



Hong Kong Institute of  
**Certified Public Accountants**  
香港会计师公会

# Meeting notes

**The Guangdong Provincial Office of the  
State Administration of Taxation  
and  
The Hong Kong Institute of Certified Public Accountants**

2015

*This is the brief translation of the Chinese version of the report for members' reference. In the event of any inconsistencies between this translation and the Chinese version of the report, members should refer to the original Chinese version of the report. The Institute is not responsible for the accuracy of this translation.*

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## **Preface**

The Hong Kong Institute of Certified Public Accountants ("HKICPA" or the Institute) was pleased to hold a meeting with the Guangdong Provincial Office, SAT ("GPOSAT") on 11<sup>th</sup> December 2015 to discuss various tax issues relevant to Guangzhou.

The following is a translation of the meeting notes originally prepared in Chinese by the Institute. Please note that the meeting notes merely represent the views of GPOSAT officials who attended the meeting and are not intended to be legally-binding or a definitive interpretation of the matters discussed. Professional advice should be sought before applying the contents of these notes to your particular situation.

If there are any differences in the interpretation between the English and Chinese versions, reference should be made to the Chinese version. It should also be noted that the Mainland tax authorities have issued a number of new circulars since the meeting took place. Members may therefore wish to refer to the websites of the relevant tax authorities for the most updated tax circulars.

HKICPA would like to thank to Ernst & Young for arranging for notes to be taken of the meeting.

## **Meeting notes**

### **Discussions**

#### **A. Value Added Tax ("VAT") reform**

1. Implementation timeline
2. Preparation time for enterprises
3. Preferential policies on VAT reform
4. Policies for projects in progress/on sale

#### **B. Non-resident tax issues**

1. Indirect transfer of shares
2. Public Announcement 7 ("Announcement 7")
3. Administration Measures on the tax treaty treatment for non-resident taxpayers ("Announcement 60")
  - (a) Penalties for withholding agents
  - (b) Implementation timeline of Announcement 60
4. Reporting deadline and documentation requirements

5. Beneficial owners
6. Red-chip enterprise moves their listing status back to the China markets
  - (a) Safe harbour rules
  - (b) Withholding obligations
7. Tax credits

**C. Transfer pricing**

1. Implementation Measures for Special Tax Adjustment (Draft for Public Consultation) (the "Draft")
2. Enforcement date of Special Tax Adjustment