



China Coronavirus Outbreak Snippets

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Policies which you to do business in China

With the coronavirus slowing down the economy and global trade, it can be easy to miss the many policies which the Chinese Government has enacted to business big and small stay operational. LehmanBrown has asked the experts to share the most important policies which business should be aware of and benefit from.

Hubei Province VAT

During the period from March 1, 2020, to May 31, 2020, for the taxable sales income of small-scale VAT taxpayers in Hubei Province to which a levy rate of 3% is applicable is exempted from VAT, and the pre-payment VAT on pre-payment VAT items subject to a pre-levy rate of 3% is suspended. Except for those in Hubei Province, small-scale VAT payers in other provinces, autonomous regions and centrally-administered municipalities may pay VAT at the reduced levy rate of 1% for their taxable sales revenue subject to a levy rate of 3%; they may also prepay VAT at the reduced pre-levy rate of 1% for their pre-payment VAT items subject to a pre-levy rate of 3%.

Recommendations

If you are a small-scale VAT taxpayer and are thinking about any possible ways to reduce the cost to improve competitiveness at this tough time, try to take advantage of this preferential tax treatment.

The Periodical Deduction and Exemption of Enterprise Social Insurance Premium

Released on February 25

The Government has announced a series of measures temporarily exempting or lowering social insurance payments of enterprises through waiving, reducing and deferring social insurance payments. From February 2020, micro-enterprises and SMEs in all provinces may be exempted from social insurance payments for pension, unemployment and on-job injury for no more than five months until June 2020. In Hubei Province, the exemption scope is for all enterprises participating in social welfare contributions. For large enterprises and other companies participating in other provinces, the three types of social insurance payments may be halved, with the period of reduction not exceeding three months. Enterprises in severe difficulties due to the epidemic may apply for deferring the payment for a period not exceeding six months, with no late fees for this period.

Recommendations

Social welfare cost in China is very high as a percentage of salaries. This measure will relieve the enterprises' costs, especially for the micro-enterprises and SMEs, and ease their financial pressures from the epidemic, and help them retain employment.

Employer and Employee can Conclude a Labour Contract in Electronic Form by Consensus

Released on March 4

The General Office of the Ministry of Human Resources and Social Security issued the "Letter of the General Office of the Ministry of Human Resources and Social Security on Issues Concerning the Establishment of Digital Labour Contracts". The document clarified that the employer and employee could reach a consensus through consultation and create a written labour contract in digital form. A Digital labour contract's text, data and reliable digital signature shall be used, and regarded the same as a written labour contract following the Digital Signature Law, and related laws and regulations. The employer shall ensure that the generation, transmission, and storage of the digital labour contract meet the requirements of the Digital Signature Law and other laws and regulations, and ensure that it is complete, accurate and not tampered with. An Digital labour contract that complies with the provisions of the Labour Contract Law and the above requirements has legal effect as soon as it is made. The employer and the employee shall fully perform their respective obligations following the provisions of the digital labour contract.

Recommendations

The digitalisation of documents is the current general trend, and the application of digital signatures in the field of labour relations also has positive significance for future business developments in China. By allowing the digitalisation of documents such as Labour contracts businesses can in future comply with policies in a much simpler, faster, and convenient way. Furthermore, such policies meet the government's requirements for paperless working and helping the global effort for environmental protection.

Find Out More

If you would like to find out how your business can benefit from these policies and potential others not motioned here please send your enquiries to enquiries@lehmanbrown.com.



About Us

Founded in 2001, LehmanBrown is a licensed China-focused accounting, taxation and business advisory firm, operating in Beijing, Shanghai, Hong Kong, Macau, Shenzhen, Guangzhou and Tianjin. Our firm also manages an extensive affiliate network, providing service throughout China and reach across the globe.

Combining years of international expertise with practical Chinese experience and knowledge, LehmanBrown offers expert advice and support to both local and international clients. Within the mid-tier, we are regarded as a market leader and our clients enjoy access to a combination of senior and experienced counsellors from both China and abroad.

At LehmanBrown we recognise that you are unique, that you have unique requirements and we are committed to providing individually tailored financial solutions. LehmanBrown is dedicated to providing personalised service by working closely with our clients to understand your individual business needs. This enables us to offer the most up-to-date and expert advice.

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雷博国际会计成立于 2001 年, 是一家获得许可, 主要从事有关中国范围内会计、税务和财务咨询服务的公司, 在北京、上海、香港、澳门、深圳、广州和天津设有专门办事机构, 正积极在全国范围内建立广泛的联合专业服务网络。

综合多年的国际经验和对中国市场的深刻理解和实践体验, 我们向广大国内外的客户提供高质量的专业服务和意见帮助。在雷博国际会计的服务过程中, 我们作为市场中的佼佼者, 您将得到来自中国本土以及其它国家的高级资深专家热忱的咨询帮助。

我们深刻认识到每一位客户都是独一无二的, 并都有其独特的业务需求。雷博国际会计承诺将根据客户的不同业务需求, 为客户提供个性化的财务解决方案。我们的专业人员将密切与您合作, 以充分了解您独特的业务需求, 从而提供满足您所需要的高时效、高质量的专业服务。

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US GAAP Audit

IFRS Audit

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Chop Custodian Services

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Annual Inspection & Reporting

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Company Ownership Transferring/Corporate

Restructuring Background/Credit Checking

Company Deregistration & Bankruptcy

HR Support Services

China Visa Services for Expatriates

Social Welfare Structures

Outsourcing Services

Accounting & Bookkeeping

Budgeting & Forecasting Financial Statement

Preparation Head Office Reporting

Financial Management

Interim Financial Management Finance

Manager Function

CFO Function

Treasury Management

Set-up of Bank Account

Payroll Services

Payroll Processing Setup

Expatriate Employees

Local Employees

Secondment & Temping Service

Taxation Services

Individual Tax Planning (IIT)

Tax Immigration & Investment Review

US & Overseas Personal Income Tax Planning

& Filing IIT Tax Payment Facilitation

Application for Individual Income Tax Refund

Expatriate Staff Individual Income Tax Staff

Filing Local Staff Individual Income Tax

Company Taxation (CIT)

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Corporate Tax Planning

Business Restructuring

Value Chain Review

Onshore / Offshore Investment

Transfer Pricing

[Tax Compliance](#)

Tax Due Diligence

Tax Deregistration

Negotiation of Tax Penalties

Tax Refund Application

Tax Representatives for Tax Audit

VAT & Customs Duty Clearance

PRC Tax Receipt Verification

VAT Application

VAT & Sales Tax Filing

Corporate Income Tax Reporting

Specialist Accounting & Risk Management

Internal Controls

Systems

Risk Management

Sarbanes - Oxley (SOX 404)

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US GAAP Financial Statement Preparation

US GAAP Conversion

[Other GAAP](#)

GAAP Conversion

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