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KRESTON News

Seniority as of Now

BRIGHTURE, 21 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. On June 7, 2024, **The State Council adopted the Provisions of The State Council on Implementation of Capital Registration Administration System under Company Law of the People's Republic of China (Draft)**, with the following requirements:

(1) **A limited liability company shall, in accordance with the articles of association, fully pay its registered capital within five years from the date of its establishment.** Where a company limited by shares is initiated or established by private placement, the promoters shall pay the amount of the shares they have subscribed in full.

(2) **The newly subscribed registered capital of a limited liability company shall be fully paid within five years.** Where a company limited by shares increases its registered capital, it shall register the increased registered capital after the shareholders of the company have paid in full.

(3) **Subject to Article 266 of the Company Law, there shall be a transitional period of three years from 1 July 2024 to 30 June 2027. If the period of contribution of a company established before the enactment of the Company Law exceeds the period specified therein, it shall be adjusted during the transitional period.**

If a limited liability company established before the enactment of the Company Law has less than five years of remaining capital pay-in period after July 1, 2027, it is not necessary to adjust the capital pay-in period; on the other hand, if it has more than five years of capital pay-in period remaining, the remaining capital pay-in period should be shortened to be within five years in the transitional period. After the adjustment, the shareholders' investment period shall be recorded in the Articles of Association of the company and duly publicized on the national enterprise credit information publicity system.

A company limited by shares established before the enactment of the Company Law shall, within a transitional period of three years, pay in full the amount of shares subscribed.

(4) **If a company established before the enactment of the Company Law applies for reducing its registered capital but does not reduce its paid-in capital contribution during the transition period and meets the following conditions, the company may publicize it to the public for 20 days through the national enterprise credit information publicity system.** If the creditors do not raise objections during the publicity period, the company shall register the change of registered capital with a letter of application and a letter of commitment:

1) There are no unsettled debts, or its debts are significantly lower than the paid-in registered capital;

2) All shareholders undertake to bear joint and several liabilities for the debts of the company before the capital reduction within the scope of the original subscribed capital contribution;

3) All the directors undertake not to impair the company's ability to meet its debts and going concern status.

If the preceding conditions are not met, the company shall reduce its capital as per Article 224 and 225 of the Company Law.

2. In order to implement the requirements of the Notice of The State Council on the Issuance of the Action Plan to Promote Large-scale Equipment Renewal and Replacement of Consumer Goods with Old Ones (GUOFA (2024) No. 7), the State Administration of Taxation (SAT) issued the **Announcement on Matters Related to "Reverse Invoicing" of Resource Recovery Enterprises to Natural Person Scrap Product Sellers**(SAT【2024】No.5), which provides the following:

(1) **Effective from April 29, 2024, when natural person scrap product sellers sell scrap products to resource recovery enterprises, the qualified resource recovery enterprises may issue invoices to the seller** (hereinafter referred to as "reverse invoicing"). Scrap products refer to the products produced in the process of social production and living consumption that have lost all or part of their original use value. A seller refers to a natural person who sells his used scrap products or sells acquired scrap products and whose aggregate sales of "reverse invoicing" does not exceed 5 million Yuan (excluding VAT, the same below) for a continuous period of no more than 12 months (referring to natural months, the same below).

(2) **Resource recovery enterprises eligible for "reverse invoicing"** (including units and individual industrial and commercial households, the same below) **shall meet one of the following three conditions, and are actually engaged in resource recovery business:**

A: Those engaged in **recycling dangerous wastes** shall **meet the requirements of the Measures for the Administration of Permit for Operation of Dangerous Waste issued by the competent department of State** and in possession of Permit for Operation of Dangerous Waste;

B: Those engaged in **recycling scrapped motor vehicles** shall **comply with the requirements of the Measures for the Administration of Permit for Recycling Scrapped Motor Vehicles issued by the competent commerce department of the State** and in possession of Certificate of Qualification for Scrap Motor Vehicle Recycling and Dismantling Enterprise;

C: **Except for dangerous waste and scrapped motor vehicles, other resource recycling enterprises shall comply with the requirements of the renewable resources recycling management measures issued by the competent commerce department of the State, have registered themselves as business entities, and filed as renewable resources recycling operators with the commerce department.**

(3) **If a natural person had sold scrap products for 12 consecutive months with an aggregated "reverse invoicing" of more than 5 million Yuan, resource recovery enterprises shall not continue issue "reverse invoice" to it,** instead, resource recovery enterprises shall guide natural persons who continue to be engaged in the business of selling scrapped products to duly register themselves as business entities and to issue invoices by themselves.





Case of Financial and Taxation Services

Background: Mr. A and his partners run a company with the financial operation handled by a financial and tax service provider. When the quarterly business and financial statements are summarized, management has doubts about the financial statement data. Mr. A suggested that he had cooperated with Brighture, a diligent, professional and reliable financial service provider, so they came to ask Brighture to help analyze financial statements.

Service provided: After understanding the needs of the enterprise, we had in-depth communications with the company's management, and fully understood the company's business model and organizational structure. We had a comprehensive and detailed analysis of the financial statement data provided by the enterprise, answered their questions, pointed out problems such as lack of preciseness of the data, and suggested improvements to facilitate the internal review of the financial data. Besides, in our communication, we shared the latest fiscal and tax policies related to enterprises and the follow-up provisions of the new Company Law. Subsequently, Mr. A and his partners unanimously decided to engage Brighture for financial and tax outsourcing and financial and tax consulting.

Friendly Reminder

With the development of enterprise business and the emergence of new national policies, enterprises are closely following the pace of new policies to make internal and external adjustments at any time, so as to adapt to market changes and enjoy the dividend of new policies. Professional and independent third parties will use professional knowledge and rich experience to help enterprises adapt to new changes more promptly, assist customers to solve problems, and provide strong support to enterprises.

With 21 years of financial and tax service experience serving nearly 10,000 enterprises in various industries, we have professional financial and tax, legal, audit and business teams to provide enterprises with professional, righteous and efficient solutions to the problems of the entrepreneurs and friends, reduce tax-related risks and boost the development of enterprises.

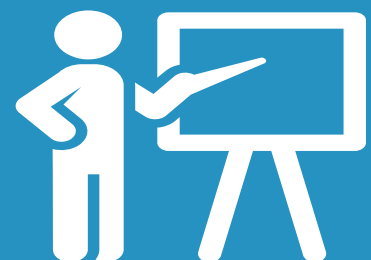
Recent Events of Kreston

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

Kreston Global has welcomed Singapore firm, Helmi Talib LLP, to the Kreston Global network.

Established in 1992, Helmi Talib offers eight key service areas: Audit and Assurance, Tax Compliance and Advisory, Business Process Outsourcing, Liquidation and Receivership, Internal Audit, Payroll, Transaction, and Corporate Secretarial Services. For more than three decades, Helmi Talib has provided services to a wide range of clientele, the majority of which are subsidiaries of multinational organizations, and privately owned entrepreneurial businesses, under diverse sectors ranging from investment holdings, financial institutions, charities, and information technology to name a few.

The Firm was named by Singapore Business Review as one of Singapore's top 30 accounting firms. Continuing to grow, the Firm today is led by five audit partners and five non-assurance directors supported by close to 80 staff.





Crytal Shi
Tax Refund Dept.
Intermediate
Accountant
- 9 Years

Motto:
Study, study, and
study!
The more one learns,
the more he sees his
ignorance.



Bella Qin
Japanese
Speaking Dept.
- 1 Year

Motto:
Still waters run
deep, and difficulty
nurses greatness.

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 Global, 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 21 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 Global which is the 13th largest accounting network in the world.