



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

Meeting notes

**The Guangdong Provincial Local Taxation Bureau
and
The Hong Kong Institute of Certified Public Accountants**

2017

Foreword

It is a great pleasure for the Hong Kong Institute of Certified Public Accountants ("Institute" or "HKICPA") to hold the meeting with the Guangdong Provincial Local Taxation Bureau ("GPLTB") on 8 December 2017 in Guangzhou. The meeting aims to discuss various taxation topics and exchange opinions based on the discussions.

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

HKICPA wishes to thank the delegates from Deloitte for taking the meeting notes.

Summary Note

Agenda items

A. Enterprise Income Tax ("EIT")

1. Corporate restructuring: [2009] No. 59
 - a. Special tax reorganization
 - b. Group reorganization
2. [2015] Public Notice No. 7 ("PN7")
 - a. Equity-like interests
 - b. Equity payment
 - c. Share subscription of equity of overseas enterprises
 - i. Calculation for income attributable to China taxable property
 - ii. Ascertaining the consideration
 - iii. Ascertaining the costs

B. Land Value-added Tax

1. Restructuring and Reorganization
2. Second Settlement
3. Calculation for land costs and compensations for demolitions

C. Individual Income Tax ("IIT")

1. Non-Chinese persons providing services in China
2. Equity transfer by individuals where they had not made capital contributions
3. IIT Subsidy Policy in Hengqin, and signing of the Framework Agreement among Guangdong, Hong Kong and Macao in the Development of the Greater Bay Area (The Framework Agreement)
4. Registered taxpayers who do not physically work in Hengqin
5. Chinese executives in China who purchase shares in overseas enterprises

D. Stamp Duty

1. Tax bases for equity transfers
2. Absorption Merger

E. Deed Tax

1. Transfer of the ownership of land and buildings
2. Administrative adjustments

F. Others

1. Common reporting standard ("CRS")
2. Environmental tax
3. Tax Analysis of the Thousands of Households Program
 - a. Work plan and related impact in 2018
 - b. Tax services for large enterprises