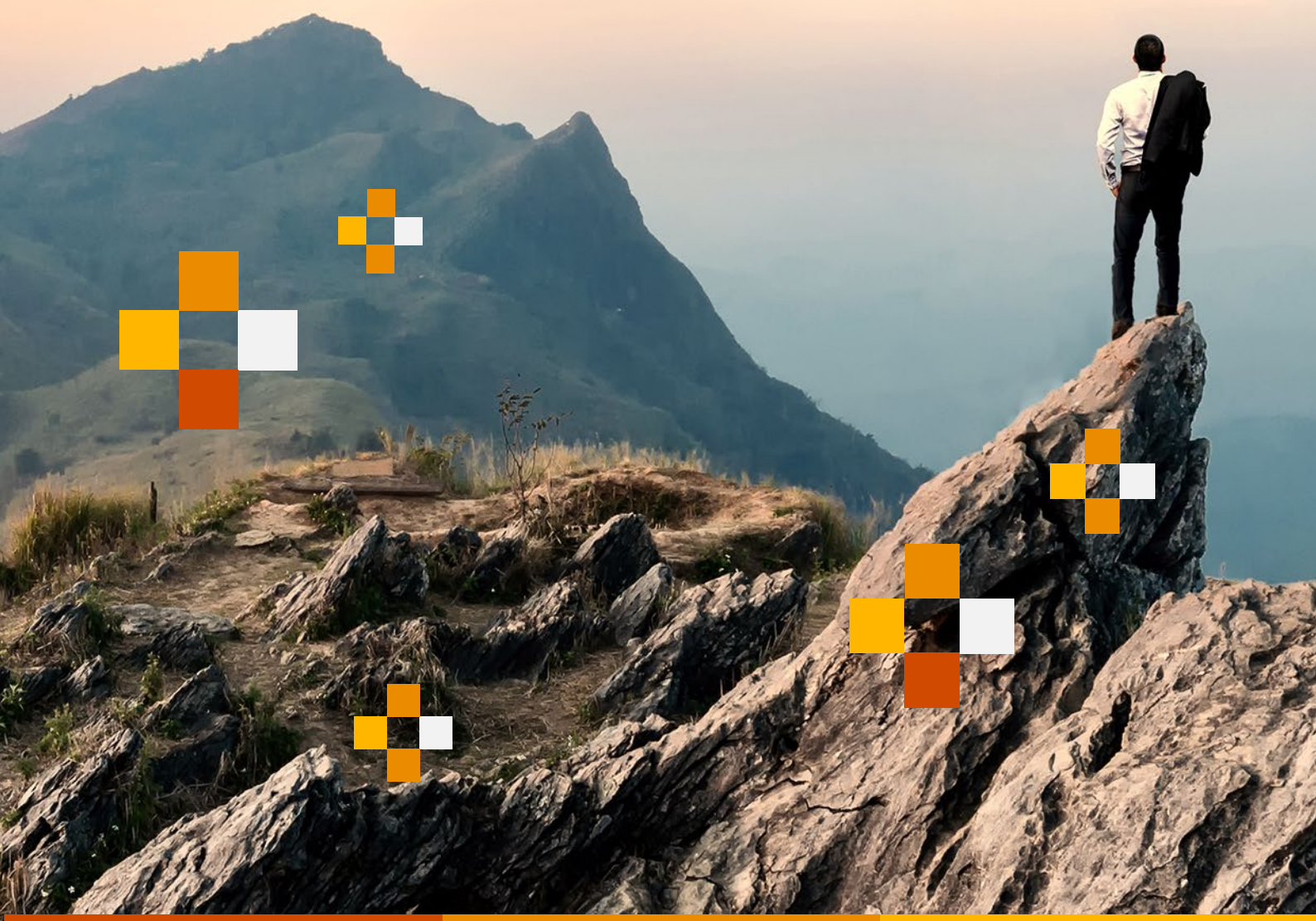


Embracing uncertainties, striving for flourishing

2021 China tax policy review and 2022 outlook



Contents

Foreword	2
1. Driving regional economic development through innovative tax policies	3
Implementation of the Preferential Tax Policies in the Hainan FTP	4
Pudong of Shanghai was granted with broader regional legislative power to lead a new trend of tax policy development	5
Promoting the connectivity with Macao through new policies in Hengqin	6
<hr/>	
2. Rolling out more tax incentives	7
Revitalising innovative enterprises by introduction of new preferential policies on super deduction of R&D expenses	8
Extending the existing deed tax and land appreciation tax (LAT) incentives for corporate restructuring	9
New start, new initiatives - Qianhai Zone unveiling more tax incentives	10
Extending the Corporate Income Tax (CIT) incentives for the third time to further encourage investment in western China	11
Continuing the preferential tax policy for impoverished areas of Xinjiang, Kashgar and Horgos - low threshold and strict supervision	12
<hr/>	
3. Tempering justice with mercy - targeted tax administration	13
Inclusive and prudent tax enforcement	14
Targeted and effective tax administration	15
<hr/>	
4. China's role in international tax governance	17
Responding to OECD guidelines and being flexible on tax implications under the special circumstances of the COVID-19 pandemic	18
Participating in international tax rule-making and advancing the formation of the Two-Pillar Solution	19
Achieving remarkable results in the implementation of BEPS Action Plan	20
Launching the largest global free trade zone based on the implementation of the RCEP	21
<hr/>	
Outlook for 2022	22

Foreword



The “China Tax Policy Review and Outlook” is a series of annual publications designed by PwC’s China National Tax Policy Services to review key tax policy developments in China and discuss the trends as well as implications on Chinese enterprises from a forward-looking perspective. This “2021 China Tax Policy Review and 2022 Outlook” is the 7th issue in the series.

As COVID-19 vaccines became more widely accessible, the economy in developed countries were gradually recovered from the pandemic in 2021. The US led global economic recovery with a strong rebound in the first half of the year. China plays an important role in the global economy. Its GDP has exceeded RMB 100 trillion for the second consecutive year in 2021, representing a growth rate of 8.1%. China attributes its sustained economic recovery to effective COVID-19 countermeasures, a steady rise in foreign investment and trade and more sustainable fiscal policies which enhance quality and efficiency.

Looking back on 2021, China has been moving forward on the path of its established strategy. To support regional economic development and expand all-around opening-up, China has launched multiple innovative initiatives and improved relevant regulations from time to time. The “Hainan Free Trade Port (FTP) Law” was issued and took effect on 10 June 2021. As the first FTP law in China, the law was set to turn the policies and incentives in the General Plan into legislation. In addition, China has attached greater importance to the quality, efficiency and continuity of fiscal and tax policies. In 2021, fiscal and tax authorities have increased the super deduction ratio of R&D expenses to 100% for manufacturing enterprises, and extended some tax incentives, such as preferential corporate income tax (“CIT”) rate for enterprises in western China, deed tax and land appreciation tax (“LAT”) incentives.


China's fiscal and tax authorities adopted targeted tax administration in the way of temper justice with mercy, exerting differentiated oversight over taxpayers according to their risk profiles. Tax authorities introduced the mechanism of impunity over 1st time tax non-compliance, i.e. a special situation that allow taxpayers who violate the law

for the first time and would like to correct voluntarily, to be waived of administrative penalties, as well as given the opportunity to restore the taxpayers’ tax credit rating. Meanwhile, tax authorities will strictly tackle repeated offenders as well as high risk industries and regions by conducting more checks. Efforts will be stepped up to prevent and monitor tax evasion in “tax havens”, “dual contracts” and related party transactions. With the increasing digitalisation of tax administration, tax authorities’ capability of tax collection is greatly reinforced. The approach of tax administration becomes more precise, with permissive supervision implemented in general and strict administration imposed on targeted taxpayers.

In 2021, China has been playing a significant role in global taxation. China’s fiscal and tax authorities have deeply engaged in the multilateral negotiations on the “two-pillar” solution initiated by the OECD Inclusive Framework to address the tax challenges arising from the digitalisation of the economy, giving a play to China’s wisdom for designing the framework and reaching the consensus. In addition, China has followed the trend of international tax governance and actively responded to international tax rules and consensus. Following the OECD’s “Guidance on the Transfer Pricing Implications of the COVID-19 Pandemic”, the International Taxation Department of the State Taxation Administration (“STA”) has released the “FAQ on Anti-avoidance During the Pandemic Prevention and Control”, which gives a clear guidance on the five issues: “transfer pricing investigation, losses arising from the impact of the pandemic, preparation of contemporaneous documentation, government subsidies in response to the pandemic, and advance pricing arrangements (“APA”).


By the end of 2021, COVID-19 variants had swept the world, resulting in uncertainties in the global economy in 2022. In such an environment full of uncertainties, it deserves our attention that how China will continue to use fiscal and tax policies or measures to support its economic development and promote the tax reform under “the 14th Five-Year Plan”.





Driving regional economic development through innovative tax policies

The “dual circulation” development paradigm, in which domestic and overseas markets reinforce each other, with the domestic market as the mainstay, is an important strategy formulated by the central government. In 2021, China continued to vigorously develop its regional economy, introduced and improved regional preferential tax policies to promote regional economic growth, coordinate regional development, and enhance the “dual circulation”.





Implementation of the Preferential Tax Policies in the Hainan FTP

Since the release of the “General Plan for the Hainan Free Trade Port” (“the General Plan”) in June 2020, competent authorities successively issued several tax circulars in 2021, clarifying and implementing the preferential policies proposed in the General Plan on CIT, IIT, customs duty, foreign investment access, etc.

- CIT:

- The Hainan FTP Catalogue of New Encouraged Industries was issued, which contains 143 items under 14 encouraged industries. This Catalogue, together with the existing Catalogue for Industry Restructure (Encouraged Industries) and the existing Catalogue of Encouraged Industries for Foreign Investment, completes the catalogues of encouraged industries that can enjoy the preferential CIT rate of 15% in the Hainan FTP.
- The release of Circular Cai Shui [2021] No. 14 provided the Catalogue of “Tourism, Modern Service and High-tech Industries”, clarifying the items in the three qualified industries that can enjoy the CIT exemption policy on the income generated from new overseas direct investment.

- IIT: In order to implement the preferential policy of IIT rate of 15% for high-end talents and talents in short supply working in the Hainan FTP, four ministries of Hainan jointly issued Circular Qiong Cai Shui [2020] No. 1019, which provided the calculation formulas for tax relief for different income obtained by resident and non-resident individuals. It also states that IIT relief for business operating income and for comprehensive income can be applied from 1 January to 31 March of the following year, and from 1 March to 30 June of the following year, respectively.

- Customs duty: The Yangpu Bonded Port Area is a pioneer for implementing the system of “opening the front line, controlling the second line” for customs administration. For goods that are produced by enterprises engaging in the encouraged industries in the Yangpu Bonded Port Area (“the Bonded Area”) and which do not contain imported materials, or where there are imported materials, the added value from the processing in the Bonded Area is more than 30% (inclusive) of the value of the goods, import customs duties would be exempted when such goods enter the other regions of the Mainland China (Import VAT and consumption tax shall be levied in accordance with the relevant provisions). The system of “opening the front line, controlling the second line” for customs administration has been extended to Haikou Integrated Free Trade Zone and Haikou Airport Integrated Free Trade Zone.
- Foreign investment access: To promote the development of the Hainan FTP, the Hainan FTP Negative List was issued on 31 December 2020. Compared with the Special Administrative Measures (Negative List) for the Access of Foreign Investment (“National Negative List”) and the Special Administrative Measures (Negative List) for the Access of Foreign Investment in the Pilot Free Trade Zones (“PFTZ”) (“PFTZ Negative List”), the Hainan FTP Negative List was shortened to 27 items, aiming at supporting certain industries in the Hainan FTP to take a lead in further opening-up, including value-added telecommunications, education, business services, manufacturing and mining, etc.

In addition, on 10 June 2021, China approved and passed the “Hainan Free Trade Port Law”, which came into effect upon its issuance. As the first FTP law in China, it lays the legal foundation for the implementation of the preferential policies and incentives mentioned in the General Plan.



Pudong of Shanghai was granted with broader regional legislative power to lead a new trend of tax policy development

On 10 June 2021, at the 29th meeting of the 13th NPC Standing Committee, the “Decision on Authorising the Shanghai Municipal People’s Congress and its Standing Committee to Formulate Regulations for Pudong New Area” (the “Decision”) was issued. In response to Pudong’s practical needs for reform and innovation, the Standing Committee of Shanghai Municipal People’s Congress is authorized to, on the basis of complying with the constitutional provisions, formulate laws and regulations for Pudong New Area, which may contain adaptations of laws, administrative rules and departmental regulations. This is the first time that Shanghai has been authorised to make adaptations to national laws and administrative regulations in Pudong New Area, which signifies that Pudong has evolved from “New Area” into “Special Economic Zone” at the legislative level, thus providing legislative support for the further development of Pudong New Area.

On 15 July 2021, the State Council issued the “Opinions on Supporting the High-level Reform and Opening-up in the Pudong New Area for Building a Pioneer Zone of Socialist Modernisation” (the “Opinions”). The Opinions has provided guidance to build Shanghai into an international centre of technology and innovation, and an international financial, trade, as well as shipping centre. It has also established the strategic position of Pudong as a special economic zone and an international consumption centre.

In response to the Opinions, Circular Cai Shui [2021] No. 53 has provided the preferential CIT policies for corporate venture capital enterprises (“VCEs”) in specific areas of the Shanghai Pudong New Area. More specifically, since 1 January 2021, for the income derived from transfer of

equity by VCEs in specific areas of Pudong New Area, if such equity has been held for more than three years and such income accounts for more than 50% of the annual total income of the VCEs, the VCEs shall be subject to CIT at a 50% reduction, or shall be exempt from CIT (if the equity has been held for more than five years), based on its individual shareholders’ shareholding ratio at the year end.

In addition to the above-mentioned preferential CIT policy for corporate VCEs, the Opinions has also proposed to explore and consider the following tax support policies:

- Expanding eligibility of the reduced CIT rate of 15%, which is solely applicable to Lingang New Area at the moment, to include specific areas in Pudong: qualified enterprises engaging in substantial production or research and development activities in key industries such as integrated circuits, artificial intelligence, biomedicine and civil aviation in specific areas of Pudong are eligible for a reduced CIT rate of 15% for 5 years commencing from the date of establishment.
- VAT policies for export of services: studying and exploring VAT policies to support export of services of Pudong enterprises, provided that risks are under control.
- Import-related taxes: to explore exemption of import-related taxes for drugs used in clinical research; recognized R&D institutes in Pudong to enjoy exemption of import-related taxes on equipment imported for self-use and to claim tax refund for purchasing domestic equipment for self-use.



Promoting the connectivity with Macao through new policies in Hengqin

On 5 September 2021, China issued the “General Plan for Building Guangdong-Macao In-depth Cooperation Zone in Hengqin” (“the Hengqin Plan”), which defines the strategic position of the cooperation zone in Hengqin (“the Cooperation Zone”) as a new platform to boost Macao’s appropriate economic diversification, a new space that provides convenience to Macao residents’ life and employment, a new model to enrich the practice of the “one country, two systems”, and a new trial region for building the Guangdong-Hong Kong-Macao Greater Bay Area (“the Greater Bay Area”). According to the plan, new industries will be promoted in Macao, including sci-tech research and development and high-end manufacturing, traditional Chinese medicine and other Macao’s signature businesses, culture and tourism, conventions and exhibitions, and modern finance.

From tax perspectives, the Hengqin Plan has proposed the following preferential policies on CIT, IIT and customs duty for qualified enterprises of the Cooperation Zone as well as foreign and domestic talents working in the Cooperation Zone:

- CIT:
 - Qualified enterprises in the Cooperation Zone can enjoy a reduced CIT rate of 15%.
 - Enterprises registered in the Cooperation Zone engaging in tourism, modern service and high-tech industries are exempted from CIT on the income generated from new overseas direct investment.
 - Capital expenditures that meet certain requirements are eligible for deduction in one lump sum or accelerated depreciation/amortisation methods.

- IIT:
 - For domestic and foreign high-end talents and talents in short supply working in the Cooperation Zone, the portion of IIT which exceeds an effective tax rate of 15% is exempted.
 - For Macao residents working in the Cooperation Zone, the portion of IIT which exceeds the income tax calculated under the Macao tax regime is exempted.
- Customs duty: The system of “opening the front line, controlling the second line” for customs administration is implemented in the Cooperation Zone. For goods that are produced by enterprises in the Cooperation Zone and which do not contain imported materials, or where there are imported materials, the added value from the processing in the Cooperation Zone is more than 30% (inclusive) of the value of the goods, import customs duty can be exempted when such goods enter the other regions of the Mainland China (Import VAT and consumption tax shall be levied in accordance with relevant provisions).

The Hengqin Plan sets out 3 milestones at 2024 (the 25th anniversary of Macao’s return to China), 2029 (the 30th anniversary of Macao’s return to China) and 2035, respectively, which aims at supporting Macao in integrating into China’s overall development by enhancing Macao’s economy, industries, livelihood of the people and by leveraging the development of the Greater Bay Area and the strength of “one country, two systems”, ultimately achieving the development goal of Macao’s appropriate economic diversification. The Plan serves as a high-level guideline and contains a general direction for future development of policies. It is expected that more details of these policies will be introduced and implemented in the future.



Rolling out more tax incentives

During the “13th Five-Year Plan” period, China’s policies to cut taxes and fees have yielded positive results, with additional tax reduction of over RMB 7.6 trillion. The year of 2021 marked the beginning of the 14th Five-Year Plan. Further improving tax and fee reduction policies and implementing tax incentives in a more targeted and accommodative manner was an important objective for this year. In such context, various tax incentives were updated in 2021, for which efforts were made in extending tax incentives due to expiry and optimising the existing tax incentives.



Revitalising innovative enterprises by introduction of new preferential policies on super deduction of R&D expenses

In 2021, a series of preferential policies on R&D super deduction were introduced, continuously benefiting taxpayers. These new policies mainly include: (1) the extension of preferential treatments - the R&D super deduction ratio of 75% was extended to 31 December 2023; (2) increase in ratio – R&D super deduction ratio for manufacturing enterprises was increased from 75% to 100%; (3) early eligibility - when enterprises file their provisional CIT return in the third quarter or in September, they are entitled to apply the R&D super deduction ratio for the first three quarters at their discretion; (4) simplification of breakdown forms in the CIT return for R&D expenses collection. These preferential policies, with a wider coverage and greater benefits, play important roles in helping taxpayers to accurately keep a breakdown of R&D expenses and enjoy preferential tax policies.

In addition, the STA prepared and summarised the “Instructions for Tax and Fee Reduction Policies (V) - Super Deduction of Research and Development Expenses” for taxpayers to better understand each rule and the administrative procedures.

According to the statistics, 82.1% of enterprises that benefited from these preferential policies enjoyed a super deduction amounting to over RMB 1 million as of November 2021. Enterprises in China have enjoyed the early stage of R&D super deduction amounting to RMB 1.3 trillion, with a tax reduction of RMB 333.3 billion, and accounting for 77.6% of the total amount of R&D expenses super deduction during annual reconciliation filing in 2020.





Extending the existing deed tax and land appreciation tax (LAT) incentives for corporate restructuring

In order to continue to support restructuring and reorganisation of enterprises, the deed tax incentives (Circular Cai Shui [2018] No. 17) and LAT incentives (Circular Cai Shui [2018] No. 57), which had expired by the end of 2020, were extended to 31 December 2023. The new circulars extend the exemption treatments (Circular Ministry of Finance (MOF) and STA [2021] No. 21) on LAT related to the restructuring, merger, spin-off, equity investment with real estate properties, and the

deed tax reduction and exemption treatments (Circular MOF and STA [2021] No. 17) on the restructuring and reorganisation of certain enterprises. In particular, the new “tax refund” treatment for deed tax allows taxpayers who had paid deed tax before the release of Circular 17 to apply for the tax refund, so that they can enjoy the policy benefits to the maximum extent and their tax burdens arising from the restructuring can be relieved.

New start, new initiatives - Qianhai Zone unveiling more tax incentives

The reduced CIT rate of 15% has been granted in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (“Qianhai Zone”) since 2014. Over the years, many enterprises engaged in the industries covered under the preferential catalogue have registered and operated in Qianhai Zone. According to statistics, as of the end of May 2021, nearly 42,000 enterprises engaging in modern logistics, information services, technology services and cultural creative industries have been registered in Qianhai Zone, accounting for one-third of the total number of registered enterprises, or nearly nine times of that in 2014, with an annual average increase of 112%, and an accumulative CIT reduction of RMB 9,338 million.

In order to keep up this good momentum, the MOF and the STA jointly issued Circular Cai Shui [2021] No. 30, extending the preferential income tax policy for enterprises in Qianhai Zone to the end of 2025. In particular, the requirement of proportion of

revenue from main operations in the total revenue has been reduced from 70% to 60% based on the new policy. Meanwhile, 21 industries under four business categories included in the preferential catalogue have been expanded to 30 industries under five major business categories. A lower threshold and a wider coverage will undoubtedly attract more qualified enterprises to develop in Qianhai Zone. In addition, the Shenzhen Tax Bureau has elaborated administrative regulations concerning the tax filing process, calculation method, tax administration, etc., providing more support and an active safeguard for the full implementation of the CIT policy for enterprises in Qianhai Zone.

It is estimated that with the implementation of the policy in Qianhai Zone, the number of beneficiary enterprises would increase by nearly 12,000, and the tax reliefs would approach RMB 500 million in 2021.





Extending the Corporate Income Tax (CIT) incentives for the third time to further encourage investment in western China

Over the past 20 years, the Great Western Development Strategy (“the Strategy”), as an early regional development policy, has played an important role in the quest of more balanced development in China. The preferential policy that granted a CIT rate of 15% to enterprises investing in western China has been extended for the third time, to 31 December 2030 (Notice MOF, STA and NDRC [2020] No. 23), thus maintaining the appeal for investment and the competitiveness of the western region. Under the new policy, on the one hand, the proportion of revenue from main operations of enterprises in encouraged industries has reduced from 70% to 60%, and on the other hand, the catalogues of encouraged industries have been updated. Compared with the “Catalogue of Encouraged Industries in Western Region” (“2014 Version”) issued in 2014, the “Catalogue of Encouraged Industries in Western Region” (“2020 Version”), which came into effect on 1 March 2021, states that the number of new encouraged industrial items in the western region has increased from 377 to 535, with increases in each province (autonomous region and city), bringing a continuous new impetus to the economic development of the western region and ushering in a new round of the Great Western Development.

The “Catalogue of Industries Encouraged in the Western Region” (“2020 Version”) includes two parts:

- Encouraged industries in the existing national catalogues of industries: i.e., encouraged industries in the “2019 Catalogue for Industry Restructure (2019 Version)” (applicable to domestic enterprises); industries in the “Encouraged Industry Catalogue for Foreign Investment” (2020 Version) (applicable to foreign-invested enterprises);
- Newly-added encouraged industries in the west region (applicable to domestic enterprises). Each of the following provinces has its own list of newly-added encouraged industries: Chongqing City, Sichuan Province, Guizhou Province, Yunnan Province, Tibet Autonomous Region, Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Hui Autonomous Region, Xinjiang Uyghur Autonomous Region, Inner Mongolia Autonomous Region and Guangxi Zhuang Autonomous Region.



Continuing the preferential tax policy for impoverished areas of Xinjiang, Kashgar and Horgos - low threshold and strict supervision

In order to further promote the economic and social development of Xinjiang, the “two-year CIT exemption followed by three-year 50% CIT reduction” policy for impoverished areas of Xinjiang and the “five-year CIT exemption” for the two special economic development zones of Kashgar and Horgos have been extended for another ten years until 31 December 2030 (Circular Cai Shui [2021] No. 27). In particular, similar to many regional preferential tax policies, the proportion of revenue from main operations of relevant enterprises has reduced from 70% to 60%

as required. However, while enterprises enjoy the preferential tax policies of lower threshold, higher requirements have been set for their substantive operations, which require that “the effective management of the enterprise shall be locally based and shall conduct substantive and comprehensive management and control over the enterprise’s production and operation, personnel, accounts and assets”, to prevent enterprises from using “tax havens” and other malicious tax planning methods to evade tax, so as to ensure more precise, effective, reasonable and fair tax preferences.



Tempering justice with mercy - targeted tax administration

In 2021, the tax issues of public figures aroused great attentions and topics, turning the spotlight on tax authorities' supervision on economic activities of new forms and business models. While enhancing supervision on key industries and taxpayers, tax authorities have put more efforts in promoting inclusive and prudent tax enforcement and optimising tax services, thus creating a favourable tax environment tempering justice with mercy.



Inclusive and prudent tax enforcement

The mechanism of impunity over 1st time tax non-compliance

In recent years, many local tax authorities have been actively exploring the mechanism to waive the punishment on 1st time tax non-compliance. On 31 March 2021, the STA announced the first national list of matters subject to the impunity principle. Starting from 1 April 2021, for the first offense of the 10 matters listed, including failure to timely file tax returns and failure to obtain invoices in accordance with the regulations, if the offense is trivial and has no serious consequences and the taxpayer or the withholding agent has taken the initiative to rectify such matter before being discovered by the tax authorities or rectify it within the period ordered by the tax authorities, no administrative penalty would be imposed.

As an innovative and flexible way for tax enforcement, the mechanism of impunity over 1st time tax non-compliance gives taxpayers room for error correction within the statutory purview. Hence, it is more conducive to educate and guide taxpayers to actively comply with tax laws. Moreover, it is also a real practice of tax authorities to integrate the concept of service into tax supervision.

Supporting taxpayers' tax credit rating restoration for enterprises undergoing bankruptcy & restructuring

With the advancement of China's tax credit system, the graded and classified management

and service measures based on taxpayers' tax credit rating results have already covered all aspects such as invoice collection, export tax refund, financing credit and daily supervision. Other than tax-related matters, trustworthy enterprises also can enjoy more social resources, while dishonest enterprises may find it difficult to carry out business in the market.

The credit restoration mechanism implemented by the tax authorities from 2020 provides an opportunity for dishonest taxpayers to take remedial measures. In November 2021, the STA further expanded the scope of credit restoration, introducing new situations where enterprises with untrustworthiness or undergoing bankruptcy & restructuring may apply for the restoration of tax credit rating from 2022 onwards. In the process of restructuring or reconciliation procedures, bankrupt enterprises that have paid taxes, late payment charges and penalties in accordance with the law and rectified relevant dishonest acts can apply to restore tax credit rating results, so as to get out of the negative impact brought about by bankruptcy as soon as possible and step into normal production and operation in a more efficient manner.

In addition, as a transition to the mechanism of impunity over 1st time tax non-compliance, taxpayers with non-compliance for the 1st time shall not be recorded in the tax credit evaluation from 2021.



Targeted and effective tax administration

High-income earners in the radar of supervision

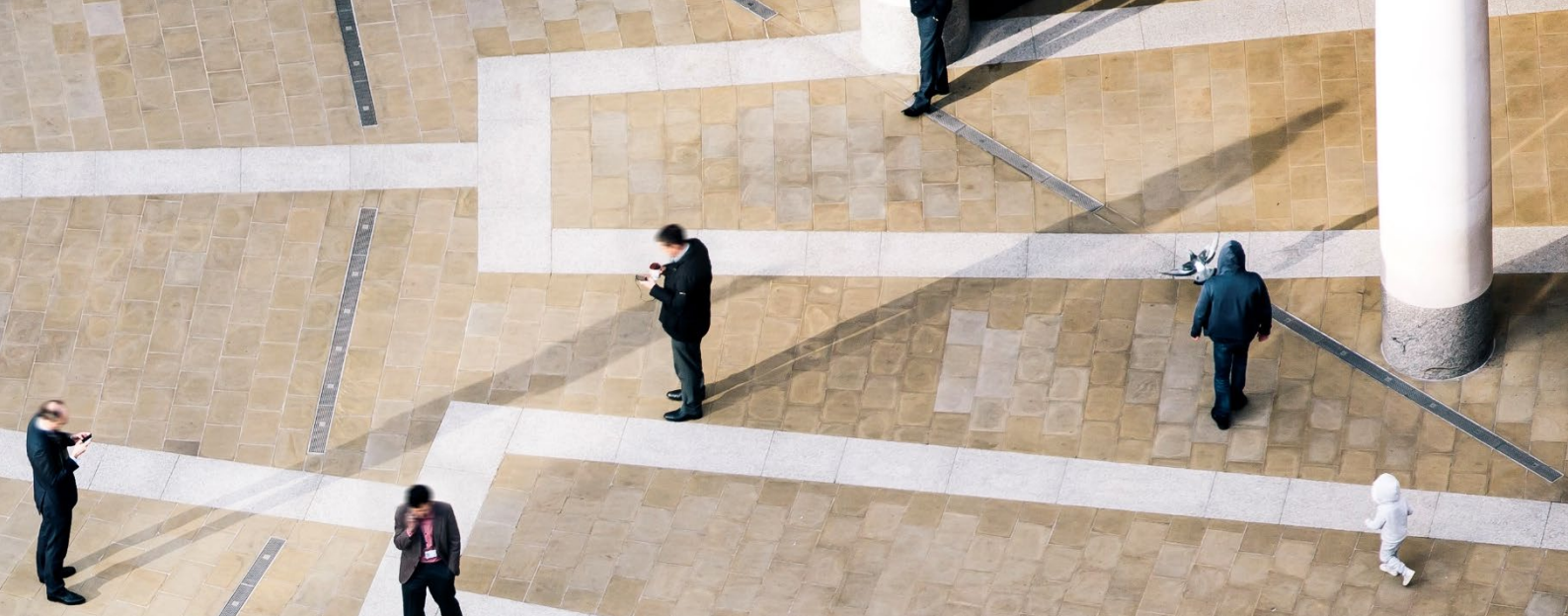
The COVID-19 has fuelled the rise of livestreaming marketing and other industries. Along with the continuous expansion of its market scale, the complex business models, profit channels and labour relations under the internet celebrity economy have also brought challenges to governmental supervision. For these key areas, the STA issued a circular in September 2021, requiring that studios and enterprises set up by celebrity artists and webcasters shall be counselled to establish financial books in accordance with the law and file taxes on an actual basis. The STA has also proposed to conduct regular tax audits by means of "Random Investigation and Public Release" on celebrity artists and webcasters.

In view of the frequent tax avoidances of high-income earners by conducting tax filing on a deemed basis for their business income, local tax authorities have been gradually tightening up the management on assessment of tax filing on a deemed basis. From 1 January 2022, sole proprietorships and partnerships holding equity investments such as equities, stocks and shares of partnerships shall be subject to IIT on an actual basis. This move can help close the loopholes in tax collection and management caused by irregular adoption of tax filing on a deemed basis by certain sole proprietorships or partnerships set up for investment purposes, and strengthen the management of enterprises.

Strengthening related party transactions reporting requirements and management of IIT on equity incentives

In October 2021, the STA launched fifteen new measures to further deepen the reform to "streamlining administration, delegated powers, improved regulation and services" in taxation. In particular, it requires tax authorities to strictly implement the related-party transactions reporting requirements in accordance with the "Public Notice Issued by the STA Refining the Reporting of Related Party Transactions and Administration of Transfer Pricing Documentation" (STA Public Notice [2016] No.42). Between an enterprise and other enterprises, organisations or individuals, where one party can control relevant activities of the other through contracts or other forms and thus enjoy rewards, the two parties are defined as related parties and shall conduct tax filing of related party transactions. In practice, under the variable interest entity (VIE) structure, the common agreed control relationship formed between a wholly foreign-owned enterprise and a VIE, along with their profit distribution models, is a typical arrangement that meets all the above criteria. Therefore, for the VIE structure, relevant business transactions meeting the criteria are required to be filed, and a country-by-country report shall also be submitted if conditions are met.





In addition, the tenth article proposes to strengthen management of IIT on equity incentives, emphasising that enterprises implementing equity incentives shall report and submit the “Equity Incentive Reporting Form” and related information to the tax authorities, while requiring enterprises to report and submit existing equity incentive plans by the end of 2021. Previously, the reporting requirements for listed and unlisted companies implementing equity incentive plans were not consistent, where unlisted companies were subject to record filing only if enjoying the tax deferral treatment. The new regulation integrates the existing policies into a whole, specifying that both listed and unlisted companies, including those under VIE structure, shall submit relevant information to the tax authorities within 15 days of the following month after deciding to implement equity incentives. Meanwhile, the standard reporting form has been standardised and unified.

Benefiting from big data on tax, more information and data are reported and submitted directly to the online system. From the perspective of tax collection and management, the above measures also send out a signal that the tax authorities may, in the future, step up supervision over intra-group transfer pricing arrangements under the VIE structure and IIT compliance issues of various equity incentive plans.

Tightening up qualification review of High/New Technology Enterprises (HNTEs)

With the innovation-driven development and multiple measures to support enterprises' investments in R&D, the number of HNTEs nationwide presented a year-on-year increase of 18.7% in 2021. However, obtaining qualification of the HNTE is not for good and all, and enterprises should pay attention to the status maintenance.


In September 2021, the Torch High Technology Industry Development Centre, Ministry of Science and Technology issued the “Notice on Inspecting the Administration of Assessment of HNTEs” (Circular Guo Ke Huo Zi [2021] No. 133), requiring the 36 agencies for recognition management of HNTEs nationwide to conduct “self-examination and self-correction”, and “look-back” at identified HNTEs, with a sample inspection ratio of no less than 20% - 30%. The issuance of the notice has once again confirmed that China attaches great importance to the supervision on HNTEs, and enterprises failing to meet the criteria will have their high-tech qualifications cancelled. Therefore, in the process of business expansion, enterprises should also pay attention to the development of core intellectual property rights, continuously monitor data indicators such as R&D expenses and high-tech income, accurately understand tax policies, and strengthen internal control management, so as to enjoy the preferential tax policy for HNTEs in a sustainable manner.



China's role in international tax governance

In recent years, China, as a member of the Group 20 (G20) and the Inclusive Framework on the Base Erosion and Profit Shifting (BEPS) Action Plan, has been deeply involved in international tax reform cooperation, actively providing Chinese solutions to promote the development of a new global tax order and the implementation of international tax reform outcomes.

In 2021, global economic, trade and tax rules experienced constant changes. In response to the development trends of international rules, China actively practised its responsibilities as a responder, participant and enforcer of international rules.





Responding to OECD guidelines and being flexible on tax implications under the special circumstances of the COVID-19 pandemic

On 18 December 2020, the Organisation for Economic Cooperation and Development (OECD) released the “Guidance on the Transfer Pricing Implications of the COVID-19 Pandemic” (“the Guidance”), providing guidance on how to apply the arm’s length principle to transfer pricing analysis during the pandemic regarding four topics: “comparability analysis, operating losses caused by the COVID-19 pandemic to multinational enterprises and how to allocate expenses associated with the pandemic, government subsidies and supporting programmes, and APAs”. Against such backdrop, on 30 September 2021, the International Taxation Department of STA released the “FAQs on Anti-avoidance during the Pandemic Prevention and Control” (“the FAQs”), giving guidance on the five issues: “implementation of transfer pricing investigations, losses arising from the pandemic, preparation of contemporaneous transfer pricing

documentation, impact of government subsidies in response to the pandemic on transfer pricing arrangements, and APAs”.

Based on the OECD “Guidance”, the “FAQs” respond to the above issues in compliance with the arm’s length principle. By considering the differentiated impacts of the pandemic on different industries and enterprises, and using independent third-party business activities as a reference, the “FAQs” guide enterprises to fully illustrate the impact of the pandemic and provide reliable comparability analysis, and lead tax authorities to make assessment taking into account the factor of pandemic where appropriate, thereby avoiding rigid transfer pricing analysis. The “FAQs” proactively share the tax authorities’ thoughts in regular transfer pricing administration with taxpayers, which also demonstrates the increasing transparent and friendly tax administration.



Participating in international tax rule-making and advancing the formation of the Two-Pillar Solution

Since 2017, G20/OECD Inclusive Framework on BEPS has been developing a multilateral proposal on international tax rules for the digitalised economy. China has been deeply involved in the design and negotiation of the proposal, formulating a solution that meets the interests of economies at different stages of development. In October 2020, the Inclusive Framework on BEPS published the blueprint of Two-Pillar solution to address the tax challenges in a digitised economy: Pillar One balances the international tax distribution in the context of a digitised economy by redistributing the taxing rights on global profits of large multinational enterprises (MNEs); Pillar Two sets a bottom line for tax competition by implementing a global minimum tax to ensure that MNEs bear a certain tax burden in each jurisdiction. Afterwards, through multiple rounds of consultations, the Inclusive Framework on BEPS released the “Statement on the Two-pillar Solution to Tax Challenges in a Digitised Economy” (“the Statement”) in October 2021. As of 4 November, 137 of the 141 members under the Inclusive Framework on BEPS reached consensus on the Statement. According to the Statement:

- Pillar One is applicable to multinational groups with profitability above 10% and global turnover above EUR 20 billion. The profit to be reallocated to markets will be calculated as 25% of the residual profit, which is profit in excess of 10% of revenue. Two sectors remain carved out from Amount A of Pillar One: extractive industries and regulated financial services.
- The global minimum tax rate under Pillar Two is set at 15%. Multinational groups with global turnover above EUR 750 million fall into the scope of Global Anti-Base Erosion Proposal (GloBE), and each tax jurisdiction can determine whether to apply the Income Inclusion Rule (IIR) to multinational groups headquartered in their respective territory not exceeding the threshold amount.

In particular, for GloBE on Pillar Two, the Inclusive Framework on BEPS issued the “Tax Challenges Arising from the Digitalisation of the Economy - Global Anti-Base Erosion Model Rules (Pillar Two)” (“the Model Rules”) on 20 December 2021, which provides a standardised model for countries to introduce GloBE Rules. The STA has released a Chinese translation of the Model Rules.

Currently, the OECD is accelerating the technical work and implementation of the Two-Pillar solution. According to the implementation plan, the Two-Pillar solution will be implemented as from 2023. China is conducting in-depth research on the impacts arising from the Two-Pillar solution to get prepared. It remains to be seen how China tax laws and regulations will be amended, how the top-up tax payment will be collected and administered, and how the taxpayers will respond.



Achieving remarkable results in the implementation of BEPS Action Plan

The achievements as a result of China's implementation of BEPS Action Plan recognised by the OECD peer review

In October 2021, the OECD released the fourth annual peer review report for the BEPS Action 13 - Country-by-Country Reporting and the seventh stage batch of the two peer review report for the BEPS Action 14 - Mutual Agreement Procedure. The review showed positive results on Mainland China's achievements through active participation in BEPS work in recent years and put forward corresponding recommendations:

- Mainland China has fully implemented the BEPS Action 13. The OECD has put forward several recommendations for improvement in the information exchange of Country-by-Country reporting, local filling and other aspects. It remains to be seen whether the STA will revise relevant provisions of domestic laws in response to the OECD recommendations.
- In terms of the BEPS Action 14, the results of the latest peer review indicates that Mainland China has provided explicit policy guidance for local taxpayers to apply for the mutual agreement procedure, and no major issues have occurred in the implementation of the mutual agreement procedure.

A record high in the number of signed APAs

APA is one of the specific measures of the BEPS Action Plan 14. Chinese tax authorities have long been committed to improving the management of APAs. In October 2021, the STA issued the "China Advance Pricing Arrangement Annual Report (2020)" (2020 Annual Report). According to statistics, China entered into a total of 116 unilateral APAs and 90 bilateral APAs from 2005 to 2020. In 2020 alone, 29 APAs were signed, including 15 unilateral APAs (4 renewals) and 14 bilateral APAs (6 renewals), reaching a record high in the number of signed APAs. It can be seen that even under the impact of the pandemic, the Chinese tax authorities are still steadily advancing their agenda on APAs to ensure the certainty of cross-border taxation.

Based on the "Public Notice Issued by the STA Regarding the Simplified Procedures for Unilateral Advance Pricing Arrangements" (STA Public Notice [2021] No. 24) released in July 2021, the 2020 Annual Report incorporated the "operation specifications for simplified procedures for unilateral APAs". The simplified procedures for unilateral APAs simplify the original procedures from 6 stages to 3 stages, and put forward a time limit of "90 days + 6 months"¹ for tax authorities, which improves the application efficiency of unilateral APAs. It is expected that the introduction of the simplified procedures will attract more enterprises to participate in unilateral APAs, thus improving the tax compliance of enterprises with higher efficiency and lower cost.

¹ The time limit of "90 days + 6 months": The in-charge tax authority shall conduct analysis and evaluation as well as on-site functional interviews upon receiving the enterprise's application, and issue the Notice on Tax Matters to the enterprise within 90 days from the date of receiving the enterprise's application to inform the enterprise whether its application is accepted or not. After accepting the enterprise's application, the in-charge tax authority shall negotiate with the enterprise on whether its related party transactions comply with the arm's length principle, and the negotiation shall be completed within 6 months after issuing the Notice on Tax Matters for accepting the application.



Launching the largest global free trade zone based on the implementation of the RCEP

On 2 November 2021, the ASEAN Secretariat, the custodian of the “Regional Comprehensive Economic Partnership Agreement” (RCEP), announced that six ASEAN member countries, namely Brunei, Cambodia, Laos, Singapore, Thailand and Vietnam, as well as four non-ASEAN member countries, namely China, Japan, New Zealand and Australia, had formally submitted their written authorizations, reaching the threshold for the RCEP to take effect. The RCEP officially came into force for the above ten countries on 1 January 2022.

The RCEP was officially signed on 15 November 2020 in the presence of 15 member countries². China attaches great importance to the groundwork for the implementation of the RCEP. Shortly after the agreement was signed, relevant preparations were basically completed, including preparations for the implementation of tariff concessions and rules of origin, and preparations for the fulfilment of the 701 binding obligations involved in the agreement.

On 23 November 2021, the GAC issued the Administrative “Measures of the Customs of the People’s Republic of China for the Approved Exporters” (GAC Order [2021] No. 254) and the “Administrative Measures of the Customs of the People’s Republic of China for the Origin of

Imports and Exports under the RCEP” (GAC Order [2021] No. 255), both of which shall take effect from 1 January 2022. These Orders provide a legal basis for implementing the approved exporter management system under the RCEP and strengthening the administrative management in terms of the origin of imports and exports.

On 13 December 2021, the Customs “Tariff Commission of the State Council issued the Tariff Adjustment Plan for 2022”. According to the RCEP, the first-year tariff rate, based on the Plan, is applicable to some imported goods originating from the nine member countries for which the agreement will soon take effect while zero import and export tariff will be implemented for multiple products immediately after the RCEP takes effect.

The entry into force of the RCEP provides a framework for promoting trade growth, improving the level of opening-up, and developing a high-quality economy. If Chinese companies are to benefit from the implementation of the RCEP, a well-established policy system and continuous efforts in implementation stage will be required. It is expected that there will be new breakthroughs in the design of the RCEP-supporting rules, optimisation of business environment, improvement of enterprise services and other aspects.

² The 15 member countries are China, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam, Australia, Japan, South Korea and New Zealand.



Outlook for 2022

Due to countries' mixed performance in curbing COVID-19, the pandemic will linger into 2022. Even in an environment full of variables, tax reform will not stop. In 2022, the Two-pillar solution initiated by the Inclusive Framework on BEPS will make significant progress, laying the groundwork for its official implementation in 2023. In this new year, China will “prioritise stability while pursuing economic progress”, and China’s fiscal and tax authorities will also forge ahead with fiscal and tax reforms according to the “14th Five-Year Plan” on the premise that the economy maintains stable growth. PwC expects that in 2022 domestic and foreign tax policies as well as tax collection and administration will see the following developments:



Pilot property tax

In recent years, the Chinese Government has placed the gradual realisation of common prosperity for all people in an even more important position. Based on the current situation, in order to achieve common prosperity, it is necessary to solve the current social inequality through tax adjustments. Based on the “14th Five-Year Plan”, the pilot programme of property tax will be one of the key agendas of the tax reform in the future.

The property tax reform will be carried out in accordance with the principle of “legislation first, full authorisation and gradual implementation”. In October 2021, the National People’s Congress approved the “Decision on Authorising the State Council to Launch the Pilot Reform of Property Tax in Certain Regions”, which indicated that the State Council should develop specific measures for the pilot reform of property tax, and local governments should formulate specific and feasible implementation rules. The pilot programme will last for 5 years.

The purpose of this pilot reform of property tax is to accumulate experience for future property tax legislation, and it might be implemented across different regions of the country. Compared with the property tax that was piloted in Shanghai and Chongqing in 2011, the future property tax pilot may have different provisions in terms of the scope of application and the determination of the tax base. Regarding the timing of the new round of pilot reform, the Ministry of Finance recently stated that the property tax pilot reform would be carried out in accordance with the authorization of the Standing Committee of the National People’s Congress, and the relevant surveys and preliminary studies had been conducted in some cities. However, taking all aspects into consideration, the conditions for expanding scope of the property tax pilot reform cities cannot be fulfilled in 2022. Therefore, it will take some time to launch the new round of property tax pilot reform.



Tax legislation progress

The legislation on 12 out of 18 tax categories had been completed by the end of 2021. In 2022, China will continue tax legislation. The stamp tax law passed in 2021 will come into force on 1 July 2022. Currently, taxes on which no law has been enacted include value-added tax, consumption tax,

land appreciation tax, custom duty and property tax. The drafts for land appreciation tax law, value-added tax law and consumption tax law have been released to the public for comments, and it is expected that the legislation on these taxes will be completed earlier than the rest.



Blueprint for digitalisation – “data-enabled tax governance”

In March 2021, the State Council issued the “Opinions on Further Deepening the Reform of Tax Collection and Administration”, which drew a blueprint for the development of smart taxation in China against the backdrop of digitalisation, and demonstrated a positive and persistent attitude to the digital transformation and upgrading of tax collection and administration. According to the “Opinions”, the Chinese tax authorities will take full advantage of modern information technology such as big data and cloud computing to promote the development of smart taxation, promote the adoption of electronic invoices, and deepen the shared application of tax big data, so as to shift from “tax administration through invoices” to classified and accurate supervision and “data-enabled tax governance”.

At present, by facilitating the use of electronic invoices, the Chinese tax authorities have started the fourth phase of the Golden Tax Project. With rich experience in implementing the pilot programme of special VAT e-invoices for newly-established enterprises across the country, the pilot programme of “digital e-invoices for all” (namely “digital e-invoices”) has been carried out among taxpayers in Shanghai, Guangdong Province (excluding Shenzhen) and Inner Mongolia Autonomous Region since 1 December 2021. As the scope of the pilot programme

gradually expands, the data information presented in the digital e-invoices will act as a cornerstone for the fourth phase of the Golden Tax Project. In addition to e-invoices, tax authorities will continue to embrace other resources for big data on tax, and deepen the convergence and connection of internal and external tax-related data, as well as the organic integration of online and offline data. It is expected that by 2022, the tax authorities will basically realise the intelligent collection of “legal person-based” and “natural person-based” tax information. This allows for automatic analysis and monitoring of the consistency of the same enterprise or individual's tax information between different periods and tax categories, as well as the consistency of tax information between enterprises or individuals of the same size and type.”





Tax policies on carbon neutrality

In order to cope with climate change, solve prominent problems of resource and environmental constraints, realise harmonious development between man and nature and promote high-quality development of China's economy, China has put forward the target of “carbon peak and carbon neutrality”, and planned to achieve carbon peak by 2030 and carbon neutrality by 2060, with the shortest time in the global history between the realisation of carbon peak and carbon neutrality.

According to the current status of carbon emissions in China, in order to achieve the target of “carbon peak and carbon neutrality”, it is necessary to change the industrial structure and develop green and low-carbon technologies. Therefore, fiscal and tax authorities will provide more support for these areas in the future. The tax policies will focus on the incentives for environmental protection, energy and water conservation, the development of new energy and clean energy vehicles and vessels and the research of tax policies related to carbon emission reduction.

Preparations for the implementation of the two-pillar solution

According to the implementation timeline of the Two-pillar solution, the Inclusive Framework on BEPS plans to finalise the Pillar One multilateral convention and its explanatory statement in 2022, so that the multilateral convention can be open for signature as soon as possible. The implementation framework of Pillar Two GloBE Rules and the provisions of Model Tax Convention for the

Subject to Tax Rule will be released in the same year. Prior to the release of relevant documents, public consultation conferences will also be held to seek the opinion of stakeholders. Therefore, 2022 will be a crucial year before implementation of the Two-pillar solution, as well as the last chance for multinational companies and groups to get prepared.



Continued tax cuts, increased VAT refunds

By the end of 2021, a number of period-specific tax preferential policies had expired, including those for yearly one-off bonuses, equity incentives and foreign individuals' allowances and subsidies, additional deduction of VAT for manufacturing and consumer service industry and levying rate of 1% of VAT for small-scale taxpayers. Among them, additional deduction of VAT for manufacturing and consumer service industry, preferential tax treatment for IIT, yearly one-off bonuses, equity incentives and foreign individuals' allowances and subsidies related to pandemic prevention and control have been renewed. It remains to be seen whether the remaining preferential tax policies and other covid-specific preferential policies will be extended.

Premier Li Keqiang delivered a Speech on the "Government Work Report" (the "Report") at the fifth session of the 13th National People's Congress on March 5th, 2022. Tax and fee cuts have been the keynote of fiscal policies in recent years due to the epidemic and the global economic downturn. China will continue to implement tax and fee cuts in 2022, mainly targeting small and micro enterprises to relieve their difficulties. The report specified tasks related to fiscal and tax work in 2022, including the continuing and upgrading of tax and fee cuts policies to support manufacturing industry and small and micro enterprises, the VAT credit refund on big scale, and increased efforts to stimulate enterprise innovation. For example:

- Tax and fee cuts for small and micro enterprises: Small-scale taxpayers are exempted from VAT in phases; the annual taxable income of small and micro enterprises from RMB 1 million to RMB 3 million is further reduced by 50% for CIT, which leads to an effective tax rate of 5%.
- VAT credit refund on big scale: Priority will be given to small and micro enterprises. More specifically, all the outstanding VAT credit of small and micro enterprises will be refunded in one lump sum by the end of June, while their

incremental VAT credit will be refunded in full. China will work to fully solve the problems in tax credit refund for manufacturing, scientific research and technical services, ecological and environmental protection, electricity and gas, transportation and other industries.

- Increasing incentives for enterprise innovation: To follow the innovation-driven development strategy in the 14th Five-Year Plan, the Report proposed to increase the tax super deduction of R&D expenses. At the moment, only manufacturing enterprises can enjoy 100% tax super deduction of R&D expenses. The Report proposed to increase the proportion of R&D tax super deduction for technological SMEs from 75% to 100%. The Report also emphasized the importance of basic research and proposed tax incentives for enterprises who invested in basic research, and it is in line with the goal of strengthening basic research in the 14th Five-Year Plan.

In addition, the Report proposed to improve the policies of accelerated depreciation of equipment and instruments, and preferential CIT policies for HNTes. The following day after the release of the Report, the MOF and STA immediately issued the "Announcement on Relevant Policies for Income Tax Deduction for Equipment and Instruments of Micro, Small and Medium-sized Enterprises" (Notice MOF and STA [2022] No. 12), which stipulates that for equipment and instruments newly purchased by SMEs during the period from January 1, 2022 to December 31, 2022, with a unit value of RMB 5 million or more and with the minimum depreciation period of 3 years, the enterprise can voluntarily choose to make a one-off tax deduction in the current year; if the minimum depreciation period is 4 years, 5 years or 10 years, the enterprise can choose to deduct in half in the current year. The new policy encourages SMEs to upgrade production and research and development equipment, improve the competitiveness of the industry and continue to enhance confidence in development.



Our leaders



Raymund Chao

Asia Pacific and China Chairman
+852 2289 2111
raymund.chao@cn.pwc.com

Spencer Chong

Tax Markets Leader
+86 (21) 2323 2580
spencer.chong@cn.pwc.com

Charles Lee

South China (incl. Hong Kong SAR) Tax Leader
+86 (755) 8261 8899
charles.lee@cn.pwc.com

Jeremy Ngai

South China Tax Leader
+852 2289 5616
jeremy.cm.ngai@hk.pwc.com

Chris Woo

Singapore Tax Leader
+65 9118 0811
chris.woo@sg.pwc.com

Elton Huang

China Tax Leader
+86 (21) 2323 3029
elton.huang@cn.pwc.com

Alan Yam

Central China Tax Leader
+86 (21) 2323 2518
alan.yam@cn.pwc.com

Rex Chan

North China Tax Leader
+86 (10) 6533 2022
rex.c.chan@cn.pwc.com

Jason Hsu

Taiwan Tax and Legal Services Leader
+886 (2) 2729 5212
jason.c.hsu@tw.pwc.com



Contacts in PwC

With over 4,000 tax professionals and over 200 tax partners across Hong Kong, Macao, Singapore, Taiwan and 26 cities in Mainland China, PwC's Tax and Business Service Team provides a full range of tax advisory and compliance services in the region. Leveraging on a strong international network, our dedicated China Tax and Business Service Team is striving to offer technically robust, industry specific, pragmatic and seamless solutions to our clients on their tax and business issues locally.

For more information of any China tax matters, please contact your client partner or any of the partners responsible for or working in your area:

Beijing

Rex Chan

+86 (10) 6533 2022

rex.c.chan@cn.pwc.com

Shanghai

Alan Yam

+86 (21) 2323 2518

alan.yam@cn.pwc.com

Guangzhou

Ingrid Qin

+86 (20) 3819 2191

ingrid.qin@cn.pwc.com

Shenzhen

Cathy Jiang

+86 (755) 8261 8820

cathy.kai.jiang@hk.pwc.com

Hongkong

Charles Lee

+852 2289 8899

charles.lee@cn.pwc.com

Shenyang

Robin Zhang

+86 (411) 8379 1698

robin.zhang@cn.pwc.com

Dalian

Robin Zhang

+86 (411) 8379 1698

robin.zhang@cn.pwc.com

Qingdao

Helen Zhang

+86 (532) 8089 1815

helen.h.zhang@cn.pwc.com

Tianjin

Bo Yu

+86 (22) 2318 3066

bo.yu@cn.pwc.com

Jinan

Helen Zhang

+86 (532) 8089 1815

helen.h.zhang@cn.pwc.com

Zhengzhou

Bo Yu

+86 (22) 2318 3066

bo.yu@cn.pwc.com

Xi'an

Jackie Zhao

+86 (29) 8469 2661

jackie.zhao@cn.pwc.com



Hefei

Andy Sun

+86 (551) 6488 4692

andy.sun@cn.pwc.com

Nanjing

Benny Zhang

+86 (25) 6608 6278

benny.zhang@cn.pwc.com

Wuxi

Anita Peng

+86 (21) 2323 2586

anita.c.peng@cn.pwc.com

Suzhou

Mike Chiang

+86 (512) 6273 1892

mike.chiang@cn.pwc.com

Hangzhou

Donny Zhao

+86 (571) 2807 6390

donny.zhao@cn.pwc.com

Ningbo

Ray Zhu

+86 (21) 2323 3071

ray.zhu@cn.pwc.com

Chengdu

William Xu

+86 (28) 6291 2018

william.xu@cn.pwc.com

Wuhan

Leo Wang

+86 (27) 5974 5511

leo.g.wang@cn.pwc.com

Chongqing

William Xu

+86 (23) 6393 7333

william.xu@cn.pwc.com

Changsha

Collin Xiong

+86 (755) 8261 8280

collin.xn.xiong@cn.pwc.com

Guiyang

Cathy Jiang

+86 (755) 8261 8820

cathy.kai.jiang@hk.pwc.com

Kunming

Ingrid Qin

+86 (20) 3819 2191

ingrid.qin@cn.pwc.com

Xiamen

Minting Yu

+86 (592) 210 1658

minting.yu@cn.pwc.com

Zhuhai

Rebecca Wong

+86 (755) 8261 8267

rebecca.s.wong@cn.pwc.com

Haikou

Tao Han

+86 (898) 6860 8830

tao.han@cn.pwc.com

Macao

Charles Lee

+852 2289 8899

charles.lee@cn.pwc.com

Taiwan

Jason Hsu

+886 (2) 2729 5212

jason.c.hsu@tw.pwc.com

Singapore

Chris Woo

+65 9118 0811

chris.woo@sg.pwc.com



Accounting and payroll services

Steven Wong

+86 (10) 6533 3113

steven.wong@cn.pwc.com

International tax services

Kevin Wang

+86 (10) 6533 3331

kevin.p.wang@cn.pwc.com

People & organisation services

Jane Cheung

+86 (21) 2323 3031

jane.kc.cheung@cn.pwc.com

China business and investment advisory

Yu Bo

+86 (22) 2318 3066

bo.yu@cn.pwc.com

Mergers and acquisitions

Jeremy Ngai

+852 2289 5616

jeremy.cm.ngai@hk.pwc.com

Tax controversy services

Spencer Chong

+86 (21) 2323 2580

spencer.chong@cn.pwc.com

Customs and international trade

Asta Nie

+86 (21) 2323 2269

asta.nie@cn.pwc.com

National tax policy services

Long Ma

+86 (10) 6533 3103

long.ma@cn.pwc.com

Transfer pricing

Jeff Yuan

+86 (21) 2323 3495

jeff.yuan@cn.pwc.com

Domestic enterprises tax services

Yijun Yang

+86 (10) 6533 3208

yijun.yang@cn.pwc.com

Tax technology

Ann Kwok

+852 2289 3808

ann.kwok@hk.pwc.com

Value chain transformation

Jenny Chong

+86 (21) 2323 3219

j.chong@cn.pwc.com

Indirect tax

Robert Li

+86 (21) 2323 2596

robert.li@cn.pwc.com

Research & development tax services

Roger Di

+86 (10) 6533 2268

roger.di@cn.pwc.com

US tax consulting services

Dervis Pajo

+86 (21) 2323 1577

dervis.pajo@cn.pwc.com

Global compliance services

Vivian Sze

+86 (21) 6533 3084

vivian.vs.sze@cn.pwc.com

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2022 PricewaterhouseCoopers All rights reserved. PwC refers to the China member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.