

China Tax Planning 2008

[10th Jan. 2008 Issues 2]

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General Business Intelligence <i>Delivering a Source of Advantage</i>	China TAX Planning 2008  12th SEMI-ANNUAL MEETING	Meet you during : Monday 24 & Tuesday 25, March 2008 Holiday Inn Central Plaza, Beijing, China
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Summarize CIT Law execution during the first quarter since effective. Look into subsequent Tax Circulars and Transfer Pricing updates.

OUR INVITATION GOES TO

- Senior executives specialized in
- Tax/
- Finance/
- Accounting/
- Banking/
- Logistics/ Supply chain
- from MNCs and local giants

WE WILL HIGHLIGHT

- Tax residence, Tax Rate, Applicable enterprises
- Changes on Current Major Preferential Tax Treatments
- Companies and industries to be impacted
- Tax considerations in Company restructuring
- Anti-avoidance Measures and Specific clause on TP and related party
- Cooperate Tax Planning and Structuring
- Clarifications needed on certain words
- Practicalities and complexity in implementation

WE WOULD LIKE TO

INTRODUCE THEM TO YOU

Tax Professionals

- International Tax, SAT
- Income Taxes Dept., SAT
- Policy and Legislation., SAT

Tax Professionals

- Russell Brown, Lehmanbrown
- Yu Qisheng, PwC
- Wendy Guo, PwC
- Cindy Li, Microsoft

Chief Supporting Organization

DAY 1 24th March Monday

Holiday Inn Central Plaza Beijing, China

08:15 REGISTRATION

08:45 CHAIRPERSON'S OPENING ADDRESS

09:00 KEYNOTE PRESENTATION

Insight into the New CIT Law and its implementing details

New CIT Law has established a new system of preferential tax treatments; Treatment of existing tax incentives and the transitional rules; Re-defining taxpayer; Introduction of "tax resident" and "non-tax resident" concepts to differentiate taxpayers; enhancing and strengthening anti-tax-avoidance rules.

- * Terms need to be clarified
- * Tax collection and management frame under new CIT Law
- * Transition period

10:00 FQAs Session

Deputy Director-General
Policy and Legislation Dept. SAT

Mr. Yang Yuanwei is responsible for setting up national taxation mechanism, completing tax legislation system, studying in tax policies continuity.

He is specialized in analyzing the burden of taxation system and taxation collection structuring.

Mr. Yang published a lot of articles related to Chinese tax developments overview.

10:30 MORNING REFRESHMENTS

11:00 KEYNOTE PRESENTATION

Important aspects that need to be get clarified in the CIT regulations with particular emphasis on those that may have impact on tax incentives and restructuring.

Given the widespread implications of the new CIT Law to foreign investors' operations in China, it is critical for management to carefully analyse what these impacts are and design appropriate strategies. How can foreign investment enterprises qualify for tax incentives under the new income tax regime and what are the implications in satisfying the new parameters, what are the transitional relief under grandfathering, and is their current holding structure still the best structure ?

- * General Provisions and taxable Income
- * Tax incentives past, present and future.

- * Withheld taxes and other taxes, and implications on structure.
- * Q&A

Russell Brown, Managing Partner

Tax and Business Advisory Services **LehmanBrown International Accountants**

12:30 LUNCHEON

14:00 KEYNOTE PRESENTATION

Is year 2008 a MESS ?!

-- The Enterprise Income Tax Law of the People's Republic of China was promulgated on March 16, 2007 and shall come into force as of January 1, 2008.

-- China's State Council on November 29 passed a draft of regulations aimed at helping to enforce the country's new corporate income tax law to ensure the implementation of the new law.

-- There will be cancellation of Certain Preferential Policies. Hundreds of tax circulars will come out

* Explanations on upcoming circulars

* What will the SAT's position be regarding legal vs. economic ownership of intangibles?

15:00 FQAs Session

Deputy Director-General

International Tax Dept. SAT

16:00 AFTERNOON REFRESHMENTS

16:30 WORK SHOP

Grey areas in the new CIT Law system

As a tax professional, you might wonder China State Council will decide that when the new Corporate Income Tax Law takes effect on 1 January 2008, dividend distributed by Foreign Invested Enterprises ("FIEs") to their foreign investors will no longer enjoy tax exemption, and will be subject to possibly a 10% withholding tax. Any updates on this matter? Or, for a foreign company with losses from the past years, are they allowed to carryforward the losses to future years to offset profit after the new tax law takes effect on January 1, 2008? Too many grey areas need to be clear....., in this session we are going to discuss some hot issues as follows,

- * Expense Deduction
 - Advertising and Promotion Expense
 - Entertainment Expense
 - Management Fee
 - Sponsorship Expense
 - Non Deductibility of Commercial Insurance Premium
- * Withholding Tax
- * Tax Exempt Income
- * Key State Supported High-tech Enterprise
- * Venture Investment Enterprise
- * Others

Deputy Director
International Tax Dept. SAT

1730 END OF DAY ONE
CLOSING REMARKS BY CHAIR

DAY 2 25th March Tuesday

Holiday Inn Central Plaza Beijing, China

08:30 RE-REGISTRATION

08:45 CHAIRPERSON'S OPENING ADDRESS

09:00 KEYNOTE PRESENTATION

Look into the problems and challenges occurred during the first quarter of 2008

New passed CIT Law leaves many uncertainty. Numerous circulars need to be followed up. This keynote session looks at the latest developments of the Tax Reform and the Unification Corporate Income Tax for domestic and foreign enterprise.

- * Tax collection and Taxation management focus in the year 2008
- * Problem summary
- * How to narrow the gap between domestic companies and FIEs
- * Preferential areas
 - 5 + 1 special zones and western area
- * Tips

10:00 FQAs Session

Director - General
Income Tax Dept. SAT

10:30 MORNING REFRESHMENTS

11:00 KEYNOTE PRESENTATION

Transfer Pricing under the new CIT law

Article 41 of the New CIT law permits sharing of the cost incurred in joint development and transfer of intangibles assets, or joint provision and acceptance of labour services by Enterprises and their affiliates under the independent transaction principle in computing the taxable income. Current draft implementation rules suggest the use of cost contribution or anticipated benefit ratios to share cost.

- * Arm's Length Standard
- * Cost Sharing
- * APA
- * Disclosure and Documentation
- * Obligations Authority to Deem Profit
- * Interest Expense Deductibility Considering Thin Capitalization Rules
- * Interest on Owed Tax
- * Q&A

Yu Qisheng, Partner

Transfer Pricing, PricewaterhouseCoopers

12:00 LUNCHEON

14:00 KEYNOTE PRESENTATION

Anti - Avoidance updates and TP developments

Recently the SAT is enhancing anti-avoidance They also strengthen negotiation, signing, surveillance and implementation of APA work to set up a comprehensive related party transactions analysis system. In the CIT law and its implementing regulations they are some points need to be noted:

- * Current transfer pricing law frame
- * Gap between China and advanced countries on anti-avoidance
- * Legislative updates
- * Anti - avoidance progress in China
- * Interest on Owed Tax

15:00 FQAs Session

Deputy Director

Anti - Avoidance, International Tax Dept. SAT

15:30 AFTERNOON REFRESHMENTS

16:00 PANEL DISCUSSION

How to Face the Tax Audit and Investigation under newCIT law Era

Documentation Requirements are in final draft stage. Recently, intangible transactions have been a major focus. The State Administration of Taxation ("SAT") have recently commenced a nation-wide tax audit exercise focusing primarily on royalty payments made by Chinese companies to overseas affiliates.

- * Recent enforcement on corporate tax
- * Criteria of targets selection
- * How a tax player handle the tax audit
- * Grab the motive and agenda for the tax authorities
- * Good preparations for the tax officials
- * Performing a tax- risk assessment of the FIEs or representative offices
- * Other issues
- * Q&A

Deputy Director, Anti - Avoidance, SAT

Yu Qisheng, TP Partner, PwC

Cindy Li, Tax Director, Microsoft Greater China Cindy has more than eighteen years of professional tax experience in both government (1988-1995, SAT) and business areas.

As a tax director of Microsoft, in charge of PRC as well as Microsoft HK's tax matters. Responsible for all tax consulting projects and supervise tax compliance work as well. Accumulate rich experience in IT industry.

1730 END OF DAY ONE

CLOSING REMARKS BY CHAIR

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