

BRIGHTURE NEWSLETTER

No. 300

October, 2024

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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

New Financial Policies



1. In order to meet the requirements of the Opinions on Further Reform of Tax Collection and Administration issued by the General Office of the CPC Central Committee and the General Office of the State Council on promoting the electronic reform of railway Passenger Invoices, **the State Administration of Taxation, the Ministry of Finance and China National Railway Group Co., Ltd. issued the Announcement on Promoting Use of Fully Digitized Electronic Invoices for Railway Passenger Transport (GUOSHUITIE [2024] No. 8), which prescribes:**

(1) Transport enterprises under China National Railway Group Co., Ltd., non-holding joint ventures and local railway enterprises (collectively referred to as railway transport enterprises) **may issue electronic invoices (railway electronic passenger tickets)** when they handle domestic passenger transport ticketing, refund and ticket-changing through the railway ticket sale and reservation system.

(2) Passengers who need invoices shall obtain electronic invoices (railway electronic tickets). After receiving the electronic invoice (railway electronic ticket), the buyer is encouraged to undergo the paperless processing of the electronic invoice (railway electronic ticket) in accordance with the relevant requirements of the electronic voucher accounting data standard. **If the travel date is before September 30, 2025, the railway ticket (paper voucher) obtained by the passenger can still be used for accounting purpose, provided that the railway ticket (paper voucher) and the electronic invoice (railway electronic ticket) cannot be issued repeatedly.**

(3) **Where the purchaser of domestic railway passenger transport services is a general VAT taxpayer, the electronic invoice (railway electronic ticket) shall be used as the VAT deduction voucher, and the input tax shall be determined in accordance with the current provisions.** For railway tickets dated to be valid before September 30, 2025 (paper voucher), the input tax is still determined in accordance with the provisions of Article 6, Item 1, point 3 of the Announcement of the General Administration of Customs, the General Administration of Taxation and the Ministry of Finance on Deepening Value-Added Tax Reform ([2019]No. 39).

(4) **Where the purchaser is a general VAT taxpayer, may confirm the purpose of the valid electronic invoice (railway electronic ticket) in accordance with the regulations through the tax digital account, and apply for VAT input tax credit according to the regulations.**

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The input tax of the electronic invoice (railway electronic ticket) declared by the general VAT taxpayer for deduction shall be filled in the relevant column of "Certified VAT Invoice" in the Attached Information of the VAT and Additional Tax Return (II) (input tax details of the current period) in the tax declaration.

(5) This Announcement shall take effect as of November 1, 2024.

2. In order to construct Hainan Free Trade Port, expand the scope of "zero tariff" commodities, and intensify the pressure-test of Customs operation, **the Ministry of Finance, the National Health Commission, the General Administration of Customs, the State Administration of Taxation, and the State Food and Drug Administration issued the "Notice on "Zero Tariff " Policy of Drugs and Medical Devices in Hainan Free Trade Port"(CAIGUANSHUI [2024]No. 21), which provides:**

(1) Before the official commencement of Customs operation on the entire Hainan Island, **the import of drugs and medical devices prescribed in Article 3 of this Notice and the use of them in accordance with the provisions of this policy by the relevant entities in Hainan Bo'ao Lecheng International Medical Tourism Pilot Zone (hereinafter referred to as the Pilot Zone) may be exempted from import duties and import value-added tax.**

Those who voluntarily pay import value-added tax may **file an application when going through the formalities for tax reduction or exemption.**

(2) The list of entities that meet the conditions for enjoying the policy **shall be jointly identified and dynamically adjusted by relevant authorities.**

(3) Drugs and medical devices (hereinafter referred to as tax-free drugs and medical devices) enjoying the policies under this Notice include:

1) **Imported drugs and medical devices that have been approved and registered in China;**

2) **Drugs (excluding vaccines) and medical devices (hereinafter referred to as licensed drugs and medical devices) that have not been approved and registered in China but are approved to be imported and used in the pilot zone.**

(4) Duty-free drugs and medical devices imported after having been verified and confirmed by the relevant authorities as within the scope of the policy provisions and the local Customs and tax authorities have been notified.

Service Cases



Background:

Mr. A set up a company many years ago, and after a period of time, suspended its operations. He now wants to restart the business, which will not only involve business interaction of various sectors, but also lay the groundwork for future business development. Meanwhile, Mr. A and his executive team are aware of the need to ensure reasonable compliance for the company's future development, especially in tax related matters. Therefore, they decided to seek assistance from professionals and chose Brighture as their service provider.

Service provided:

After in-depth communication with the client, Brighture immediately issued a list of materials required for tax-related analysis. By reviewing the financial statements, tax returns and other information provided by the client, the past accounting and tax compliance was analyzed, and the risks in historical data and the impact those risks might have on the company's future development was assessed. We put forward compliance suggestions from various perspectives such as finance, taxation and law, and shared the latest fiscal and tax policies and relevant preferential measures related to enterprises and individuals. The client expressed his gratitude for the help from his communication with us.

Friendly Reminder

When restarting an old enterprise, it is necessary to find out and properly handle the historical problems (if any) left over from the previous accounting system. In order to avoid the negative impact on the future development of the enterprise by historical problems, the enterprise needs to analyze and plan from all aspects to make the most appropriate decisions.

An independent third party will use its expertise and rich experience to help enterprises solve problems and ensure its success.

Brighture 2024 Autumn Foreign Customer



On October 19, 2024, "2024 Autumn Foreign Customer Activity" was held at the Music Bar of the Olympic Sailing Center, which was attended by more than 60 delegates from China, Japan, Germany, Finland, Italy, Egypt and other countries.



At 4:30 p.m., delegates started to arrive, and at 5 p.m., the event commenced.



Mrs. Li, General Manager of Brighture, gave a welcoming speech, expressing his heartfelt thanks and warm welcome to the friends and guests, and his apology for the discomfort caused by the sudden change of weather.



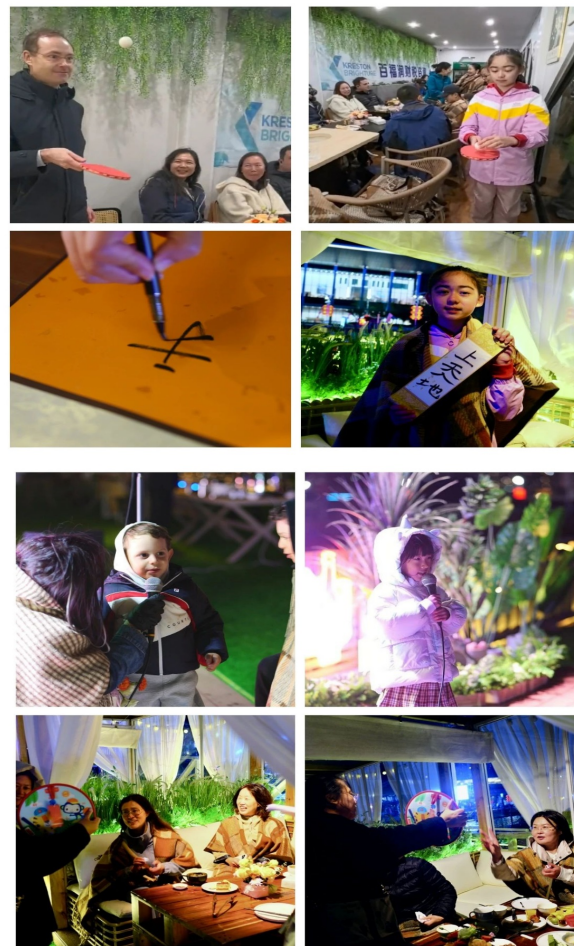
Brighture 2024 Autumn Foreign Customer



During the dinner, everyone enjoyed delicious food, and at the same time had a heart-to-heart conversation, which enhanced the friendship and mutual understanding.



Next, the participants played various games, with singing and reciting poems by some kids.



At the end of the event, we expressed our sincere thanks to every customer and friend. Although the weather was cold, the enthusiasm of friends had added infinite brilliance to the scene. We are willing to stick together for warmth and continue to walk hand in hand on the road to the future.



To promote communication among member firms, Susan Li, General Manager of Kreston Brighture, and Jade Zang, Deputy General Manager, and Grace Lv, CPA, visited two member firms and 6 headquarters of foreign-invested companies in Japan during the trip from October 21 to 25: ARK LLC and KRESTON PROWORKS CORP etc. The two sides had friendly exchanges on their respective business contents, future development, and cooperation.

Seniority as of Now



Lareina Chen

Chinese Speaking Dept.1

- 7 Years

Mottos:

Only the most rigorous training can create the freest qualification.

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

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.

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