



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

Meeting notes

**The Shenzhen 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 Shenzhen Local Taxation Bureau ("SZLTB") on 5 December 2017 in Shenzhen. The purpose of the meeting is to have discussion on various taxation topics and to exchange opinions based on the discussion.

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 SZLTB 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 PricewaterhouseCoopers 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

1. Non-Chinese persons providing services in China
2. Equity transfer by individuals where they had not made capital contributions
3. Individual Income Tax Subsidy Policy in Qianhai, and signing of the Framework Agreement among Guangdong, Hong Kong and Macau in the Development of the Greater Bay Area (The Framework Agreement)

4. Registered taxpayers who do not physically work in Qianhai
5. Chinese executives based in China who purchase shares in overseas enterprises

D. Stamp Duty

1. Tax base for equity transfer
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