



Passion - Professionalism - Collaboration

Dear Friends,

This is a monthly newsletter focusing on legal matters in China, and related issues that shape the general business environment for foreign companies operating in China.

Should you have any comments or questions, please do not hesitate to contact Ms. Anna Lukina, BD & Marketing Director at alukina@a-zlf.com.cn visit the A&Z website.

Sincerely,
The Editors



Legal Updates

The State Administration of Taxation, the Ministry of Finance and the People's Bank of China jointly issued the Circular on Further Strengthening the Management of Handling Fees for the Taxes Withholding

Starting from October 1, the proportion of the handling fee for the payment of tax withholding in accordance with the regulations has been reduced to a maximum of 0.5%, with a limit of RMB 700,000. For cases where the proportion of handling fees is clearly stipulated by laws and administrative regulations, the prescribed proportion shall be followed. The handling fee for refunding of withholding taxes shall be reduced to no more than 1% of the withholding taxes; The handling fee for refunding ship and vehicle taxes which entrusting the maritime management agency of the transportation department to collect shall not exceed 5% of the tax collected; Entrusting the agent to collect vehicle purchase tax shall pay a handling fee of 15 yuan per vehicle; The handling fee for refunding taxes collected by the agent in agricultural markets, professional markets, and other markets shall not exceed 5% of the tax collected by the agent.

A&Z Past Events

October 24, Shanghai

On October 24, Ms. Anna Lukina, Business Development and Marketing Director at A&Z Law Firm, was invited to participate in the 6th International Petroleum and Natural Gas Enterprises Conference hosted by the Zhejiang Provincial People's Government from October 24 to 26. This year's conference was held at the Zhejiang Zhoushan International Conference Center. The conference focused on the theme of "Jointly discussing oil and gas, sharing opportunities and

The Ministry of Finance and the State Administration of Taxation issued the Announcement on Continuing the Implementation of Land Value-added Tax Policies Related to the System-reform and Restructuring of Enterprises (Announcement of The Ministry of Finance and the State Administration of Taxation No. 51 of 2023)

In order to further strengthen the support for the majority of business entities, including the medium, small, and micro-sized enterprises, to carry out foreign trade and export business, and to facilitate enterprises to master the current provisions of the export tax rebate, and to understand the export tax rebate facilitation initiatives in a timely manner, the State Administration of Taxation organized the production of the Export Tax Rebate "All in one" e-Manual, which has been released recently.

At present, taxpayers complete the declaration of matters related to export tax rebates mainly through three channels which are: the Electronic Taxation Bureau, the international trade "single window" and the offline version of declaration system for export tax rebates. The manual introduces the advantages and characteristics of each system; and the six major business processes: the filing types business system operation process, the declaration process of foreign trade enterprises exempted from tax rebates, the declaration process of manufacturing enterprises exempted from tax rebates, the declaration process of foreign trade comprehensive service enterprises for handling tax refund business on behalf, the declaration process of certificate issuance, and the declaration process of classification management of export enterprises, are sorted out in detail.

National Certification and Accreditation Administration ("CNCA") released the implementation rules for the certification of stationary ladder-use batteries of new energy vehicles

On October 11, the CNCA website announced "the Announcement on the release of New Energy Vehicle Power Battery Echelon Use Product Certification Implementation Rules-Stationary Echelon Use Battery.

The rules provide for the basic principles and general requirements for the "new energy vehicle power battery echelon use product certification - stationary echelon use battery products," which are applicable to new energy vehicle power battery echelon use products, including two categories: battery pack for uninterruptible power supply (UPS), battery pack for emergency power supply (EPS). The rules are only applicable to the echelon use products for the automotive power batteries, which have been taken out of service.

General Administration of Customs (GAC): eight cases of proactive disclosure of violations may not be

seeking development - accelerating the construction of a new pattern of energy systematical cooperation", with high-end forums and high-level dialogues as the core, and focused on creating a new platform for global oil and gas industry exchange and cooperation.

October 27, Shanghai

On October 27, Ms.

Sophie An, Chief Partner of A&Z Law Firm gave a seminar at the headquarters of a Japanese chemical enterprise in China focusing on the anti-espionage law. This seminar introduced the anti-espionage law to the company from multiple perspectives, such as law, case studies, and practice, eliminating common misunderstandings about the anti-espionage law.

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About A&Z Law Firm

A&Z is a leading Chinese law firm, which employs over 50 experts composed of a team of professionals comprising attorneys, legal assistants, Japanese translators, client managers, and business specialists across 7 offices in 11 legal practices. Having been active in Shanghai since 2004, A&Z's presence was expanded through

imposed the administrative penalties

On October 9, the General Administration of Customs officially issued the Announcement on Matters Relating to the Handling of Proactive Disclosure of Violations, which is valid from October 11, 2023 to October 10, 2025.

The Announcement stipulates that import and export enterprises and units shall not be imposed to administrative penalties if they take the proactive disclosure of the violations of customs regulations under one of the eight specified circumstances, including: proactive disclosure to the Customs within six months from the date of occurrence of the tax-related violation; proactive disclosure to the Customs exceeding six months but within two years from the date of occurrence of the tax-related violation, but the omission or underpayment of tax is less than 30% of the proportion of the tax payable, or the amount of omission or underpayment of tax is less than RMB 1 million yuan. The Announcement also specifies that import and export enterprises and units that take the proactive disclosure to report their tax-related violations to the Customs in writing and correct them in a timely manner, and are recognized by the Customs as having taken the proactive disclosure, may apply to the Customs for reduction or exemption of late payment of taxes in accordance with the law. The Customs shall reduce or exempt the late payment if complying with the regulations.

National Financial Regulatory Administration: Improving the supervision of administrative licenses for non-banking institutions and scaling back the restriction on overseas access

On October 17, the website of the National Financial Regulatory Administration released the revised Implementation Measures for the Administrative Licensing Matters for Non-Banking Financial Institutions, which came into effect on November 10, 2023.

The Measures have four main highlights, the first is to adjust the access conditions for some matters. Combined with the Administration Measures for the Enterprise Group Finance Companies and the Administration Measures for the Automobile Finance Companies revised in recent years, the Measures synchronize adjust the conditions for the establishment of institutions and shareholders' access, and improve the conditions for access to the special business of finance companies. Secondly, it will continue to expand opening up in Non-Banking financial institutions supervision. It will further relax the access conditions for overseas institutions to acquire shares in financial asset management companies, and abolish the total asset requirement for overseas financial institutions to act as investors to financial asset management companies. Thirdly, it is promoting the work of simplification and decentralization. The approval of the qualifications of the

the establishment of offices in Beijing, Dalian, Wuhan, Tianjin, Xiamen and Tokyo. A&Z focuses on advising multi-national groups, major corporations, banks, and SMEs on various legal issues relevant to their business endeavors.

A&Z's practices include Foreign Investment, Overseas Investment, Competition and Antitrust, Intellectual Property, M&A and Corporate Restructuring, Labor and Social Security, Dispute Resolution, Compliance and CSR, Finance and Capital Markets, Customs Logistics and Maritime Commerce, and Environment, Health and Safety (EHS).

heads of financial departments and internal audit departments of financial asset management companies was canceled and replaced by an ex post facto reporting system. Finally, it improves the relevant administrative licensing provisions.

National Energy Administration Approves 261 Energy Industry Standards and 42 Foreign Language Versions of Energy Industry Standards

On October 23, the National Energy Administration (NEA) published on its website the NEA Announcement No. 5 of 2023, approved 261 energy industry standards such as "Bidirectional Interaction of Electric Vehicle Charging and Discharging Part 1: General Provisions", and 42 foreign language versions of energy industry standards such as "Specification for Geotechnical Tests of Offshore Wind Power Projects".

Industry News

Tesla launches updated Model Y in China, keeps starting price unchanged

Reuters, October 1

China ramps up yuan internationalisation under Belt and Road Initiative

Reuters, October 19

Economic Watch: China's homegrown beauty products shine bright

Xinhua, October 4

China's pharmaceutical industry reports average annual revenue growth of 9.3 pct

Xinhua, October 24

China's domestic tourism revenue hits 100 bln USD over National Day holiday

Xinhua, October 6

Stellantis takes \$1.6 bln Leapmotor stake to revive China fortunes **Reuters, October 26**

Economic Watch: Study underscores benefits of China's sovereign financing in Africa

Xinhua, October 13

Flights in China to increase 34% above pre-pandemic levels

Reuters, October 28

China's BYD launches new energy vehicle sale in Hungary

Xinhua, October 18

AIGC to shake up education industry

China Daily, October 31

The information contained in this Newsletter is for reference on matters of interest only, and is not intended to be comprehensive. Although we try to ensure accuracy, please note that the application and impact of laws can vary based on contextual and circumstantial variables.

Before taking any action, please ensure that you obtain professional advice specific to your circumstances.

There are numerous ways for you to keep up-to-date with legal updates, A&Z's
practice, and valuable events.

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