

# Corporate Social Credit System Maintaining a High Score

The full implementation of the Corporate Social Credit System (CSCS) brings compliance requirements to a whole new level. To help you prepare for the upcoming changes, we offer comprehensive solutions to keep your company compliant



## Company Screening

*One-off or ongoing*

- Analyse current CSCS score
- Identify and mitigate internal risks
- Check compliance across all areas: tax, customs, environmental, HR, and legal documents

## Remedy Procedures

- Handle administrative procedures to repair negative records (e.g. credit restoration letter & report)
- Advise on adjusting internal processes and structures



## Partner Screening

- Monitor partners' ratings
- Screen new potential partners
- Advise on maintaining compliant partnerships

## Personnel Screening

- Pre-screen key personnel
- Monitor key personnel's rating
- Offer training and advise on maintaining good individual scores



## Coronavirus Impact

As part of our CSCS projects, we are now helping clients manage the risks and opportunities posed by the new COVID-19 regulations:

- Ensure compliance with epidemic-related policies
- Leverage your credit score to enjoy special government incentives / relief

## Reports & Trainings

Make sure the key people in your organisation have a deep and up-to-date understanding of the CSCS. We can support you with:

- Regular reports in English on the latest CSCS developments
- In-house CSCS information sessions and trainings

## Corporate Social Credit System Sample Cases

The CSCS may be new, but heavy compliance regulations for Western companies in China have existed for years. Our experts have a proven track record in supporting companies with “Corporate Health Checks”, compliance solutions and other crucial areas that the CSCS focuses on.

### Individual Income Tax Risks

- A client asked us to identify and analyse risks in their salary and office costs.
- Fiducia found that 50% of employees’ salaries were paid through a Hong Kong bank account.
- This resulted in large sums of unpaid social contributions and individual income taxes in China.
- This puts the company’s social credit score at risk.
- The client decided to change their salary payment methods to comply with regulations.



### Tax Ratings

- Fiducia was hired to take over a client’s tax and accounting declarations.
- We discovered that the client had a Level B rating (A is the highest) in the tax credit system due to delayed tax reports and withheld tax payments.
- As a result, the client was restricted from applying for government subsidies by the tax bureau.
- Our team settled all outstanding tax payments and adjusted previous tax report filings.
- We also communicated proactively with the tax bureau to re-gain a Level A rating.



### Personnel Screening

- A client appointed Fiducia to investigate their former sales director on suspicion of unlawful practices
- Fiducia found proof that the sales director sold company products “under the table” for his own profit.
- The sales director and his team set up shell trading companies to sell products at very low discounts to themselves causing losses of several million Euro for our client.
- As a result, the client decided to restructure their organisation and implement new compliance measures.



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