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Issue No. 2020030

31 July 2020

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

- ▶ **Notice regarding the public opinion consultation on the “Guidelines for foreign exchange on current account transactions (Discussion Draft)”**

Synopsis

In order to continuously optimize the business environment and further facilitate market entities to handle foreign exchange matters under current accounts, on 24 July 2020, the State Administration for Foreign Exchange (SAFE) announced the “Guidelines for foreign exchange on current account transactions (Discussion Draft)” (hereinafter referred to as the “Draft Guidelines”) on its official website to seek public opinions. The consultation of public opinions shall be opened until 7 August 2020.

The Draft Guidelines consist of eight chapters, which summarize the prevailing foreign administrative regulations for current account transactions concerning commodity trade, trade in bonded zones, service trade, foreign exchange business for individuals, foreign currency notes, etc. The SAFE aims to provide an “all-in-one” reference material for enterprises, individuals, finance institutions and payment service providers, etc. which incorporates the most updated simplified documentation requirements.

In addition, the “Drafting Notes for the Draft Guidelines” (i.e., Attachment II) listed out 30 foreign exchange administrative regulations which are to be revoked.

Concerned parties are encouraged to read the Draft Guidelines and express opinions on or before 7 August 2020 by sending mails/fax or emails to qinlang@mail.safe.gov.cn.

You can click this link to access the full content of the Discussion Draft:
<http://m.safe.gov.cn/safe/2020/0724/16756.html>

▶ **Implementation opinions on further optimizing business environment to better serve market entities (Guobanfa [2020] No. 24)**

Synopsis

To stimulate the market vitality, on 15 July 2020, the General Office of the State Council released Guobanfa [2020] No. 24 (“Circular 24”) to further optimize business environment and better serve market entities.

Key features of Circular 24 are as follows:

- ▶ The facilitation of investment and construction shall be promoted continuously.
- ▶ The approval process and criteria for enterprises’ production and operation shall be further simplified by the following measures:
 - ▶ Lower the threshold of market access
 - ▶ Simplify and optimize the administrative measures on certain processes such as the production and circulation of industrial products
 - ▶ Reduce operating costs for small and micro-sized enterprises
- ▶ The business environment for foreign trade enterprises and foreign investment enterprises shall be optimized by the following measures:
 - ▶ Further improve the efficiency of customs clearance for import and export
 - ▶ Explore the function of “Single Window Service” for international trade
 - ▶ Further reduce restrictions on investments and operations for foreign investment enterprises and foreign trade enterprises
- ▶ The threshold of employment and entrepreneurship shall be lowered.
- ▶ The quality and efficiency of business service shall be improved by promoting the facilitation for the establishment and operation of enterprises and continuously improve tax services.
- ▶ The long-term mechanism for business environment shall be completed and optimized.

Relevant enterprises are encouraged to read Circular 24 for more details.

You can click this link to access the full content of Circular 24:
http://www.gov.cn/zhengce/content/2020-07/21/content_5528615.htm

▶ **Certain opinions on improving the systems to support the development of small and medium-sized enterprises (SMEs) (Gongxinbulianqiye [2020] No. 108)**

Synopsis

In order to promote the high-quality development of SMEs, upon the approval of the State Council, on 3 July 2020, several government authorities jointly released opinions on improving the systems to support the development of SMEs (hereinafter referred to as the “Opinions”) via Gongxinbulianqiye [2020] No. 108.

Twenty-five measures were set out in the Opinions from seven aspects reflecting some key features as follows:

- ▶ Improving the basic systems for supporting the development of SMEs is further emphasized. Key measures include improving the legal system, fair competition system and credit system for SMEs.
- ▶ Financial and fiscal support are further emphasized. Key measures include improving the multi-level financial service system, direct financing support system and financing guarantee system for SMEs.
- ▶ Improving the level of innovation and specialization is further emphasized. Key measures include establishing and improving the innovation and development system for SMEs, promoting and improving support systems for entrepreneurship and innovation.
- ▶ Establishing and safeguarding a long-term mechanism for promoting the development of SMEs are further emphasized. Key measures include improving the government service system for SMEs that combines governmental public services, market-oriented services and social public services, and establishing and improving the protection system for the legitimate rights and interests of SMEs.

Concerned enterprises are encouraged to read Circular 24 for more details.

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

<http://www.miit.gov.cn/n1146290/n1146402/n1146440/c8025771/content.html>

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

- ▶ **Notice regarding the "Catalog of Energy Saving & New Energy Vehicles Eligible for Preferential Vehicle and Vessel Tax Policies (17th Batch)" and "Catalog of New Energy Vehicles Eligible for Vehicle Purchase Tax Exemption (33th Batch)", etc.**
http://www.caam.org.cn/chn/1/cate_2/con_5231157.html
- ▶ **Notice regarding the issues related to optimizing the supervision on the equity asset allocation of insurance enterprises**
<http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=917217>
- ▶ **Notice regarding the financial support for responding to flooding and post-disaster reconstruction (Yinbaojianbanfa [2020] No. 64)**
<http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=917242>
- ▶ **PN regarding issues related to the approval on the connection and cooperation between the infrastructure institutions of the interbank bond market and the exchange bond market (PBOC/CSRC PN [2020] No. 7)**
<http://www.pbc.gov.cn/goutongjiaoliu/113456/113469/4058970/index.html>
- ▶ **Certain opinions on promoting the high-quality development of National High & New Technology Industrial Demonstration Zones (Guofa [2020] No. 7)**
http://www.gov.cn/zhengce/content/2020-07/17/content_5527765.htm
- ▶ **Collection of Policies for Responding to the COVID-19 Epidemic and Promoting Economic Development (July 13th - July 19th)**
<http://www.mofcom.gov.cn/article/b/fwzl/202007/20200702984800.shtml>
- ▶ **Notice regarding the public opinion consultation on the "Decision of the State Administration for Market Regulation on Revising Certain Regulations (Discussion Draft)"**
www.samr.gov.cn/hd/zjdc/202007/t20200721_320091.html
- ▶ **Notice regarding the regulation of off-site supervision on financing guarantee companies (Yinbaojianfa [2020] No. 37)**
<http://www.cbirc.gov.cn/cn/view/pages/ItemDetail.html?docId=918140>
- ▶ **Opinions on providing judicial services and protections to accelerate the improvement of socialist market economy in the new era (Fafa [2020] No. 25)**
<http://www.court.gov.cn/fabu-xiangqing-242911.html>
- ▶ **Notice regarding enhancing the sharing of online housing contract signing and record-filing information to improve public services (Jianfang [2020] No. 61)**
http://www.mohurd.gov.cn/wjfb/202007/t20200715_246357.html

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