

China Insight – Chinese Tax Regulation Update



Dear Sir or Madam,

Please find enclosed our update on the latest developments on Chinese Tax Law.

Kind regards,

CMS, China

Circular Number	Issuance Date	Effective Date	Topic	What is new?
Announcement [2021] No. 36 jointly released by the State Administration of Taxation ("SAT"), the Ministry of Finance, the National Development and Reform Commission and the Ministry of Ecology and Environment	2021-12-16	2021-01-01	Catalogue of Environmental Protection, Energy Conservation and Water Saving Projects Eligible for Preferential Corporate Income Tax ("CIT") Treatments ("Catalogue I") and Catalogue of Projects of Comprehensive Utilization of Resources Eligible for Preferential CIT Treatments ("Catalogue II")	<p>Catalogue I and Catalogue II have been updated into 2021 editions and are attached to the Announcement. The Announcement also stipulates that the enterprises qualifying for the old versions of the two catalogues can still enjoy the preferential CIT treatments during the transitional periods:</p> <ul style="list-style-type: none"> An enterprise engaged in any project falling under the old version of Catalogue I can continue enjoying the preferential CIT treatment till its expiration, if the enterprise has already started enjoying the preferential CIT treatment by 31 December 2021. An enterprise engaged in any project falling under the updated Catalogue I can continue enjoying the preferential CIT treatment till its expiration, if the enterprise has already obtained the first revenue through its production and operation by 31 December 2020. An enterprise engaged in any project falling under the old version of Catalogue II whilst falling out of the updated Catalogue II can continue enjoying the preferential CIT treatment till 31 December 2021.
Announcement [2021] No. 32 jointly released by the SAT and the Ministry of Industry and Information	2021-12-14	2021-12-14	Catalogue of Vehicle Purchase Tax ("VPT")-exempted Special Operation	The Catalogue is promulgated in the Announcement. A taxpayer can apply with the competent tax authority for VPT exemption after purchasing a qualified vehicle listed in the Catalogue. The MIIT shall verify the tax-free mark in the electronic information uploaded by the applicant through the system and pass the information to the SAT upon

Technology ("MIIT")		Vehicles for Non- transportation Purposes and Equipped with Fixtures (Batch Four) ("Catalogue")	verification. The tax authorities shall grant the VPT exemption based on the tax-free mark verified by the MIIT and other documents required for VPT filing.
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Our team of legal experts are from China, Germany and the UK, and have an in - depth knowledge and understanding in many industrial sectors such as automotive, manufacturing, machinery and equipment, life sciences and healthcare, energy, banking & finance and TMC. We focus on serving the needs of our clients and on providing them with solution driven and business-oriented advice.

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