

Contents

New Financial and Tax Policies

Service Cases

Tea Aroma in Summer - 2023 Team Building Activities

KRESTON News

Seniority as of Now

BRIGHTURE, 20 Years in financial and tax services

Mission Statement:

Add value to clients by professionalism, be a respected financial consultant

Vision:

Be a leader in financial service sector and a century business

Values:

Always focus on the clients and serve them with professionalism, integrity and efficiency



Shanghai



Qingdao

1. In order to support the innovation and development of enterprises, the State Administration of Taxation and the Ministry of Finance issued the Announcement on Matters Related to Policy of Pre-Declaration for Mark-up Deduction of R&D Expenses(GUOCAI 【2023】 No.11), which provides:

(1) If an enterprise can accurately account for R&D expenses in preparation of the returns for the 2nd quarter (quarterly pre-payment) or June (monthly pre-payment) corporate income tax in July, it may, based on its production and operation condition, elect to the benefit from the mark-up deduction policy for R&D expenses in the first half of the year; For the enterprises that did not elect to the benefit from the preferential treatment in July but can accurately account for the R&D expenses in the preparation of returns in October or the annual settlement may elect to the benefit in October or in the annual settlement based on its production and operation condition;

(2) If an enterprise can accurately account for R&D expenses in preparation of the returns for the 3rd quarter (quarterly pre-payment) or September (monthly pre-payment) corporate income tax in October, it may, based on its production and operation condition, elect to the benefit from the mark-up deduction policy for R&D expenses in the 3rd quarter; For the enterprises that did not elect to the benefit in October but can accurately account for the R&D expenses in the preparation of the returns for the annual settlement, it may elect to the benefit in October or in the annual settlement based on its production and operation condition;

(3) The principles for an enterprise to flow in order to the benefit from the mark-up deduction of R&D expenses include: **The expenses must be those actually incurred, the enterprise concerned shall make relevant decisions and submit relevant returns on its own accord, and relevant materials must be retained for future examination.**

(4) The policy shall come into force on January 1, 2023.

2. In order to support the new energy automobile industry and promote automobile consumption, the Ministry of Finance(MOF), the State Administration of Taxation(SAT), and the Ministry of Industry and Information Technology(MIIT) issued the Announcement on Continuation and Optimization of Purchase Tax Relief Policy for New Energy Vehicles (MOF/SAT/MIIT 【2023】 No.10), which provides:

(1) New energy vehicles purchased between January 1, 2024 and December 31, 2025 are exempt from vehicle purchase tax, subject to a maximum of 30,000 yuan for each new energy passenger vehicle; vehicle purchase tax for new

energy vehicles purchased between January 1, 2026 and December 31, 2027 shall be halved, subject to a maximum of 15,000 yuan for each new energy passenger vehicle. The purchase date shall be determined based on the date of valid documents such as the invoice for motor vehicle or the payment letter for customs duties.

(2) New energy vehicles eligible for the tax reduction and exemption refer to pure electric vehicles, plug-in hybrid electric vehicles (including range-extended) and fuel-cell vehicles that meet the technical requirements of new energy vehicle products which shall be formulated by the Ministry of Industry and Information Technology jointly with the Ministry of Finance and the State Administration of Taxation in accordance with the technological progress of new energy vehicles, the development of the standard system and the changes in models.

3. In order to give play to the role of unemployment insurance in job expansion and encouraging enterprises to actively employ young people such as college students, the Ministry of Human Resources and Social Security, the Ministry of Education and the Ministry of Finance issued the Notice on the Continuation of the Implementation of the One-off job Expansion Subsidy Policy (Ministry of Human Resources and Social Security issue (2023) 37), the main contents are as follows:

(1) For enterprises that recruit graduates of ordinary colleges and universities who are unemployed in 2023 and within two years of leaving school, and register unemployed young people aged 16-24, sign labor contracts and pay unemployment, industrial injury, and employee pension insurance premiums for more than 1 month, they can get one-time job expansion subsidies according to the standard of no more than 1,500 yuan for each person recruited. The policy is implemented until the end of December 2023.

(2) The employment insurance information and identity of one of the above personnel can only be used by one enterprise to enjoy one-time job expansion subsidies and cannot be reused. One-off subsidies for job expansion and one-off subsidies for employment absorption cannot be enjoyed repeatedly.





Case of Financial and Taxation Services

Background: An information technology services company is 100% invested by its Dutch parent company. After years of development, the company has generated certain profits which are to be distributed. However, the company management is not clear about the relevant laws, tax policies and procedures of profit distribution in China. It therefore comes to Brighture for help.

Service provided: Upon the request of the company, an in-depth discussion was held between us and the management of the company, through which the planning of the company's profit distribution had been grasped and the legal, fiscal and tax policies and process related to profit distribution were shared.

According to the profit distribution plan, we helped them to draw up the shareholders' resolution on profit distribution, arranged the issuance of the auditor's report, and applied the 5% preferential withholding tax rate set out in the Sino-Dutch bilateral tax treaty, handled the tax filing for outbound payments, and assisted the company to remit the profits to its Dutch parent company.

Friendly Reminder

Dividend distribution of foreign company requires comprehensive and professional operation. In accordance with the provisions of the Company Law, 10% of the profit has to be taken as statutory reserve before distribution. In remitting the profits, income tax needs to be withheld for the parent company, the tax agreement between China and the country where the parent company is located needs to be studied, and applicable preferential tax rates needs to be considered to reduce the tax burden. Enterprises need to communicate with the tax authorities, banks and other departments in advance to understand the specific requirements and prepare materials accordingly. Brighture can provide one-stop services for enterprises such as policy consultation, document preparation, tax filing, bank remittance and so on to help enterprises prevent and control risks.

In early summer, the flora is flourishing everywhere and the tea plants are fragrant. It requires multiple processes such as planting, picking, processing, baking and so on to make a cup of tea. Similarly, human life needs to experience a variety of tempering to mature and develop.

Tea must go through repeated brewing in boiling water in order to give a lingering aroma. In the first sip of tea, there might be a trace of bitterness in it, with patient and repeated tasting, you will start to appreciate its aroma. Human life also needs to go through hardships and tribulations in order to be successful.

On June 17, 2023, Brighture's team activity named "Tea Aroma in Summer" was held in order to experience the colorful tea culture.



At 7:50, everyone arrived at the meeting place, and then we drove to the scenic Laoshan farm, thus started a happy and beautiful day

To have fun in the journey, colleague played interesting games on the bus which was full of laughter.



Soon we reached the destination -- a tea garden with rows of flourishing tea plants. After the owner of the garden had taught us the method for picking tea

leaves, we started picking in the sea of tea plants with the joyfull kids who came together with their parents. In a few minutes, the two baskets were full of tea leaves.



Then we went to the tea house to fry the tea. The first step was to preheat the pot, and then to put the tea into the pot to stir-fry. When stir-frying the tea, the tea leaves need to be thrown upward constantly so that they can be evenly heated until they are fragrant and discolored.

The stir-fried tea leaves were then put into a pan and were rolled clockwise or counterclockwise with hand to make them curly. Thereafter, the tea leaves were dried in a pot and then cooled.



Colleagues personally experienced the tea making processes such as stir-frying, rolling, and drying, and learned that in processing tea, one must be patient, learn to master the intensity of the fire and the strength in rolling. We also understood that we should also be patient in our work, try to grasp the rhythm and proper intensity, and take our work as a piece of art. Only in such a way can we achieve a higher

professional attainment and become a respected financial and tax consultant.

After having learned how to pick and make tea, we began to learn how to make fancy steamed buns. Under the instruction of the teacher, we managed to make steamed buns in various shapes such as pumpkin, rabbit, hedgehog, pig and so on. Seeing the vivid artistic buns, our hearts were full of a sense of accomplishment.



We felt hungry after the busy activities, and the village yards were full of fragrance of food. Dishes of Laoshan's specialties and traditional steamed bread made everyone's mouth watering before we toasted to celebrate the moment of reunion.



The fun games that followed, such as "you show me and I'll guess", "passing a table tennis ball" and "folding papers", brought the atmosphere to another climax.



The pictures of these activities made us laugh, and the beautiful farm scenery made us forget to go home. The warmth of the Brighture family made every member happy. Unity, fraternity, vitality, responsibility, is what we have been pursuing. There is no perfect individual, but a perfect team -- that is our constant belief!



As your trusted financial and tax manager, we will continue to work hand in hand with you on a new journey and lend you a helping hand on the way forward.

Recent Events of Kreston

In order to promote the communication and cooperation among Kreston members, Kreston recently held the following activities

Asia Pacific Conference 2023 of Kreston Global will be held on 27-29 July in Bali (Indonesia).

This is the first in-person conference in the region since 2019, it will be the perfect opportunity to rekindle and build effective relationships with Kreston colleagues who refer and work with international clients.



The program will start with a welcome dinner on 27 July, and it will include updates from Kreston Global, breakout sessions on Audit and Tax, case studies on business development and ESG, and much more.



Julinka Jiang
English Speaking Dept. 2
Semi-senior accountant
- 2 Years

Mottos:
Let us struggle
following the nature's
course, and let nature
take its course in our
effort.



Amber Feng
OPS Dept.
- 1 Years

Mottos:
Win calmly, lose cool,
fight for the inevitable
, and let nature take
its course.

Brighture was incorporated at the beginning of 2003 and has been committed to provide domestic and foreign enterprises with financial outsourcing, legal, audit and business services. Our mission is to provide clients with high quality tax services and tailored solutions to meet their different needs, while building trust and long-term partnership with them.

In 2015, Brighture became a member of Kreston International, the 13th largest accounting network in the world. We not only provide services for domestic clients, but also provide resource docking and service assistance for other clients from all over the world based on our international vision and local resources.

Scope of services

Financial and taxation services: Perennial fiscal and tax consultation, fiscal and tax outsourcing, tax planning, export duty rebate, merger and reorganization, transfer pricing, tax training

Legal services: Daily legal consultation, legal due diligence, contract review, compliance review, intellectual property protection, labor relations

Audit services: internal control audit, financial statement audit, fiscal and tax due diligence, asset evaluation, capital verification

Business services: registration of domestic and foreign-funded enterprises, change of registration items, enterprise liquidation and cancellation, personnel outsourcing

Contact Us

Shanghai Office, China

Room 1612, Tomson Financial Tower, 710 Dongfang Road,
Pudong New District

Tel: +86-21 6876 9886

E-mail: cpash@brighture.com



Qingdao Office, China

Room 602, Building A, Fulin Building, No.87, Fuzhou South
Road, Shinan District

Tel: +86-532 8597 9808

E-mail: cpaqd@brighture.com



Disclaimer: The information contained herein is for reference only, please refer to the relevant laws, bylaws and judgment made by local administrative authorities.

We provide domestic and foreign enterprises with financial, tax, legal, audit and business services leveraging our 20 year's experience. It is a prudent decision to cooperate with a time-honored consultant with international vision, local resources, one-stop solutions, a member of Kreston International which is the 13th largest accounting network in the world.