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Tax

Announcement of the State Taxation Administration on the Release of the Administrative Measures for Tax and Fee Payment Credit

Issued by: State Taxation Administration
Issue No.: Announcement No. 12 of the State Taxation Administration, 2025
Release Date: May 16, 2025
Effective Date: July 1, 2025
Links: <https://www.gov.cn/zhengce/zhengceku/htm>

With the release of the Administrative Measures for Tax and Fee Payment Credit (referred to as the "New Measures"), the Administrative Measures for Tax Credit (Trial) announced in 2014 and subsequent supplementary announcements (collectively referred to as the "Original Measures") are simultaneously abolished. Compared with the Original Measures, the main changes in the New Measures are as follows:

- **Changes in Application Scope:** The Original Measures applied to enterprise taxpayers engaged in production and operation and subject to tax assessment based on accounting records (referred to as "Business Entities"), while the New Measures apply not only to the aforesaid enterprise taxpayers but also to other types of taxpayers such as individual business operators, public institutions, and non-independent accounting branches, that voluntarily opt into the management of the New Measures.
- **Optimization of the Starting Score for Annual Evaluation Indicators:** Under the Original Measures, if a Business Entity lacks non-recurring indicators, the evaluation starts uniformly from 90 points. The New Measures refine the starting score criteria. If a Business Entity lacks non-recurring indicators but has complete tax and fee payment information in its recurring indicators, the evaluation starts from 93 points. If the tax and fee payment information in its recurring indicators is incomplete, the evaluation starts from 90 points.
- **Clarification of Circumstances for Disqualification from Grade A:** The third circumstance for disqualifying from Grade A is that "the value-added tax (VAT) payable is zero for 3 consecutive months or 6 cumulative months within the evaluation year due to non-normal reasons". The New Measures clarify the definition of "non-normal reasons", specifying that if the VAT payable is zero for 3 consecutive months or 6 cumulative months due to seasonal production and operation, enjoyment of policy-based tax exemptions, unused deductible input VAT, or enjoyment of VAT additional deduction policies, it shall not affect the Business Entity's eligibility for Grade A.
- **Changes in Credit Restoration:**
 - 1) Enhanced rectification measures for minor dishonest acts.
 - 2) Establishment of a gradual credit restoration mechanism for tax and fee arrears indicators, which comprehensively calculates restoration points based on the proportion of arrears paid and the timeliness of payment.
 - 3) A new mechanism of "comprehensive credit restoration" is introduced. For entities that have rectified dishonest acts, fulfilled legal responsibilities, and maintained a clean record without of any new instances of non-compliance for more than 6 consecutive months since the last deduction of evaluation indicators in the evaluation year, the deducted scores shall be restored at a rate of 1 point per months of continued compliance (capped at a maximum of 11 points).
 - 4) The restoration conditions for direct Grade D have been refined. Under the Original Measures, a

Business Entity rated D must meet conditions such as maintaining a clean record without any new instances of non-compliance for at least 12 consecutive months to apply for credit restoration. While under the new measures, the "waiting" period for credit restoration is divided into three categories: 3 months, 6 months, and 12 months, based on factors such as the amount of tax evasion, the multiple of fines, the amount of fines, and the time of payment.

Legal

Notice on Fully Adopting the Specialized Credit Report in Lieu of the Certificates of No Violation of Laws and Regulations

Issued by: National Development and Reform Commission, Ministry of Public Security, National Data Administration
 Issue No.: Fagaicaijin [2025] No. 565
 Release Date: April 29, 2025
 Links: <https://www.ndrc.gov.cn/xwdt/tzgg/.html>

The Notice requires full implementation of "Credit-based Documentation" reform by end of September 2025, substituting multi-departments compliance certificates with a specialized credit report. The main contents are as follows:

- The specialized credit report should at least include information such as administrative penalties, administrative coercive measures, seriously discredited entities, and criminal records.
- The specialized credit report shall apply to all types of business entities. Regions with the necessary conditions are encouraged to extend its application to social organizations and natural persons.
- The specialized credit report will comprehensively replace certificates of compliance issued by various departments in matters such as administrative approvals, public biddings, corporate financing, and applications for preferential policies. For instance, if enterprises apply for financing (loans, IPO, etc.), they can use the specialized credit report instead of a stack of compliance certificates from tax, social security, environmental protection and other authorities in the past.
- The "Credit China" website will establish a dedicated portal for specialized credit report inquiries, serving as a centralized channel for accessing regional special credit reports.

Guidelines on Facilitating Enterprise Relocation Registration Through Integrated "One-Stop" Procedures

Issued by: State Administration for Market Regulation, Ministry of Human Resources and Social Security, Ministry of Housing and Urban-Rural Development, State Taxation Administration
 Issue No.: Guoshijianzhufa [2025] No.8
 Release Date: May 23, 2025
 Links: <https://www.samr.gov.cn/zw/zfxgk/.html>

To address the issues of "multiple applications and repeated trips" during the process of enterprise relocation,

the Guidelines propose the following measures:

- Administration for Market Regulation (AMR) at provincial level should promptly launch the "One-Stop" service zone for relocation registrations within the province, enabling online simultaneous processing of matters including tax, social insurance, housing provident fund and others.
- By the end of July 2025, all provincial AMRs must complete the integration with the cross-provincial relocation registration data transmission system developed by the State AMR. This will gradually promote the sharing of enterprise relocation information across provinces and enable online processing, thereby enhancing the convenience of cross-provincial relocations.
- To streamline the procedures for relocation registration by integrating multiple applications and repeated visits to both the destination and origin, file transfer, and change registration into a single application submitted to the destination ARM. Neither the destination nor the origin ARM shall restrict or impede relocation cross-districts.
- To optimize cross-regional tax relocation services. Upon completion of relocation by AMR, the relocation service zone will transmit the updated information including the enterprise's new address to the tax department. For enterprises with no outstanding matters, the tax department will immediately process the relocation and provide a "one-stop" relocation service in the destination area; for enterprises with outstanding matters, the tax department will feedback the specific details and required actions through the relocation service zone.

Administrative Penalty Discretion Rules of the National Development and Reform Commission

Issued by: Office of the National Development and Reform Commission
Issue No.: Fagaibanfaguigui [2025] No. 462
Release Date: May 8, 2025
Effective date: June 1, 2025
Links: https://www.ndrc.gov.cn/xxgk/zcfb/ghxwj/202505/t20250513_1397686.html

The Rules apply to administrative penalties imposed by the National Development and Reform Commission (NDRC), National Energy Administration, and National Data Administration when acting in the name of the NDRC. The Rules are established to standardize the NDRC's discretion in administrative penalty decisions, protect the lawful rights and interests of concerned parties, and ensure that penalties correspond to the factual circumstances, nature, severity, and societal harm of the violations.

The Rules stipulate the types of administrative penalties, the applicable circumstances for different levels of discretion (including: no penalty, mitigated penalty, lenient penalty, standard penalty, and aggravated penalty), as well as the relevant procedural requirements.

At the same time, the Rules clarify that administrative penalties will not be imposed if the illegal act has not been discovered within two years. However, if the illegal act involves the safety of citizens' lives and health, financial security, and has caused harmful consequences, the time limit is extended to five years, except as otherwise provided by law.

Accounting

Application Guidelines for Accounting Data Standards of Electronic Vouchers

Issued by: Ministry of Finance of the People's Republic of China
Issue No.: Caikuai [2025] No. 9
Release Date: May 19, 2025
Effective date: July 1, 2025
Links: https://kjs.mof.gov.cn/zt/kuaijixinxihuaajianshe/t20250519_3964019.htm

The Ministry of Finance and other 8 departments jointly issued the Notice on Promoting the Application of Accounting Data Standards for Electronic Vouchers and the Application Guidelines for Accounting Data Standards of Electronic Vouchers. The main contents are as follows:

- The Guidelines has formulated specific processing procedures for common electronic accounting vouchers, generally including:
 - 1) Adapting the existing accounting system to enable it to receive and process electronic accounting vouchers.
 - 2) Receiving, verifying signatures (authenticity), and parsing data of various electronic accounting vouchers.
 - 3) Processing the parsed structured data files for system reimbursement and booking registration.
 - 4) Archiving electronic accounting vouchers.
- The Guidelines has clarified that electronic accounting voucher data is divided into 9 categories and the corresponding receiving file format standards, as follows:
 - 1) Digital tax invoices (VAT special and ordinary invoices): XML format.
 - 2) Railway electronic tickets: OFD format embedded with XBRL and XML format.
 - 3) Air transport electronic ticket itinerary: Format embedded with XBRL and XML format.
 - 4) Financial electronic bills: PDF format embedded with XML.
 - 5) Electronic non-tax revenue general payment receipts: PDF format embedded with XBRL.
 - 6) Bank electronic receipt vouchers: OFD format embedded with XBRL.
 - 7) Bank electronic statements: OFD format embedded with XBRL.
 - 8) VAT electronic invoices (including VAT electronic ordinary invoices and VAT electronic special invoices): PDF or OFD format.
 - 9) Treasury centralized payment electronic vouchers: PDF or OFD format embedded with XML.
- The Guidelines has defined the specific verification methods for the 9 categories of electronic accounting vouchers, including:
 - 1) Digital tax invoices are verified for authenticity on the tax platform.
 - 2) Financial electronic bills are verified on the National Financial Electronic Bill Verification Platform of the Ministry of Finance or through the financial electronic bill verification platform of the issuing party's location.
 - 3) Other electronic original vouchers are verified for authenticity by validating electronic signatures (including digital signatures and electronic seals).
- The Guidelines has clarified the archiving requirements for electronic accounting vouchers, stipulating

that archived files shall consist of:

- 1) Standard-compliant electronic original vouchers (with digital signatures or electronic seals).
 - 2) Structured data files of booking information.
 - 3) Electronic accounting vouchers, reimbursement forms, and other related electronic accounting documents.
 - 4) A retrieval relationship between electronic original vouchers and structured data of booking information must be established simultaneously.
- To support enterprises in efficiently and cost-effectively completing the full-process standardized processing of electronic accounting vouchers, the Ministry of Finance, in conjunction with relevant software service providers, has developed a basic toolset that can be directly integrated into enterprises' existing information systems. The toolset has functions such as parsing electronic accounting vouchers, verifying signatures, and generating structured data files for booking information.

Human Resources

Notice on the Consolidated Implementation of the One-Off Employment Absorption Subsidy and One-Off Job Expansion Allowance for Key Groups in Shanghai

Issued by: Shanghai Municipal Human Resources and Social Security Bureau, Shanghai Municipal Finance Bureau, Shanghai Municipal Education Commission

Issue No.: Hurenshe [2025] No. 6

Release Date: May 9, 2025

Links: https://rsj.sh.gov.cn/tjypx_17728/20250509/t0035_1432370.html

The following outlines the key contents of the Notice:

- Eligible entities are enterprises and social organizations registered in Shanghai that, during the period from January 1 to December 31, 2025, recruit 2025 graduates or unemployed college graduates within two years of graduation, as well as registered unemployed local youth aged 16-24, sign labor contracts with them, and pay full social insurance contributions for at least three consecutive months as required.
- Subsidy standard: A one-off job expansion allowance of RMB 1,500 will be granted per hired individual. It should be noted that the employment and social insurance information as well as the identity of the same individual can only be used by one employer to claim the one-off job expansion allowance, and shall not be reused.
- Subsidy application method: The subsidy shall be distributed through the "no-application required" approach. After verifying the information, the human resources and social security department will provide eligible candidate lists to employers, whereupon district finance bureaus will disburse the subsidy funds directly to the employers' official bank accounts.
- Provisions on labor dispatch companies: The "no-application required" approach does not apply to labor dispatch companies. They shall proactively apply for the one-off job expansion allowance with the district human resources and social security department where they are registered. Upon approval, the subsidy funds will be disbursed to the labor dispatch company's official bank account. For the portion of subsidy funds related to dispatched workers, the labor dispatch company shall transfer the full amount to the

actual employing entity that provides the job position and bears the wage and social insurance costs within 15 days of receiving the funds.

- The implementation period of the Notice shall remain valid until December 31, 2025.

Recent Hot Topics

- In the case where a partnership enterprise does not distribute any current-year profit, are the partners still liable for income tax payment?
- According to Announcement [2016] No. 42, under what circumstances must a company prepare the local file documentation for related-party transactions?
- The annual filing of direct investment position statistics for 2024 will close on June 30, 2025. How should FDI/ODI/SPV statistics be filed? What penalties will apply for late filing, and how will it affect normal business operations?

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