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Tax

Administrative Measures for Advance Tax Rulings of the Shanghai Municipal Tax Service

Issued by: Shanghai Municipal Tax Service, State Administration of Taxation
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Links: <https://shanghai.chinatax.gov.cn/zcfw/zcfgk/zhsszc/202510/t478074.html>

The Shanghai tax authority, after issuing Administrative Measures for Advance Tax Rulings (the "Measures") in December 2023, has now carried out a comprehensive revision of the Measures for the first time in two years. Here is a comparison between the latest version of the Measures and the 2023 edition, highlighting the key changes as follows:

- Scope of tax matters applicable for advance rulings: "Complex tax-related matters that have already occurred but have not yet been declared, and are more than three months away from the statutory tax filing deadline" are newly included within the scope of advance rulings, which expands the scope to cover both "future events" and "specific past events".
- Eligible applicants: The application scope has been broadened to include all tax-related matters where the place of taxation is in Shanghai. Applicants are no longer limited to domestic enterprises registered in Shanghai but may also include non-resident enterprises with tax obligations in Shanghai.
- Matters outside the scope for advance rulings: Two new categories have been added, which are 1) Matters that are substantially similar to issues currently being handled by administrative or judicial authorities; 2) Matters having the same characteristics as transaction matters completed by the applicant in prior years and for which a tax treatment conclusion already exists.
- Applicant and accepting authority: It is clarified that the applicant must be the entity directly liable for tax payment or withholding obligations, and the accepting authority for the advance ruling shall be the competent tax authority of the applicant.
- Binding effect of the ruling: A new clause states, "If the applicant has handled tax matters in accordance with the ruling opinion, and the tax authority subsequently adjusts such tax treatment for other reasons, no administrative penalty shall be imposed on the applicant." This clarifies the binding effect of the advance ruling on the tax authority.
- Follow-up administration: Termination scenarios are introduced, specifying that if the applicant fails to implement the relevant commercial or transactional conduct for which the ruling was sought within 24 months from the date of issuance of the Advance Tax Ruling Opinion Letter, the tax authority may issue a Notice on Terminating (Revoking) Advance Tax Ruling to the applicant.

Announcement on Adjusting Value-Added Tax Policies for Wind Power Generation and Other Sectors

Issued by: Ministry of Finance, General Administration of Customs, State Taxation Administration
 Issue No.: Announcement of the Ministry of Finance, the General Administration of Customs, and the State Taxation Administration No. 10, 2025
 Issue Date: October 17, 2025
 Effective Date: November 1, 2025
 Links: <https://fgk.chinatax.gov.cn/zcfgk/c102416/c5243708/content.html>

The Announcement adjusts the value-added tax (VAT) refund policies for industries such as wind power and nuclear power units, as detailed below:

- The preferential VAT policy of "levy-and-refund" for onshore wind power has been abolished. The 50% levy-and-refund policy for offshore wind power will remain in effect, applicable from November 1, 2025, to December 31, 2027.
- The value-added tax policy for nuclear power units has been adjusted. Newly approved projects after November 1, 2025, will no longer be eligible for VAT preferential policies. For projects approved before this date, the "levy-first-and-refund-later" policy will be implemented based on the operation dates, with refund rates ranging from 50% to 75%.
- The Announcement also annuls specified documents and provisions, eliminating the VAT refund policies for specific industries, including aircraft maintenance services and financial leasing.

Foreign Exchange

Notice on Further Facilitating Foreign Exchange Settlement to Support Stable Development of Foreign Trade

Issued by: State Administration of Foreign Exchange
 Issue No.: Huifa [2025] No. 47
 Release Date: October 29, 2025
 Effective Date: October 29, 2025
 Links: <https://www.safe.gov.cn/safe/2025/1027/26714.html>

The *Notice* outlines nine measures aimed at expanding the pilot areas for high-level opening-up in cross-border trade (the "pilot area"), extending facilitation policies to include more small and medium-sized enterprises (SMEs) involved in new forms of trade, thereby making it easier for market entities to conduct cross-border trade operations. The key provisions are as follows:

- Broaden the scope of business types that qualify for netting settlement of receipts and payments by high-quality enterprises in pilot areas.
- Authorize banks to determine the foreign exchange settlement and purchase quotas for high-quality enterprises based on their payroll documentation, enabling streamlined salary settlement and purchase procedures for their international employees without requiring additional supporting documents.
- Promote banks to use electronic transaction information to handle foreign exchange receipt settlement for cross-border e-commerce enterprises and pay for their overseas expenses such as storage, logistics,

and taxes. Also support the netting settlement of these expenses against export proceeds.

- Relax management of advance payments in trade in services, clarifying that banks can handle advance payment businesses for trade-related service fees for eligible domestic enterprises. In principle, such advance payments should not exceed 12 months; any exceeding this period must be reported to the local foreign exchange authority.
- Permit domestic enterprises engaged in contracted projects across multiple countries (or regions) to open centralized fund management accounts overseas after registering with the local foreign exchange authority, facilitating the cross-country and cross-regional centralized management and allocation of funds for overseas contracted projects.
- Require banks to establish a disposition mechanism for special foreign exchange transactions under current accounts, adhering to the principle of "substance over form" to efficiently handle complex and innovative current account foreign exchange operations.

Legal

Maritime Code of the People's Republic of China

Issued by: Standing Committee of the National People's Congress
 Issue No.: President's Order No. 58 of the People's Republic of China
 Release Date: October 28, 2025
 Effective Date: May 1, 2026
 Links: http://www.npc.gov.cn/npc/c2/c30834/202510/t20251028_449061.html

This revision represents the first comprehensive overhaul of the current Maritime Code in over three decades since its implementation. It aims to actively align with the latest developments in shipping and trade, reasonably incorporate the outcomes of the latest international maritime conventions, and effectively balance the interests of relevant parties. The newly revised Maritime Code comprises 16 chapters and 310 articles, with key amendments outlined as follows:

1. Moderately unifying maritime rules for domestic and international markets

- Unify the legal application for domestic and international carriage of goods by sea, bringing the carriage of goods by sea between domestic ports within the scope of the Maritime Code.
- Harmonize the limitation of liability for carriers in domestic and international carriage of passengers by sea, addressing the issue of compensation disparities for equal loss of life.
- Align the limitation of liability for maritime claims between seagoing vessels and inland waterway vessels.

2. Improving rules on carriage of goods by sea

- Specify that the carrier has the obligation to "receive" and "deliver" the goods, and correspondingly adjust the definition of the actual carrier. This allows parties such as terminal operators to attain the status of actual carrier under specific conditions, thereby enabling them to avail themselves of the carrier's exemptions and limitation of liability. Furthermore, the carrier's exemptions are extended to situations involving delay in delivery by the carrier.

- Clarify that the actual value of the goods shall be calculated based on the market price at the place and time of delivery. If this cannot be determined, it shall be calculated based on the value of the goods at the time of shipment plus insurance and freight. This changes the current Maritime Code's standard of "the actual value of the goods being the value of the goods at the time of shipment plus insurance and freight."
- Specify that in cases where no bill of lading is issued, the relationship between the carrier and the consignee regarding their rights and obligations is governed by the relevant provisions of Chapter IV "Contract of Carriage of Goods by Sea" of the Maritime Code.
- Define the legal status of electronic transport records, stipulating that electronic transport records fulfilling statutory requirements have the same effect as transport documents. Electronic transport records and transport documents are interchangeable.
- Introduce fundamental rules for the carrier's delivery of goods, providing clear provisions for delivery under various scenarios, including when a straight bill of lading, an order bill of lading, a bearer bill of lading, a negotiable electronic transport record, or other circumstances are involved.
- Shift the party bearing the costs and risks arising from failure to take delivery at the port of discharge from the consignee to the shipper and stipulate that the shipper must be promptly notified.
- Grant the shipper's right to modify the contract and specify exceptional circumstances where the carrier may refuse such modifications.

3. Refining systems for marine ecological environment protection

- Impose specific duties on the shipmaster regarding the prevention and control of ship-source pollution of the marine ecological environment. Specify that salvors and salvaged parties in maritime casualties cannot contractually exempt themselves from their obligations to prevent or minimize ecological environmental damage.
- Introduce a dedicated chapter on liability for oil pollution damage from ships, clarifying the scope of compensation and the liable parties for oil pollution damage. It also clarifies that the state shall establish a compulsory liability insurance system and a compensation fund system for oil pollution damage from ships.

4. Clarifying the application of law in foreign-related matters

- Strengthen mandatory application clauses, specifying that the provisions of Chapter IV "Contract of Carriage of Goods by Sea" of the Maritime Code apply to contracts for the international carriage of goods by sea where the port of loading or the port of discharge is located within the People's Republic of China.
- Refine the rules on the application of law concerning foreign-related maritime relations. For example: regarding ownership and mortgages of ships under construction, if registered, the law of the country of registration applies; if not registered, the law of the place where the ship is built applies. A possessory lien on a vessel shall be governed by the law of the place where the vessel is detained.

Customs

Provisions on the Administration of Registration of Overseas Manufacturers of Imported Food

Issued by: General Administration of Customs
Issue No.: Order No. 280 of the General Administration of Customs
Issue Date: October 14, 2025
Effective Date: June 1, 2026
Links: <http://www.cacaghd.cn/customs/302249/2480148/6775328/index.html>

To strengthen the supervision of imported-food safety, the General Administration of Customs (GAC) has issued the latest “Provisions on the Administration of Registration of Overseas Manufactures of Imported Food” (GAC Order No. 280, “Order 280”). Effective from June 1, 2026, Order 280 will fully replace the current Order No. 248 (“Order 248”). The principal changes are summarized as below:

- Optimized food categorization: While Order 248 simply divided food into 18 categories subject to official recommendation and others, Order 280 introduces a catalogue-based system, dynamically adjusting the Catalogue of Imported Food Requiring Official Recommendation for Registration (the “Catalogue”) according to risk levels.
- Streamlined registration methods: 1) The two registration methods under Order 248 “recommendation by the competent authority” and “application by the enterprise”, are streamlined into a unified process where enterprises submit applications. However, for foods listed in the Catalogue, the enterprise must still submit the inspection report and the letter of recommendation issued by the competent authority. 2) The “list-based” registration approach is newly introduced: competent authorities of countries/regions that have signed import and export food safety cooperation agreement with China may submit enterprise lists, and the GAC will register and manage the listed enterprises in batches.
- Clarification of circumstances for non-acceptance of registration: Where GAC has legally suspended import of food products from a specific country (region), registration applications from enterprises of that country related to such food products will not be accepted during the suspension period.
- Optimized the registration management process: New provision of automatic renewal of enterprise registration has been added. For cases where automatic renewal does not apply, the application period for renewal has been extended from “3 to 6 months before the expiry date” to “3 to 12 months before the expiry date”.
- Clarification of handling for other entities: For overseas storage enterprises of imported food, overseas manufacturers of primary edible agricultural products, overseas manufacturers of food imported through cross-border e-commerce retail, GAC will publish provisions separately or handle them in accordance with relevant provisions.

Human Resources

Implementation Opinions on Participation in Work-Related Injury Insurance for Employees Exceeding the Legal Retirement Age and Interns in Shanghai

Issued by: Shanghai Municipal Human Resources and Social Security Bureau, Shanghai Municipal Education Commission, Shanghai Municipal Finance Bureau, State Taxation Administration Shanghai Municipal Tax Service

Issue No.: Hurenshegui [2025] No. 9

Release Date: September 10, 2025

Effective date: December 1, 2025

Links: https://rsj.sh.gov.cn/tshbx_17729/20251027/t0035_1436399.html

This Notice extends the policy originally stipulated in Hurenshegui [2023] No. 30 regarding the participation in work-related injury insurance for over-age employees and interns in Shanghai, extending its validity period until November 30, 2030. The main contents are summarized as follows:

- Non-mandatory participation: Employers can voluntarily choose to participate in the single work-related injury insurance scheme; participation is not compulsory.
- Definition of participants: Over-age employees refer to employed individuals who have exceeded the legal retirement age but are not older than 65 years. Interns refer to vocational school students in Shanghai interning at employers, as well as college students in Shanghai who have agreed on an internship period of one month or longer with an employer.
- Contribution standards: a) Employers shall make monthly contributions. b) The contribution base is determined according to labor remuneration and is subject to the upper and lower limits of Shanghai's social insurance contribution base. c) The contribution rate is determined according to the standard rate for the employer's work-related injury insurance premium.
- Insurance benefits: If over-age employees or interns sustain a work-related injury during the insurance period, the matter shall be handled according to the "Regulations on Work-Related Injury Insurance" and other relevant regulations. For those with grade 5 to 10 disabilities, upon termination or conclusion of the agreement with the employer, a one-time medical subsidy for work-related injuries shall be paid from the Work-Related Injury Insurance Fund, and the work-related injury insurance relationship shall be terminated simultaneously.

Recent Hot Topics

- "Beneficial Owner Information Management Measures" require existing entities to complete beneficial owner filing before November 1, 2025. What remedial actions should enterprises take if they fail to complete the filing by November 1, 2025?
- Since the implementation of advance tax rulings, what complex tax issues have been resolved for businesses? What are the requirements for applying for an advance ruling, and what materials need to be submitted?
- Starting from October 2025, the new version of the Corporate Income Tax Prepaid Return has been fully implemented. What are the main changes in the new return compared to the original version, and what are the key points to note when filing?

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