taxi industry \(Guo Ban Fa \[2016\] No. 58, "Circular 58"\)](#)
 - Circular 58 clarifies the types of taxi services, including: traditional taxi services and internet-booked taxi services
 - Deepen the reform of traditional taxi services:
 - ❖ New rights to run taxi businesses shall be subject to time-limits rather than unlimited. The new rights can be used free of charge but the operation subject cannot be changed (The operation subject here refers to the company who gains the right to run taxi businesses.)
 - ❖ Taxi business operator shall sign a labor contract or operation contract with the taxi driver
 - ❖ Establish dynamic adjustment mechanism for taxi charges (This means that the government may allow taxi services to some extent raise the standard charges in certain circumstances, such as morning and evening rush hours, raining days, etc.)
 - ❖ Encourage traditional taxi services business operators and internet-booked taxi services business operators to carry out cooperative operations through fusion of existing service providers by way of merger, restructuring and absorption of equity rights

- ❖ Encourage enterprises engaged in traditional taxi services transform to provide internet-booked taxi services. Traditional taxi drivers may offer taxi services via car-hire apps. Non-cash payment method (such as We-chat, Alipay, etc.) is also encouraged
- Standardize the internet-booked taxi services and ride-sharing amongst private drivers arranged over the internet
 - ❖ Where an internet-based car-hailing platform is the transportation service provider, it shall be able to provide on-line to on-site services and take responsibility as the carrier. Internet-based car-hailing services shall be subject to market-adjusted price, and government guide price shall also be applied when city government deems it necessary
 - ❖ Ride-sharing by private drivers is benefit for alleviating traffic congestion and reducing air pollution. The city government shall encourage its development and formulate the relevant provisions, which, clarify the rights and obligations of ride-sharing service provider, passenger and service platform.
- [Provisional administrative measures for internet-booked taxi services \(Joint Decree \[2016\] No. 60 by seven ministries including Ministry of Transport, "Decree 60"\)](#)
 - Decree 60 clarifies the qualification of internet-based car-hailing platform and the standards for internet-booked taxi services as follows:
 - ❖ An enterprise, that applies for carrying out internet-booked taxi services, shall have the capability of providing on-line and on-site services. It shall also have the capability to conduct information and data exchange and process so as to provide such information and data to regulatory authorities such as transportation, telecommunication, policy, tax and internet. Enterprise is not required to have own cars
 - ❖ When the administration for the taxi industry permits the application of engaging in internet-booked taxi services, it shall clarify the business scope, operating area and operating period and issues Business Certificate for Internet-booked Taxi Services (certificate) with such permitted information
 - ❖ An internet-based car-hailing platform is allowed to carry out the business upon obtaining the certification as well as completion of recordal filing for internet information services with the provincial administration for communication where the platform is registered
 - ❖ The internet-based car-hailing platform takes the responsibility as the carrier. It shall ensure the cars have the official certificate for running the taxi services, provide the insurance for cars, and report the information on cars to the administration for the taxi industry in the city/locality where the taxi services are offered
 - ❖ The internet-based car-hailing platform shall ensure that the drivers have the legal qualification for running the taxi services, sign labor contracts/agreements with the drivers, and report the information on drivers to the administration for taxi industry in the city/locality where the taxi services are offered
 - ❖ The internet-based car-hailing platform shall offer reasonable prices, clearly mark the price, and provide the passenger with an invoice. It cannot run taxi services by charging fares lower than the cost to squeeze out competitors or monopolise the market
 - ❖ The internet-booked taxi service shall offer services in the permitted areas, either origin or destination shall be in the permitted areas at least

- ❖ When the mileage of an internet-booked taxi reaches 600 thousand kilometers, it is forced to be scrapped. When the mileage is less than 600 thousand kilometers but its use life has reached 8 years, it shall not be further used as a taxi for internet booking purpose
- In addition to the above, Decree 60 also stipulates the qualification of cars and drivers as well as the supervision and legal liability of the relevant administration.

Reference: SAIC Order No. 87

Issuance date: 4 July 2016

Effective date: 1 September 2016

Relevant industries: Internet advertising industry

Relevant companies: All

Relevant taxes: N/A

Potential impacts on businesses:

- Risks of being challenged due to non-compliance issues increased

You may click [here](#) to access full content of the circular.

China to strengthen administration on Internet Advertising

On 4 July 2016, the State Administration for Industry and Commerce (SAIC) issued Interim Measures for Administration of Internet Advertising ("the Measures"). The Measures clarify the definition of internet advertising, the obligations of internet advertising publishers, the management systems for internet advertising business, forbidden internet advertising activities and the administrative penalty for violations, etc., which shall take effect from 1 September 2016. (This is stimulated by the case that a person went to a promoted hospital that he found via Baidu and wasted a lot of money in that hospital but ultimately died.)

Main contents of the Measures are as follows:

- Advertising activities carried out via the internet shall subject to the Advertising Law and these Measures.
- "Internet advertising" as mentioned in the Measures refers to commercial advertisements including:
 - ❖ Advertisements promoting goods or services in the forms of texts, pictures or videos which contain links;
 - ❖ Email advertisements promoting goods or services;
 - ❖ Paid search advertisements promoting goods or services;
 - ❖ Advertisements in commercial display promoting goods or services;
 - ❖ Other commercial advertisements promoting goods or services via Internet media.
- Advertisements for medical treatment, pharmaceuticals, food formula for special medical purposes, medical devices, pesticides, veterinary drugs, healthcare food and other special goods or services must be scrutinised by advertisement scrutiny authorities according to laws and administrative regulations. They shall not be published without scrutiny.
- Internet advertisements shall be distinguishable and prominently marked with "advertisements", in order to enable consumers to identify them as advertisements. Paid search advertisements shall be prominently distinguished from natural search results.
- Internet advertisers publishers shall sign a written contract, complying with the law, with advertising agencies and advertising publishers that they use.
- Internet advertisers shall be responsible for the authenticity of the contents of advertisements.
- Internet advertising publishers and advertising agencies shall examine, verify and register the identity information of advertisers such as their names, addresses and valid contact details. They shall set up registration files and check and update them on a regular basis. Internet advertising publishers and advertising agencies shall examine relevant certificates (including identity, administrative licence, cited information, etc.), verify the contents of advertisements, and shall refuse to design, produce, act as agent for or publish and advertisements if the verification fails or if the certificates are incomplete.

- The administrative departments for industry and commerce in the places where the internet advertising publishers are located shall govern the administrative sanctions on their illegal Internet advertising activities.
- * Since Culture Tax is charged on all advertising supplies (including online advertising), the release of the Measures means that internet advertising activities fall within the definitions will be subject to the Culture Tax in future. The Culture Tax on advertising supplies is levied at 3% of the net Value Added Tax (VAT) payable (that is, revenue net of VAT inclusive payments to other advertising companies for publication of advertisements).

Reference: SAT
Announcement [2016] No. 47
and Shui Zong Han [2016]
No. 368
Issuance date: 19 & 20 July
2016
Effective date: 1 August
2016

Relevant industries: All
Relevant companies: All
Relevant taxes: VAT

Potential impacts on
businesses:

- Compliance costs
reduced

You may click the circular
titles to access full content
of the circulars.

Further VAT implementation rules

In order to help better implement the new VAT rules Measures for Implementation of the Pilot Program of VAT Reform (Cai Shui [2016] No. 36, "Circular 36"), the SAT further issued circulars in relation to issuance of red letter VAT invoices and strengthen the administration on VAT control system. In addition, hotel associations propose to fully implement the VAT reform in the hotel industry nationwide.

❑ [SAT's announcement on issuance of red letter VAT Invoices \(SAT Announcement \[2016\] No. 47, "Announcement 47"\)](#)

On 20 July 2016, the SAT issued Announcement [2016] No. 47 to clarify matters in respect of issuance of red letter VAT invoices, effective from 1 August 2016.

- When a VAT general taxpayer / small-scale taxpayer needs to issue a red VAT special invoice after a VAT special invoice is issued by itself or by the tax authority on behalf of the small-scale taxpayer, due to the reason that: 1) the goods are returned, there is an error in the invoice or the taxable services are suspended, but the VAT special invoice issued cannot be scrapped; 2) goods are partially returned; 3) there needs to be sales discount, Announcement 47 clarifies the different treatment of the following circumstances:

- ❖ Special VAT invoice obtained by a purchaser of goods or services, in respect of which a VAT input credit has already been claimed by the purchaser;
- ❖ Special VAT invoice obtained by purchaser, in respect of which a VAT input credit has not yet been claimed, but the copy of invoice and claim page of invoice cannot be returned to the seller;
- ❖ Special VAT invoice has not been passed to purchaser, or special invoice has not been claimed and the copy of invoice and claim page of invoice have been returned by purchaser

❑ [SAT strengthens the administration on VAT control system \(Shui Zong Han \[2016\] No. 368, "Circular 368"\)](#)

In order to improve taxpayers' satisfaction on VAT control system, SAT issued Circular 368 and made the following requirements (The VAT control system here refers to the tax authority information system for monitoring VAT invoice issuance and use (for which special devices are issued)):

- A taxpayer, whose group headquarters conducts centralized purchasing subject to the VAT control system, they shall purchase the tax control special devices from the designated sale unit. The sale unit shall guarantee the quality and quantity of the devices and shall not shift the responsibility, delay or refuse to sell the devices to taxpayer for whatever reason
- Tied sale and unauthorized fees by sale unit or service unit are strictly prohibited

- The sale unit shall not designate maintenance services unit to the taxpayer and force taxpayer to accept the services after selling the device. Where the taxpayer makes the request for installation to the service unit, the service unit shall complete the installation and commissioning of the taxpayer's VAT control system within 3 working days rather than shift the responsibility, delay or refuse to install the system for whatever reason

❑ [Hotels associations propose to fully implement the VAT reform in hotel industry nationwide](#)

In order to promote the fully implementation of the VAT reform in the hotel industry, on 20 July 2016, China Tourist Hotel Industry Association and China Hotel Association jointly initiate the hotels in a nationwide as follows:

- Not to increase the rates on the ground of VAT reform, not to bid up the price. Price adjustment shall be made based on the market quotation, competition, supply and demand, cost variation.

❑ [Report on tax burden of financial service sector after VAT reform](#)

Premier Li Keqiang, in a State Council Committee meeting held on 27 July 2016, indicated that the actual tax burden of all industries overall decreased after the full implementation of the VAT reform from May 2016 onwards. For some financial enterprises, however, the tax burden increased for a number of reasons. With the deepening of the reform, the effect of tax cut shall be more obvious. Also, the meeting calls for efforts to improve the supporting measures at proper times, interpret the policies and carry out taxation services appropriately and guide the enterprises to make proper use of the VAT credit mechanism so as to ensure decreases rather than increases in the tax burdens of the financial industry and stabilize the market expectations.

The State Council, the MOF and the SAT have recently issued many circulars for the implementation of Circular 36. You may click [KPMG China Tax Weekly Update Issue 13](#), [Issue 14](#), [Issue 15](#), [Issue 16](#), [Issue 17](#), [Issue 18](#), [Issue 19](#), [Issue 20](#), [Issue 21](#), [Issue 22](#), [Issue 23](#), [Issue 24](#), [Issue 25](#), [Issue 26](#), [Issue 27](#) and [Issue 28](#) to understand the details.

* On the occurrence of Circular 36 announcement, KPMG immediately issued a series of China Tax Alerts to provide an overview of the high level policies and general impacts across all industries. Focusing on construction, real estate, finance and lifestyle services, at the same time, we also issued specific alerts for each of the three major industries affected by these changes. You may click the following links to read:

- ❑ [China Tax Alert: China's new VAT rates & rules –high level policies and general impacts across all industries \(Issue 9, March 2016\)](#)
- ❑ [China Tax Alert: China's new VAT rates & rules –Financial Services impacts \(Issue 10, March 2016\)](#)
- ❑ [China Tax Alert: China's new VAT rates & rules –Lifestyle Services impacts \(Issue 11, March 2016\)](#)
- ❑ [China Tax Alert: China's new VAT rates & rules -Real Estate & Construction industry impacts \(Issue 12, March 2016\)](#)

** In addition, the MOF and SAT issued Circular 68 to further clarify VAT treatment of services in regard of reinsurance arrangements, lease of immovable properties and non-academic education. Also, Circular 70 was issued to further clarify the VAT reform policies on financial industry. KPMG has issued two China Tax Alerts to detail the tax impact to reinsurance, insurance and financial services, you may click the following links to read:

- ❑ [China Tax Alert: New Circular clarifies China's VAT treatment of reinsurance arrangements \(Issue 17, June 2016\)](#)
- ❑ [China Tax Alert: New Circular expands upon China's VAT exemptions for financial services industry \(Issue 20, July 2016\)](#)

Reference: SAT
Announcement [2016] No. 46
Issuance date: 13 July 2016
Effective date: 1 September
2016

Relevant industries: All
Relevant companies: Export
enterprises engaged in
manufacturing, foreign trade
and foreign trade integrated
services
Relevant taxes: VAT

Potential impacts on
businesses:

- Risks of being challenged
due to non-compliance
issues increased

You may click [here](#) to access
full content of the circular:

New measures to facilitate export enterprises

On 13 July 2016, the State Administration of Taxation (SAT) issued Announcement [2016] No. 46 ("Announcement 46") and published the revised *Administrative Measures on Categorisation of Enterprises for Export Tax Refund (Exemption)*. Announcement 46 revises the old measures, which were released in 2015, and it shall take effect from 1 September 2016.

Administrative categories for export enterprises comprise Category 1, Category 2, Category 3 and Category 4 and enterprises are classified into these categories based on their general tax credit rating and historic tax compliance status, amongst other factors. Enterprises classified as Category 1 and 2 are entitled to enjoy simplified filing procedures and may obtain tax refunds in an expedited timeframe. Enterprises classified as Category 4 shall be subject to strict administration and examination to guard against risks.

Compared with the old Measures, Announcement 46 mainly made the following revisions:

- Refine assessment criteria for export enterprises classified as Category 1, i.e., setting different criteria based on the types of export enterprises (export enterprises have been divided into manufacturing enterprises, foreign trade enterprises and foreign trade integrated services enterprises in Announcement 46)
- Reduce the threshold of enterprises classified as Category 1, i.e., net assets of foreign trade integrated services enterprises as at end of preceding year shall more than 30% of the total export tax refund (exemption amount for that year (shall more than 60% for foreign trade enterprises, both of proportions in the old Measures are 100%))
- Strengthen the joint incentives for honest enterprises and disciplinary punishments for dishonest enterprises

Besides, Announcement 46 also sets out the assessment criteria for export enterprises classified as Category 2, Category 3 and Category 4. Category management and adjustment as well as risk prevention by tax authorities are also stipulated in the Announcement.

* With regard to Incentives for taxpayers with class-A tax credit rating, you may click KPMG [China Tax Weekly Update \(Issue 27, July 2016\)](#) for details.

State Council issues guideline on reorganization of SOEs

The State Council issued a guideline on restructuring and reorganization of central State-owned enterprises (SOEs) on July 17 2016. The main contents are abstracted as follows:

- Reorganize state-owned capital investment and operating companies. Moderately centralize inefficient and ineffectively used assets of SOEs and SOEs in the industries with small-scale, low level of industrial concentration, serious excess production capacity to state-owned capital investment and operating companies.
- Steadily promote restructuring of enterprises in fields such as equipment manufacturing, construction engineering, electric power, steel and iron, nonferrous metal, shipping, construction materials, tourism and aviation services. Encourage the restructuring of central enterprises at upper and lower reaches of industrial chain such as enterprises engaged in coal, electric power, metallurgy and etc.

Reference: Guo Ban Fa
[2016] No. 56
Issuance date: 17 July 2016
Effective date: N/A

Relevant industries: All
Relevant companies: Central
State-owned Enterprises
Relevant taxes: N/A

Potential impacts on
businesses:

- Operational costs
reduced

You may click [here](#) to access
full content of the circular.

- Encourage central enterprises in fields such as communications, electric power, automobile, new materials, new energy, oil and gas pipelines, marine equipment, air cargo to jointly set up a joint-stock specialized platform. Increase the intensity of joint development of the new technology, new products and new market.
- Encourage central enterprise to push forward the professional integration and to intensify the sustainable development capability by ways of capital injection, restructuring, merger and acquisition.
- More efforts are needed in handling enterprises with negative profits and low-efficient production rate. The problem can be resolved by way of asset restructuring, bankruptcy and liquidation, transfer of property rights, convert the asset into money, transfer of state-owned assets and equity of enterprises without consideration etc.

Reference: Guo Han [2016] No. 130
 Issuance date: 19 July 2016
 Effective date: 19 July 2016

Relevant industries: High and new technology Industry
 Relevant companies: Enterprises are located in Chongqing national hi-tech zone
 Relevant taxes: N/A

Potential impacts on businesses:

- Operational costs reduced

You may click [here](#) to access full content of the circular:

China set up one new National Independent Innovation Demonstration Zone (NIIDZ)

On 19 July 2016, the State Council issued Guo Han [2016] No. 130, officially approving the establishment of new NIIDZ in Chongqing High and New Tech Development Zone. Accordingly, Chongqing hi-tech development zone are entitled to enjoy the preferential policies of NIIDZs.

(There are up to now 17 NIIDZs in total throughout China, including Beijing Zhongguancun, Donghu of Wuhan, Shanghai Zhangjiang, Shenzhen, South of Jiangsu, Changzhutan of Hunan, Tianjin Binhai, High-tech zone of Chengdu, Hangzhou, High-tech zone of Xi'an, Pearl River Delta, Shandong Bandao, Liaoning Shenda, Zhengluoxin of Henan, Fuzhou-Xiamen-Quanzhou of Fujian, Hefei-Wuhu-Bengbu of Anhui and Chongqing.)

* In June 2016, the State Council approved to establish NIIDZs in the Fuzhou-Xiamen-Quanzhou State Hi-tech Industry Development Zones (SHIDZs) and Hefei-Wuhu-Bengbu SHIDZs, you may click KPMG [China Tax Weekly Update \(Issue 25, July 2016\)](#) for more details.

** On March 2016, the Standing Committee Meeting of the State Council decided to set up several new NIIDZs and to accelerate the construction of Shanghai Scientific and Technological Innovation Centre, you may click KPMG [China Tax Weekly Update \(Issue 12, April 2016\)](#) for more details.

*** With regard to the relevant tax preferential policies of NIIDZs, you may click KPMG [China Tax Weekly Update \(Issue 6, March 2016\)](#) for more details.

Reference: Gong Shang Biao Zi [2016] No. 139
 Issuance date: 14 July 2016
 Effective date: N/A

Relevant industries: All
 Relevant companies: All
 Relevant taxes: N/A

Potential impacts on businesses:

- Operational costs reduced

You may click [here](#) to access full content of the circular:

SAIC to facilitate trademark registration

On 26 July 2016, the State Administration for Industry and Commerce (SAIC) issued Gong Shang Biao Zi [2016] No. 139 ("Circular 139"). This further promotes the business system reform and facilitates the trademark registration. Circular 139 clarifies the following facilitation measures:

- Local administrations for industry and commerce (AIC), market regulatory departments (In some jurisdictions, the local AIC is merged into a big market regulatory department which may also include the Food and Drug Administration, the Quality Supervision Administration and other market regulatory administrations) are entrusted by the trademark office, to set up an acceptance office at a local government affair hall or trademark registration hall, to handle applications for trademark registration
- The SAIC will carry out the pilot program of setting up trademark examination cooperation centre (TECC) outside of Beijing. TECC is entrusted by trademark office and is responsible for trademark review etc.
- Online application extends to cover all applicants rather than the trademark agency institutions only and the scope of trademark registration services from acceptance of trademark registration application online to applications for trademark services such as trademark renewal, transfer, deregistration and change, etc.

Circular 139 also simplifies trademark application procedure, trademark review mechanism, and strengthens the supervision of trademark credit.





Final ruling on the anti-dumping investigation against imports of electrical steel

In MOFCOM Announcement [2016] No. 33 released on 23 July 2016, the MOFCOM issued final ruling on the anti-dumping investigations against imports of electrical steel (originally produced in Japan, South Korea and the EU).

* With regard to the preliminary ruling on the anti-dumping investigation against imports of acrylic fibers and electrical steel, you may click KPMG [China Tax Weekly Update \(Issue 13, April 2016\)](#) for more details.

** With regard to the final ruling on the anti-dumping investigation against imports of unbleached sack paper originated in the U.S., the EU and Japan, you may click KPMG [China Tax Weekly Update \(Issue 14, April 2016\)](#) for more details.

You may click [here](#) to access full content of the circular

Beijing clarifies the issuance of ordinary invoice by tax authority on behalf of individual

On 24 July 2016, Beijing State Tax Bureau (BSTB) and Beijing Local Tax Bureau (BLTB) jointly issued Announcement [2016] No. 24, to clarify issuance of ordinary invoices by tax authorities on behalf of individual (excluding individual-owned business). (Individuals may need to issue invoices (by tax authorities on behalf of the individuals) in the circumstances such as he/she is renting out his/her house, or transferring the ownership of his/her properties.)

- Where an individual applies for issuing the ordinary invoice, the individual shall pay taxes in advance of issuing the invoice. VAT payable by individual shall be levied by the state tax authority; urban maintenance and construction tax, education surcharge and local education surcharge payable by individual shall be collected by the state tax authority on behalf of local tax authority
- Where an individual obtains taxable income and the withholding agent fails to fulfil the withholding obligation, the individual may perform the tax filing and payment at the taxation service hall of any local tax bureaus at district level and branches

Announcement 24 also clarifies the application procedure and document requirement.

You may click [here](#) to access full content of the circular

Shenzhen local tax bureau seeks for opinions on draft announcement in respect of Urban Land Use Tax (ULUT)

On 21 July 2016, Shenzhen Local Tax Bureau invited the public to provide comments to its draft announcement in respect of ULUT. The draft clarifies the actual land area occupied of the buildings of two or more storeys.

You may click [here](#) to access full content of the circular.



New way to get IIT payment information in Shanghai

Based on the news from the official We-chat of Shanghai State Tax Bureau (and Shanghai Local Tax Bureau on 27 July 2016, individual taxpayer may enquiry IIT payment information and print it out via a network platform provided by Shanghai tax authority. In comparison with IIT payment certificate, IIT payment list may show a more comprehensive IIT payment record, including the month where the IIT payable is zero.

You may click [here](#) to access full content of the circular

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