



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

# Meeting notes

**The State Administration of Taxation  
and  
The Hong Kong Institute of Certified Public Accountants**

2016

## **Preface**

The Hong Kong Institute of Certified Public Accountants (“Institute” or “HKICPA”) held its annual meeting with the State Administration of Taxation (“SAT”) at No. 5 Yangfangdian West Road of Haidian District in Beijing on 29 July 2016. Yu Shuchun, Deputy Counsel of the SAT and leaders of relevant Divisions and Offices welcomed the HKICPA delegates. Mabel Chan, the vice president of the HKICPA, expressed gratitude to the SAT for taking time to attend the meeting and expressed her view that the meeting would help strengthen the development of communication between the HKICPA and the SAT.

The following is a translation of the meeting notes prepared, in Chinese, by the Institute. It should be emphasized that the notes represent the understanding of the Institute's delegates with respect to the responses from SAT and do not necessarily represent the SAT's official opinions. Therefore, the notes are not intended to be a legally-binding or a definitive interpretation of the matter discussed. Professional advice should be sought before applying the contents of these notes to specific situations. If there are differences in the interpretation between the English and Chinese versions, reference should be made to the Chinese version.

HKICPA would also like to express thanks to PwC for providing a representative to take the notes at the meeting.

## **Meeting notes**

### **List of Discussion Topics**

#### **A. Corporate income tax**

- A1. SAT Public Notice [2015] No. 7 (“PN7”)
- A2. Preferential tax treatments to software enterprises
- A3. Tax treatments on the hedging provisions in merger and acquisition transactions
- A4. Special corporate income tax treatment in relation to the “Belt and Road” initiative
- A5. Special tax treatment

#### **B. Value-added tax reform**

- B1. Clarification on tax exemption policies on cross-border services provided by China domestic enterprises
- B2. What are the qualifying conditions for VAT exemption in relation to offshore entities providing services to China domestic company where the services are entirely performed outside of China?
- B3. Immovable property
- B4. Land use rights
- B5. Insurance business
- B6. Hotel industry
- B7. Personal consumption items

#### **C. Transfer pricing**

- C1. Advance pricing agreements

#### **D. Individual income tax**

- D1. Foreign individuals
- D2. IIT reform
- D3. IIT implementation rules

D4. Social security contributions

**E. Others**

E1. Overseas Non Government Organisations