



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

# Introduction for the Tax Disputes Resolution Regime in China

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Jurisdiction/Organization: STA, China



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# Part 01

## **Legal Framework**



## BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

### Legal Framework



01

**Law**

02

**Regulations**

03

**Rules**



## BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

### Law

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1

**Corporate Income Tax Law  
(Chapter 6)**

2

**Tax Collection and Administration  
Law (Article 36)**



## Regulations

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1

**Implementation Regulations of  
the CIT Law (Chapter 6)**

2

**Implementation Rules of the Tax  
Collection and Administration Law  
(Article 51-56)**



## BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

### Rules

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1

**Implementation  
Measures of Special  
Tax Adjustments  
("Circular No.2")**

2

**Public Notice  
[2016] No.64**

3

**Public Notice  
[2017] No.6**

4

**Public Notice  
[2021] No.24**



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## **Circular No.2**

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**Full name: Implementation Measures of Special Tax Adjustments (“Circular No.2”)**

**Practical version for implementation purpose for Chapter 6 of Corporate Income Tax Law and its implementation regulations  
Guideline for TP in China**



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## **Public Notice No.64**



**Full name: Public Notice on Matters Regarding Enhancing the  
Administration of Advance Pricing Arrangements**

**APA - Best Practice of BEPS Action 14**

**Refining APA procedures**

**Exchange of UAPA**



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## **Public Notice No.6**

**Full name: Administrative Measures of Special Tax  
Investigation and Adjustment and Mutual Agreement  
Procedure**

**MAP – Minimum Standard of BEPS Action 14**



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## **Public Notice No.24**

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**Full name: Public Notice on Matters Regarding the Application  
of the Simplified Procedure for Unilateral Advance Pricing  
Arrangements**

**UAPA-Simplified procedure and better efficiency**



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## **Highlights for the Public Notices**

**strengthening the international cooperation**

**Introducing BEPS action plan**

**Paying more attention to protect taxpayers' rights**

**Regulating procedures and enhancing transparency**



# Part 02

## MAP



## Initiation of MAP

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1

**An enterprise applying for MAP should submit the application and relevant information related to the special tax adjustment in writing to STA within the time period specified in the tax treaty.**

2

**Upon receiving the formal notification from the CA of the other tax treaty contracting party to request MAP, STA can initiate the MAP if the case is considered to be in accordance with the relevant provisions in the tax treaty.**



## **After signing of a mutual agreement**

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**STA should notify the provincial tax authorities in writing with the mutual agreement attached.**

**Within 15 working days, the in-charge tax authorities should deliver the “Notice on Tax Matters” with the mutual agreement attached to the enterprise.**



## **After signing of a mutual agreement**

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**If a tax payment (or refund) is needed, the in-charge tax authority should attach “Notice of Tax Payment (or Refund)”, and monitor the tax payment remittance or refund.**



# Part 03

## APA



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## **Process of Bilateral/MultilateralAPA**

### **Six stages:**

**pre-filing meeting,**

**letter of intent,**

**analysis and evaluation,**

**formal application,**

**negotiation and signing,**

**implementation and monitoring.**



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## **Unilateral APA**

**Three stages:**

**Application and Evaluation,**

**Negotiation and Signing,**

**Implementation and Monitoring**



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## 中国预约定价安排 年度报告

China Advance Pricing Arrangement  
Annual Report

2020

中华人民共和国国家税务总局 编  
State Taxation Administration People's Republic of China

中国税务出版社

## APA Annual Report

**APA annual report are released from 2009  
description of the latest procedures, and implementation of  
the APA program in China  
also a guidance to those interested in entering into APAs with  
the Chinese tax authority,  
a reference for other CAs and the general public to better  
understand China's APA program.**



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# THANKS

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