



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

Large Business Advance Tax Ruling

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Part 01

Advance Tax Ruling



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

The Advance Tax Ruling is a tax authority's interpretation of how the tax laws should be applied to a given set of facts submitted by a taxpayer.



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Distinguishing Features
of ATR System

A blue diamond icon is centered within a white circle, which is itself set against a dark blue background.

- 01 Determination of Tax Liability in Advance
- 02 Specificity
- 03 Applicability
- 04 Service-oriented



Part 02

China's Large Business ATR System



What State Taxation Administration Has Done

1

February 2012, put forward the concept of ATR for the first time.

2

December 2013, formally started the trial implementation of ATR for tax-related matters of large business.



What State Taxation Administration Has Done

3

December 2015, stated that will establish the ATR system for complex tax-related matters to promote ATR for the large business.

4

November 2017, tax service mechanism for Large Enterprise Restructuring tax-related matters provided a reference.



What State Taxation Administration Has Done

5

In December 2018, proposed the trial implementation of the ATR system.

6

In March 2021, proposed that ATR should be implemented for large enterprises, and relevant policies should be established and improved.



What Local Tax Authorities Have Done

1

Beijing Municipal Tax Service: clarify the matters that need to be coordinated or determined before the tax-related claims.

2

Guangdong Provincial Tax Service: clarify the applicable subject, scope, and application procedure of ATR.



Part 03

Large Business ATR in China



State Taxation Administration

1

STA and some large enterprises reached an agreement on the terms of pilot provision of ATR services in the tax compliance Agreement.

2

In 2018, made the first ATR practical case of STA.



State Taxation Administration

3

After that, we successively commented on the ATR applications submitted by some large enterprises.



Local Tax Authorities

1

Anhui Provincial Tax Service: 2013, made the first large-scale enterprise ATR in China.

2

Qingdao Tax Service: 2018, made an advance tax ruling on the cross-border equity transfer of enterprise A.



Local Tax Authorities

3

Beijing Municipal Tax Service: 2020, made an advance tax ruling on the corporate income tax of enterprise B.

4

Chongqing Municipal Tax Service: 2021, made an advance tax ruling on the asset transfer of enterprise C.



Local Tax Authorities

5

Jiangsu, Guangdong, Yunnan Province and Shenzhen also adopted the system. Since 2021, a total of 17 large business ATR cases have been handled nationwide.



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Next Step

acceptance institutions

ONE

acceptance scope

TWO

reply methods

THREE

In the next step, we will further combine theoretical research with practical exploration, clarify and refine the acceptance institutions, acceptance scope, reply methods, etc.



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THANKS

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