



Responding to COVID-19: BRITACOM PERSPECTIVE, 2 June 2020

Script of speech

**Mr. Wang Jun, Chair of the BRITACOM Council,
Commissioner of State Taxation Administration, P.R.C.**

Distinguished colleagues,

Distinguished experts.

Ladies and gentlemen,

Dear friends,

Good evening! At this critical moment in the global fight against COVID-19, I am pleased to meet with you virtually at the meeting of the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM) themed "Responding to Covid-19: BRITACOM Perspective". As Chair of the BRITACOM Council, I would like to express my sincere gratitude to all you all!

Virus respects no borders, solidarity and cooperation is the most powerful weapon to defeat it. Under no circumstances will we forget the earnest support from our fellow tax administrations and international organizations such as the OECD in China's most trying times. Please allow me, on behalf of the State Taxation Administration of China (STA), to take this opportunity to express our deep appreciation for your strong support and selfless assistance.

I would like to report to you in particular that Council Member Tax Administrations and Observers of the BRITACOM and other stakeholders have been working together, not only to fight COVID-19 but also make concerted efforts to advance development of the BRITACOM. So the Mechanism does not come to a halt, rather, it is still playing positive roles that are reflected from the following aspects:

We've built platforms to share information and experience. Since the outbreak of COVID-19, the BRITACOM has built dedicated platforms for communication and discussion on "Responding to COVID-19 through tax measures" to share tax policies, administration and service measures in



response to the virus in a timely and comprehensive manner, facilitating sharing of information and mutual learning of experience among Belt and Road Initiative (BRI) tax administrations.

We've deepened cooperation to develop measures and solutions. All stakeholders of the BRITACOM, together with international organizations and members from the Advisory Board have given full play to their expertise and worked together to study impacts of COVID-19 on different jurisdictions and effects of their corresponding policy responses. This work is very helpful for the BRI tax administrations to implement tax policies suited to their own conditions in their efforts to fight COVID-19 and promote development.

We've seized the trend and formulated strategies to promote implementation of BRITACOM's work. After active coordination among all stakeholders, the Second Belt and Road Initiative Tax Administration Cooperation Forum (BRITACOF) has been postponed to next year due to ravages of COVID-19. We have timely adjusted work plan and moved some of the sessions of the BRITACOM meeting from on-site to online platform, so as to promote the accomplishment of the tasks in *Wuzhen Action Plan (2019-2021)* and to enhance mutual cooperation and friendship that should not be separated by distance.

Since the outbreak of COVID-19 in China, President Xi Jinping has personally led our response to the epidemic and we have made major strategic achievements in combating it. While strictly following detailed prevention and control measures in all tax offices, we have also actively participated in the inter-departmental task forces at the community level. In addition, we've lost no time in designing and implementing a series of practical and innovative policy and service measures and made positive contributions to the epidemic control and economic and social development.

Chinese tax authorities have implemented targeted and robust tax incentives to support enterprises in a trying time. In response to the sudden outbreak of COVID-19, the Chinese government has rolled out 27 tax cuts and fee reductions policies in 7 batches, which have played an important role in alleviating difficulties for enterprises. These policies have three main characteristics: **The first is precision.** In the beginning of epidemic prevention and control, tax and fee incentives



were quickly granted to key enterprises producing anti-epidemic supplies and front-line medical workers to support anti-epidemic efforts. To facilitate resumption of work and production, policy supports has been redoubled for the hardest-hit industries and enterprises, especially SMEs and the self-employed that offer a great number of jobs, so as to strengthen their ability to forestall risks. Meanwhile, more robust tax incentives have been launched in Hubei Province, the epicentre of the epidemic, to help it prevail over and recover from the epidemic. **The second is inter-connectivity.** A set of policies and measures have been adopted covering taxes, fees, rents and interest. Policies implemented by China’s tax authority alone cover 8 types of taxes and 7 types of fees. Inter-departmental efforts made by tax, finance, human resources and medical care authorities ensure smooth implementation of all relevant policies. Both central and local governments have launched a wide range of supportive policies of tax and fees and therefore forged strong synergy. **The third is scale effect.** Chinese Premier Li Keqiang pointed out in this year's *Government Work Report* that tax cuts and fee reductions would be expected to reduce the burden on enterprises by more than 2.5 trillion *yuan* (or 352 billion U.S. dollars) this year. These measures are very important to keep China’s economic growth and support jobs and people’s basic living needs. While committed to the research and formulation of the above-mentioned tax and fee incentives, Chinese tax authorities strive to overcome difficulties and challenges such as a tight schedule to implement policies, various types of taxes and fees and a wide range of beneficiaries covered. We work hard to smooth the “last kilometer” of policy implementation and ensure that the “tangible benefit” of tax cuts and fee reductions reach all businesses in difficulty, all taxpayers and feepayers. From January to April of this year, we cut taxes and fees by an additional 906.6 billion *yuan* (or 127.1 billion U.S. dollars) nationwide, providing effective support to enterprises and job market in the efforts to contain COVID-19.

Chinese tax authorities have promoted “non-contact” taxpayer services to deliver convenience to enterprises. Since the outbreak of COVID-19, Chinese tax authorities have optimized taxpayer services in various ways. In particular, while extending the deadlines for tax filing and deferring tax payments in accordance with the law, we have promoted “non-contact” taxpayer services



nationwide in a bid to mitigate risks of epidemic transmission and to ensure a safe and convenient environment for paying taxes. **The first is to help taxpayers “access policies with QR code”.** We have timely released and dynamically updated the *Operating Guidelines for Tax and Fee Incentives*, and made them accessible by QR code. Taxpayers can easily obtain the relevant policies and operating procedures simply by scanning the code. **The second is to “answer inquiries online”.** Via 12366 tax service hotline, WeChat, video and other channels, we have responded to taxpayers’ inquiries and demands online, and helped them understand policies and procedures. By the end of May, nearly 500,000 inquiries on tax-related epidemic prevention and control policies have been handled through 12366 tax service hotline across the country. **The third is to “handle tax transactions online”.** The STA has sorted out and released a list of 190 tax and fee items that can be handled online. More than 90% of tax-related procedures of corporate taxpayers can be managed online, and more than 99% of their tax declarations can be filed and handled online. **The fourth is to “make the operation handy”.** By upgrading mobile phone APP functions and optimizing application scenarios, we have offered the service of “paying taxes and fees at fingertips”. Up to now, the number of registered users of China’s *Individual Income Tax APP* has exceeded 130 million. According to relevant surveys, “non-contact” service has become the main channel for tax and fee payment, with taxpayer and fee contributor satisfaction rate of 97.3%.

Chinese tax authorities have harnessed in-depth and timely analysis on big data to help with reopening of businesses. Since the resumption of work and production on 10 February, Chinese tax authorities have deepened analysis on big data of taxation to inform policy makers at all government levels and to align upstream businesses with downstream businesses and sellers with buyers. **First, we have closely monitored the recovery of economy.** We use VAT invoices, tax returns filed and other sources of information to generate data on businesses’ sales revenue on a daily basis, and then analyze the data by industry, region and category of products on a weekly or ten-day period basis. This can help reflect the resumption of work, production and sales, and economic performance as a whole and support decision-making in relation to macro-economic policies. **Second, we have assisted businesses in removing the clogs on the industrial and supply chains.** While strictly



protecting the taxpayer's trade secrets and personal privacy, we have been using big data to analyze the supply and demand of upstream and downstream businesses, providing targeted services so that the two sides are able to know each other and make purchase and sale decisions by themselves as market players. These efforts aim to help businesses especially those in the epicenter region. **Third, we have deepened cooperation with banking sector to support small and micro businesses.** We are working with banking and insurance regulators to alleviate financial burdens on businesses, especially small and micro ones by facilitating their access to loans on the basis of their taxpaying credit ratings. Thanks to this effort, a total loan of 181.6 billion *yuan* (or 25.49 billion US dollars) was granted to small and micro businesses in the first quarter of this year.

COVID-19 represents a common challenge to the whole world and the entire humanity. The virus is still raging and more must be done to bring it under control and restore economic and social development. Today we will share our view on how to respond to COVID-19 from a BRITACOM perspective to forge consensus, solidarity and partnership, and to inject the impetus of taxation to the global fight against COVID-19 and the pursuit of the BRI. To this end, I would like to bring forward three proposals:

First, further sharing experience. At this meeting, delegates of all countries have shared or will share with us their tax policies and service measures to fight the pandemic. International organizations, experts and scholars will share with us their insights as well. It is my hope that we will continue our exchanges through channels like virtual meetings, *Special Edition of the BRITACOM Update on COVID-19* to share the virus containment measures, so as to reap more positive effects of tax policy measures in our response to the virus and efforts to restore economic development. Chinese tax authorities are ready to do our bit to help tax authorities of jurisdictions in need in this regard.

Second, further utilizing platforms. The inaugural issue of *Belt and Road Initiative Tax Journal*, a product of our joint efforts, will be released in the coming days, and the official website of the BRITACOM is scheduled to officially launch today. With this opportunity, we should enhance exchanges and cooperation online, conduct research and initiate more cooperation programs, so as



to build a regular communication mechanism and working platform for extensive consultation, joint contribution and shared benefits.

Third, further applying technology. COVID-19 has changed the way we work and interact with taxpayers and feepayers, and telecommuting and “non-contact” tax transactions is becoming the mainstream practice. This is made possible by the cutting-edge science and technology. The theme of the Second BRITACOF will be digitalization of tax administration, which again reminds us of the importance of science and technology in optimizing the way we administer tax and provide taxpayer service so as to advance modernization of the tax systems and capacity for governance.

As a Chinese saying goes, "a partnership forged with the right approach defies geographical distance; it is thicker than glue and stronger than metal and stone." In these trying times, we have stood together through thick and thin and strengthened the overall capacity to withstand the risks. While COVID-19 is sure to pass, our cooperation is here to stay. As long as we stay focused and work together in partnership, we are bound to disperse the dark shadow of COVID-19, achieve more significant progress in mutually beneficial cooperation, and usher in a brighter future of BRI development!

Thank you!

BRITACOM