



2022

**White Paper on Shanghai's  
Tax Doing-Business Environment**

Shanghai Municipal Tax Service  
State Taxation Administration

# White Paper on Shanghai's Tax Doing-Business Environment (2022)

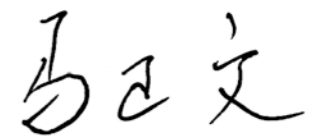


**国家税务总局上海市税务局**  
Shanghai Municipal Tax Service, State Taxation Administration

## Preface

Since the 18th CPC National Congress, the CPC Central Committee with Comrade Xi Jinping at its core has adhered firmly to the principle of putting people at the center of everything and worked hard to provide more quality public services to people and create a first-class business environment which is market-oriented, law-based and internationalized. In 2022, under the visionary leadership of the State Taxation Administration (STA), the CPC Shanghai Municipal Committee and Shanghai Municipal People's Government, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the principles set by the 20th CPC National Congress and the plenary sessions of the 20th CPC Central Committee, and putting taxpayers at the center and forefront of its work, Shanghai Municipal Tax Service of STA adopted and implemented various favorable taxes policies, took substantial actions to support enterprises through hard times including speeding up tax refund, promoted the use of Fully Digitalized Electronic Invoices (FDEIs) in an effort to realize smart tax governance, advanced collaborative tax governance, completed the pilot project for business environment improvement, and took reform initiatives to improve its tax law system, raise the efficiency of taxpayer service and update its tax law enforcement methods, which are all perfectly aligned with the development strategies of Shanghai, and have helped increase the city's soft power and laid a solid foundation for its higher-level reform and opening-up.

In 2023, while the whole nation works to realize the blueprint drawn by the 20th CPC National Congress and takes strides on the Chinese path to modernization following the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Shanghai Municipal Tax Service will strive to completely, accurately and comprehensively implement the new development concept of China, benchmark against the highest standards possible and explore brilliant initiatives and innovations to improve its tax (and business) environment to support the national march towards modernization, and make new and greater contributions to Shanghai's accelerated drive to become a modern socialist metropolis with global influence!



Secretary of the CPC Committee and Director of Shanghai Municipal Tax Service,  
State Taxation Administration  
March 31, 2023

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## Proactive and innovative measures taken to give taxation a stronger enabling power

**6 innovative tax initiatives** advanced in Shanghai were replicated and promoted nationwide for business environment improvement

**Consolidation of 17 taxes and fees into one single filing workflow** was optimized

**3 taxes and fees (personal income tax, social insurance premiums and housing providential funds)** were consolidated in Shanghai ahead of other parts of China

**A new tax refund mechanism that removes the need to manually file tax returns for goods and service exports** was first introduced in Shanghai

**A new data-supported taxation model was launched to optimize services to enterprises,** which was cited by the State Council as a best practice

**An integrated interactive tax service platform** was launched and cited by STA as a desired outcome of Golden Tax Service System Project Phase IV

**Shanghai's credit-based risk supervision** was cited as a best practice in the Briefing on the Transformation of Government Functions and the Improvement of Governance

**Smart Self-service Terminal 2.0** was displayed at the "Forging Ahead in the New Era" exhibition

Tax revenues totaled RMB **1,547.36** billion, in which RMB **520.46** billion came from social insurance contributions and RMB **454.24** billion was non-tax revenues

A total of RMB **81.18** billion was added in tax and fee cuts, VAT credit refund amounted to RMB **125.69** billion, and deferred taxes and fees amounted to RMB **48.41** billion

Tax refunds and exemption for exporting enterprises totaled RMB **152.58** billion, in which RMB **99.70** billion was export tax refunds

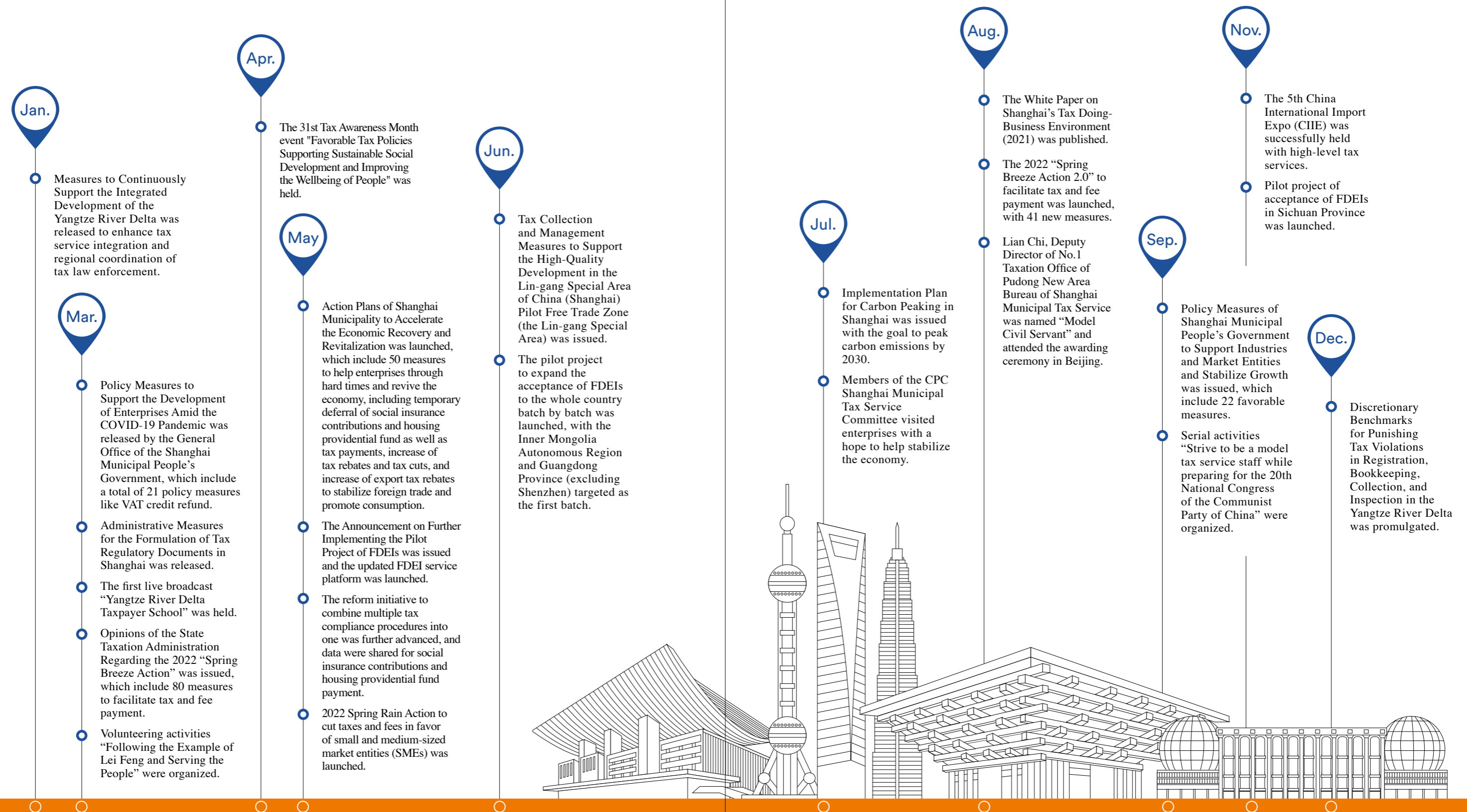
More than **1.12** million taxpayers used FDEIs, and around **8.39** million digital invoices were issued in total

A total of **233** tax compliance services have been moved online, covering **95%** of tax and fee services

**333** enterprises found upstream and downstream partners through indexing tax data, registering a total transaction of RMB **780** million

More than **70** collaborative tax governance outlets were set up, and accumulatively used by taxpayers **2.6** million times

# Shanghai Tax Environment Events in 2022





# Chapter 1: Supporting National and Local Strategies

## Towards a brighter future

In 2022, Shanghai Municipal Tax Service continued to implement the decisions and arrangements of STA, the CPC Shanghai Municipal Committee and Shanghai Municipal Government, following the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for the New Era. Aligning with the strategic development goals of Shanghai set by the CPC Central Committee, Shanghai Municipal Tax Service has worked to drive the high-quality economic and social development in Shanghai through good tax governance.



## Deepening reform and helping Shanghai lead the country as a pioneer

In 2022, Shanghai Municipal Tax Service achieved breakthroughs in tax administration reform and innovation, moving from gradual improvement to systematic integration, in line with major national strategies. Based on the pilot project covering Shanghai, the Yangtze River Delta, and the Yangtze River Economic Belt, Shanghai Municipal Tax Service has carried out a series of innovation initiatives to support and promote development, aiming to build a tax governance system which meets international standards while adapting to China's national conditions and thus give Shanghai more strategic advantages to achieve high-quality development.

1

### Advancing tax reform in the Lin-gang Special Area

#### Innovative tax policies and incentives

Shanghai Municipal Tax Service has participated in drafting and proactively implemented the Regulations on the Lin-gang Special Area, which include preferential policies in areas including investment management, trade regulation, financial opening-up and innovation, and talent attraction. It has focused on the implementation of preferential corporate income tax measures for key industries while working to help attract high-calibre international talent by formulating and implementing relevant tax incentives.

#### Updated tax collection and administration system

Shanghai Municipal Tax Service has rolled out 9 Tax Collection, Management and Service Measures to Support High-Quality Development in the Lin-gang Special Area: optimizing invoice management, improving import and export duty services, streamlining governmental procedures with lower administrative requirements for proofs, improving the quality and efficiency of services provided to large enterprises, promoting e-tax service, increasing data supply, creating a new model of online interactive services, establishing a mechanism of quick response to appeals and concerns, and enhancing the collaborative tax governance capacity. These Measures were first administered in the Lin-gang Special Area.

## Highlights of the new model of tax collection, administration, and services in the Lin-gang Special Area

### Improved import and export duty services

Optimized mechanism for classifying, managing, and re-evaluating export duty rebate (or exemption) and facilitating export duty rebate filing of companies engaged in international logistics services.

Optimized model of e-tax services, automatic return pre-filing and information addition and revision, and the micro-workbench of E-tax Services to expand mobile channels for interactions between tax collectors and taxpayers.

### Smart tax services

### A mechanism of quick response

Channels for effective collection of and, quick response to taxpayer appeals and complaints, and a Tax-related Dispute Mediation Office to handle tax-related affairs and develop tailored solutions to problems.

### Case | Tax Service Team “Lan Shui Di” (Blue Tax Drop) that provides quick response and speeds up tax refund to help companies through hard times

Committed to providing proactive services, “Lan Shui Di”, a service team of the tax office of the Lin-gang Special Area has established a working mechanism of proactive communication, quick response, taxpayer-specific guidance, and timely solution. It has become a model tax service team with its dedicated, innovative, and efficient services.



**Quick response through a green channel.** During the COVID-19 pandemic, the service team leveraged its advantages in cross-departmental coordination and built a multi-functional team covering a whole range of tax services to serve corporate taxpayers. It managed to ensure that “approval does not stop, efficiency does not slow down, services do not weaken, and enthusiasm does not decline”. Thanks to their efforts, all tax matters were handled efficiently.

**Online coaching to ensure that preferential policies benefit citizens and enterprises.** To further implement various tax policies and incentives to really help enterprises, members of the policy research group carried out multiple rounds of online tutoring, covering various tax-related measures to cope with impacts of the pandemic, help enterprises and promote development, highlighting tax and fee cuts

## 2

## Promoting integrated high-quality development in the Yangtze River Delta

### Nine supportive tax measures covering the Yangtze River Delta

In January 2022, Shanghai Municipal Tax Service, as the leading party, launched a new round of Measures to Continuously Support the Integrated Development of Yangtze River Delta together with the tax authorities of other provinces in this region with an aim to create a market-oriented, law-based, and internationalized business environment in this region in alignment with China’s coordinated regional development strategy.

- |   |  |
|---|--|
| <p><b>01</b> Promoting cross-provincial digital tax compliance</p> <p><b>02</b> Improving departure tax refund</p> <p><b>03</b> Expanding the scope of smart inquiry for tax compliance</p> <p><b>04</b> Exploring advance tax ruling for large companies</p> <p><b>05</b> Establishing the Taxpayer School as a cooperation and exchange mechanism</p> | <p><b>06</b> Advancing persuasive tax law enforcement (flexible enforcement through reasoning)</p> <p><b>07</b> Strengthening the prevention and control of tax risks</p> <p><b>08</b> Standardizing the invoice counterpart investigation and response process</p> <p><b>09</b> Further implementing and consolidating the tax-related rights and responsibilities list</p> |
|---|--|

### Case | Tax service enhancement in the Yangtze River Delta

In recent years, Shanghai Municipal Tax Service, aiming at integration and high quality, has worked closely with tax authorities of other provinces in the Yangtze River Delta and played the leading role in optimizing the business environment, building a community of science and technology innovation, and promoting integrated development in this region.

The first case of cross-provincial migration-related tax service in the Yangtze River Delta Integrated Demonstration Zone was completed in Qingpu, Shanghai, where an inter-provincial channel has been created for tax data sharing. After the “Problems Solved at a Time” Service List covering the Yangtze River Delta was released, 199 services across 14 categories, such as information submission and invoice processing, could be handled at one time, which further speeds up tax compliance procedures in the Yangtze River Delta.

In addition to the continuous integration of tax services, collaboration on tax law enforcement has also reduced the burden on enterprises. “The Yangtze River Delta is like a city,” said Shen An, finance director at ASI Chuangneng Technology (Shanghai) Co., Ltd. Regional collaboration in tax law enforcement has helped unify discretionary standards for all enterprises in this region. “For example, the unification of discretionary standards makes penalty fairer, more consistent, and more transparent, allowing enterprises with cross-regional operations and presence to be aware and confident in their operations,” said Shen An.

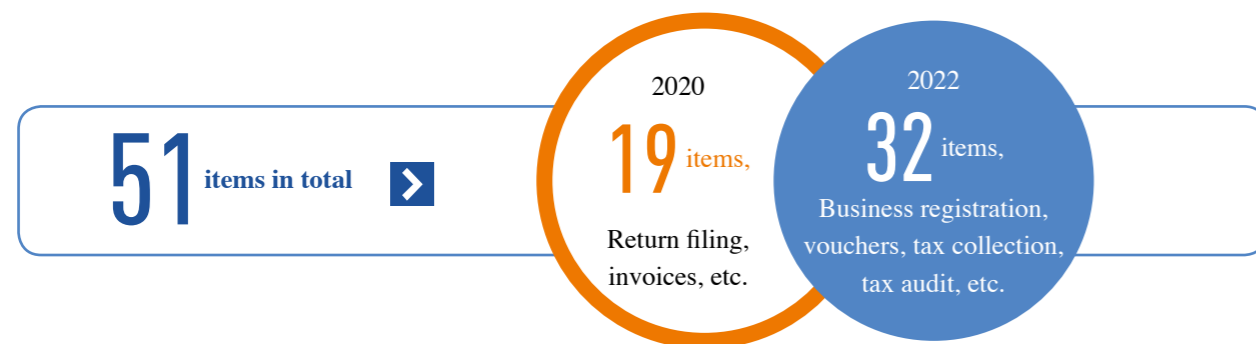


## Unifying the discretionary standards for 32 tax-related administrative penalties in the Yangtze River Delta

In December 2022, Shanghai Municipal Tax Service formulated the Administrative Penalty Standards for Punishing Illegal Acts with Registration, Bookkeeping, Tax Collection and Audit in the Yangtze River Delta together with other provincial tax authorities in the Yangtze River Delta, clarifying and realigning the discretionary standards for 32 tax administrative penalties in this region.

By the end of 2022, discretionary standards for a total of 51 tax administrative penalties were realigned in the Yangtze River Delta.

### Discretionary standards for tax administrative penalties in the Yangtze River Delta



### Example

#### Failing to file tax returns, failing to pay, or underpaying taxes payable

Illegal acts	Administrative penalties
Minor offences where the taxpayer in question cooperates with pertinent tax authorities for audit and inspection, or takes initiative to pay taxes and late payment fees before tax authorities deal with the illegal act.	A fine of no less than 50% but no more than 100% of the tax payable which is not paid or underpaid.
Violation for the second time within five years, or evasion or refusal to cooperate with tax authorities for tax audit, or failure to cooperate with tax authorities under other circumstances.	A fine of no less than 100% but no more than 200% the tax payable which is not paid or underpaid.
Illegal acts which are serious, with great social impact and harmful consequences, or other serious circumstances.	A fine of no less than 200% but no more than 500% the tax payable which is not paid or underpaid.

Note: Acts which qualify for “no punishment for a first offense” provided for by STA and tax authorities in the Yangtze River Delta shall first be compiled into a list.

## 3

### Proactively contributing to the construction of the Hongqiao International Open Hub

In February 2021, the State Council approved the Master Plan for the Hongqiao International Open Hub, starting a new chapter in the development of the Hongqiao International Central Business District. The Master Plan draws a blueprint that covers 14 districts and counties of Shanghai, Jiangsu, and Zhejiang. It is another major strategic initiative of China to promote integrated development in the Yangtze River Delta.

Pursuant to the arrangements of the State Council, Shanghai Municipal Tax Service has proactively increased duty-free shops at Hongqiao International Airport and launched the pilot project of instant departure tax refund in this special area. At the same time, Shanghai Municipal Tax Service has directed all tax authorities in the Hongqiao International Central Business District to implement preferential policies, continue to provide targeted taxpayer services, combine tax reform with regional development initiatives, and empower the Hongqiao International Open Hub to achieve high-level development and opening-up through proactive tax services.

In 2022, excluding VAT credit refunds

RMB <b>39.87</b> billion <b>+15.2%</b> year-on-year growth	RMB <b>61.66</b> billion <b>+8.6%</b> year-on-year growth	<b>+100%</b> year-on-year growth
Total tax revenues of the Hongqiao International Central Business District	Total amount of imported and exported goods	Paid-in foreign investment

#### Case | Improved services by the Changning District Bureau of Shanghai Municipal Tax Service to promote the development of the Hongqiao International Central Business District

**On-site tax services help companies solve problems.** To address key tax matters, the tax authorities of Changning District organized specialists to provide proactive tax services for enterprises at their own premise. The tax authorities also organized field communication events at tax service sites such as Greater Hongqiao Business Service Center, Linkong Conference Center, and Dawning Center to interpret the latest tax incentives and other favorable policies for the manufacturing industry, explain the collaboration among banks, banking and tax authorities, and show how to use electronic vouchers.

**Remote support to addresses urgent needs.** Since 2022, self-service tax compliance devices or terminals have been installed at tax service stations such as the “Digital Changning” Experience Hall, Greater Hongqiao Business Service Center, and Hongqiao Service Window for Overseas Talent to further improve remote taxpayer services and build a green channel solve real problems for taxpayers through tailored guidance.

**Collaboration between banks, banking and tax authorities inject liquidity into enterprises in the Hongqiao International Central District.** Online classes were organized to direct eligible enterprises to select financial products through the online “Bank-Tax Interaction” platform. This initiative covers more than 4,000 enterprises.





4

### Ensuring the success of the CIIE for the fifth consecutive year

From November 5 to 10, 2022, the 5th CIIE was held in Shanghai. Based on previous success and good practices, Shanghai Municipal Tax Service took proactive actions to offer better services to more friends, old and new, and showed the world China's firm commitment to improve its tax governance and business environment.

**New outlook:**

On-site whole-process tax services

- This year, Shanghai Municipal Tax Service once again deployed its service personnel in the CIIE venue. The tax service staff, coming from different positions, answered tax-related questions, covering a whole range of taxes, from domestic and foreign CIIE participants. The 5th version of the Bilingual Handbook of Services at the CIIE, which had already played a positive role in the previous CIIEs, was issued to offer updated guidelines concerning tax compliance and invoice matters to facilitate both buyers and sellers;
- Multilingual Party Members from Qingpu District and the Youth Volunteers from Minhang District provided tax-related advice and services for exhibitors that covered the whole process of tax compliance.

**New momentum:**

Proactive tax services to support enterprises

- Shanghai Municipal Tax Service surveyed the tax-related needs of CIIE participants and provided one-on-one tax policy communication;
- Using tax data, Shanghai Municipal Tax Service generated an accurate profile of restaurants and hotels around the venue (NECC Shanghai) and drew up an optimal response plan to address invoice-related issues in advance;
- The List of Combined Tax Incentives is precisely promoted to target participants, clearly showing their eligibility to various preferential policies, including exemptions and deductions they were entitled to.

**New opportunities:**

Growing spillover from CIIE

The deferral of payment of taxes on profits and investment returns gained in China was introduced and entered into effect on January 1, 2018 to encourage overseas investors to expand their investment in China. Shanghai Municipal Tax Service included CIIE in the list of key international tax tracking projects. Based on research and understanding the future investment plans and strategic goals of overseas investors in China, Shanghai Municipal Tax Service enhanced the effectiveness and sustainability of preferential tax policies to encourage them to expand their presence in China. As a result, some international participants have invested in more and more projects in China. The spillover effect of CIIE has continued to grow.

## Completing all innovative pilot tasks to improve the business environment

In 2022, in accordance with the State Council's Opinions on Launching a Pilot Program to Improve Business Environment and Shanghai's implementation plan for this pilot program, Shanghai Municipal Tax Service worked to make further improvements in key areas and key links, carry out pilot projects to attain the highest standards, and explore the characteristic measures of Shanghai on tax administration reform. All the 35 innovative pilot tasks have been completed, which greatly optimized the tax environment. Among them, six projects were promoted nationwide as best practices by the General Office of the State Council.



## Implementing preferential tax policies to help enterprises through hard times

In 2022, facing the difficult economic situation, Shanghai Municipal Tax Service implemented the combination of “large-scale VAT credit refund + tax and fee cuts + deferred payment of taxes and fees” as an important political task to promote the direct and quick sharing of policy benefits, boost the confidence of market entities, and inject development momentum into economy.

Total amounts of new tax and fee cuts, tax refunds, and deferral of tax payments in 2022:



### Tax refunds

- The scope of qualification for VAT credit refund was continuously expanded

Since April 1, 2022

Outstanding and newly added VAT credit refund have been fully refunded to eligible enterprises, including small and micro enterprises, in manufacturing; scientific research and technical services; electricity, heating, gas and water supply; software and information technology services; environment protection; and transportation, storage and postal services.

¥ **100%** refund:  
Outstanding and new VAT credit refund

Since July 1, 2022

Outstanding and newly added VAT credit refund have been fully refunded to eligible enterprises in wholesale and retail; agriculture, forestry, animal husbandry, and fishing; accommodation and catering; residential services, repairs, and other services; education; health and social work; and culture, sports, and entertainment.

¥ **100%** refund:  
Outstanding and new VAT credit refund

### Tax cuts

#### 01 Cutting “six taxes and two fees”

From January 2022 to the end of 2024, small VAT payers, small low-profit enterprises, and self-employed businesses are qualified for reduced rates of resource tax, urban maintenance and construction tax, building taxes, cultivated land occupation tax, stamp duty (excluding stamp duty on securities transactions), cultivated land occupation tax, and educational surtax and local education surcharges, which would help them save up to 50%.

#### 02 Increasing corporate income tax incentives and exemptions

From January 2022 to the end of 2024, for small low-profit enterprises with annual taxable income exceeding RMB 1 million but not exceeding RMB 3 million, only 25% of their taxable income are taxed and they are subject to a corporate income tax rate of 20%.

#### 03 Increasing the pre-tax deduction of research and development expenses from the taxable income of technology-based SMEs

R&D expenses included in the “profit or loss for the period”

R&D expenses that form intangible assets

Pre-tax deduction ratio:

Pre-tax amortization ratio:

From 75% to **100%**

From 175% to **200%**

As the 2021 data of annual corporate income tax settlement and payment show, about 35,000 enterprises in Shanghai were qualified for additional deduction of research and development expenses from taxable corporate income, totaling **RMB 261.95 billion.**



## Tax exemption

From April 2022 to the end of 2022

Small-scale VAT payers were exempted from VAT on taxable sales income subject to a 3% rate and advance payment of VAT at a 3% rate was suspended.

From May 2022 to the end of 2022

Income earned by taxpayers providing courier services delivering daily necessities to residents is exempted from VAT.

From January 2022 to the end of 2022

Income earned by taxpayers providing public transport services was exempted from VAT.

## Deferral of tax payments

- **Deferral of payment of “five taxes and two fees” by SMEs in the manufacturing sector:** From the end of 2021, the deferral of payment of five taxes and two fees (corporate income tax, personal income tax VAT, consumption tax and urban maintenance and construction tax, educational surcharge, and local education surcharge) was extended by STA and the Ministry of Finance.



In 2022, the policy of tax payment deferral continued, involving a total amount of

**RMB 17.1 billion.**

- **Temporary deferral of enterprises’ contribution to social insurances and the housing providential fund:**

- Enterprises operating in 5 industries in dire straits and 17 difficult industries in Shanghai, as well as all micro, small and medium-sized enterprises (MSMEs) and self-employed businesses with temporary difficulties in operation in regions severely affected by COVID-19 can apply for deferral of payment of employer contributions to basic endowment insurance, unemployment insurance and employment injury insurance schemes.

- Before December 31, 2022, due to the impact of COVID-19, as employers could not pay in full their due contributions to the housing provident fund, so they were allowed to defer payment after approval by their Workers’ Congress or union.

In 2022, upon approval by Shanghai Municipal Tax Service, more than

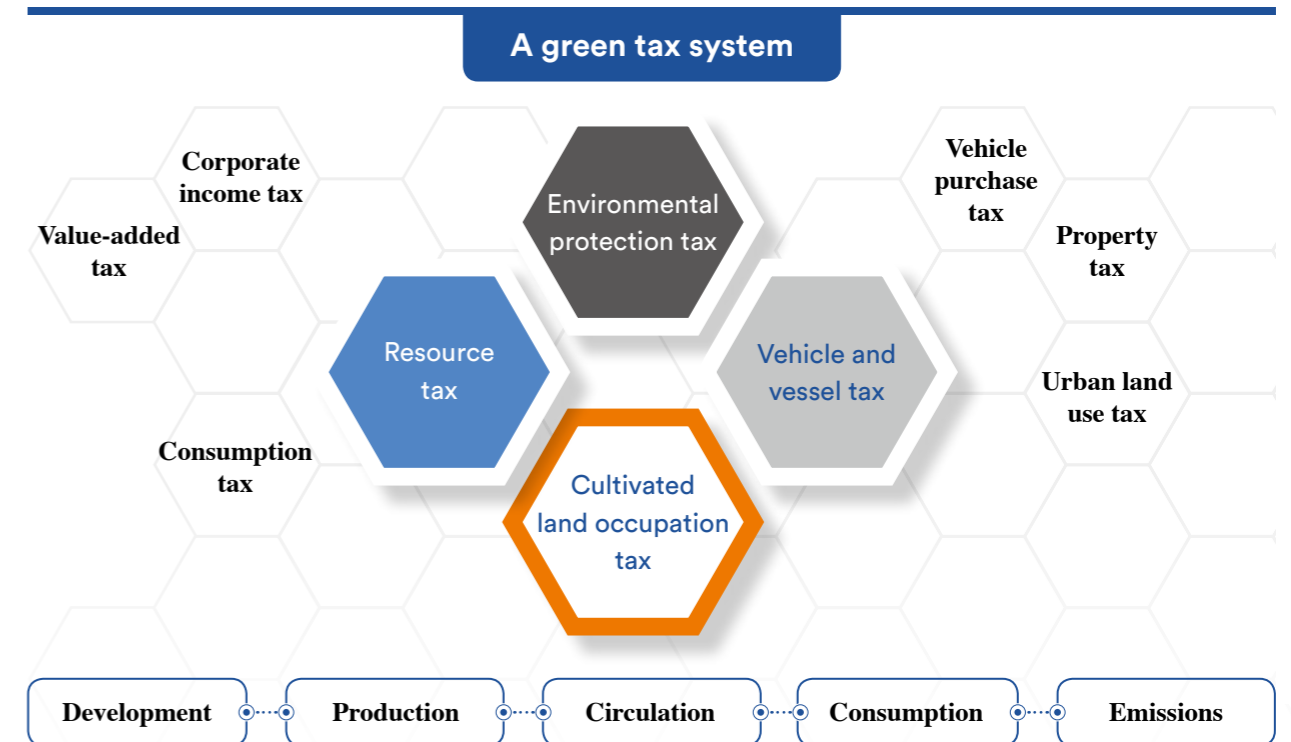
**700,000**  
enterprises

Payment of social insurance contributions totaling

**RMB 31.31**  
billion

## Implementing a green tax system to ensure low-carbon development

The Action Plan for Carbon Dioxide Peaking by 2030 promulgated by the State Council clearly indicates that China “will establish a sound tax policy system that is conducive to green and low-carbon development, refine and implement preferential tax policies for energy and water conservation and the comprehensive use of resources, and better leverage the role of tax in spurring environmentally friendly and low-carbon development of market entities.”

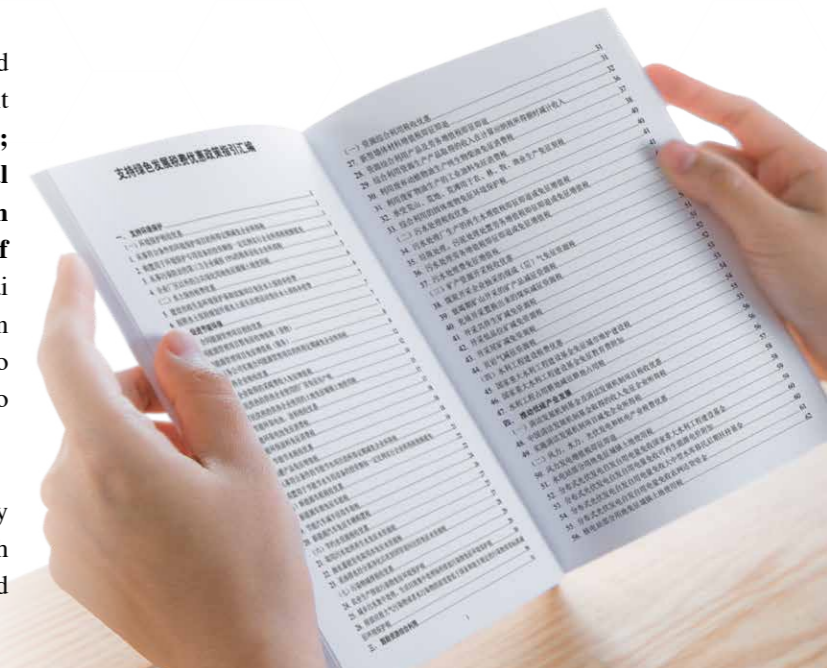


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### Preferential policies to support green development

56 preferential tax and fee measures were adopted and promulgated by STA to promote green development by: **supporting environmental protection; promoting energy conservation and environmental protection; encouraging comprehensive utilization of resources; and promoting the development of low-carbon industries.** At the same time, Shanghai Municipal Tax Service updated its Guidelines on Implementing Preferential Tax and Fee Policies to Support the Green Development and offer them to taxpayers together with detailed interpretations.

Shanghai Municipal Tax Service also answered key questions on environmental protection tax through various channels. Here are some frequently asked questions and their answers:







**Under what circumstances a company is not discharging pollutants directly into the environment and does not need to pay environmental protection tax?**

According to the Environmental Protection Tax Law of the People's Republic of China and its implementation regulations there are three circumstances: 1. Discharging taxable pollutants to the centralized sewage and waste treatment system and sites established by law; 2. Storing or disposing solid waste in facilities that meet national and local environmental protection standards; and 3. Comprehensively recycling or harmlessly disposing of wastes from livestock and poultry breeding by law.



**How to declare emissions reductions which qualify for tax incentives?**

For taxpayers eligible for tax incentives under Article 13 of the Environmental Protection Tax Law of the People's Republic of China, relevant information should be declared truthfully through environmental protection tax returns, and supporting materials such as monitoring and calculation data should be properly kept on file.

2

### Tailored services to help enterprises reap real benefits from tax cuts

When the environmental protection tax collection period comes, Shanghai Municipal Tax Service would compare the current data to those of previous years, including data of environmental protection tax filing and payment, as well as types of pollutants and emissions, and send competent service staff to provide tailored training to key enterprises on site to help them substantively benefit from tax cuts.

#### Case | Tailored services by Shanghai Municipal Tax Service to help enterprises benefit from environment protection

Shanghai Yimao Environment Technology Co., Ltd. is an environmental technology company engaged in the recycling and disposal of hazardous wastes. During the inspection visit of Shanghai Municipal Tax Service staff to promote development and ensure safety, the company's financial officer explained their upgraded three-step incineration process of "rotary kiln + grate + second combustion chamber". The Shanghai Municipal Tax Service staff found that the company was engaged in recycling and disposal of hazardous wastes and the current round of upgradation obviously met the national and local environmental protection standards, so the company could be temporarily exempted from environmental protection tax under the Environmental Protection Tax Law. Therefore, they immediately provided on-site coaching on how the company could file for tax refund.

"The total paid environment protection tax of RMB 360,000 can be fully returned after we file the return, which is really surprising," said Yimao's finance director Fang Weixin.



By the end of 2022, enterprises in Shanghai had saved a total of **RMB 376 million** from payment of environmental protection tax.

3

### Data empowerment to improve the quality and efficiency of environmental protection tax administration

Together with the environmental protection authorities, Shanghai Municipal Tax Service has built a tax-related information sharing platform to promote data sharing and integrated multiple indicators to form a green tax source database. The platform has helped realize a closed-loop management by enabling information matching between the environment protection and taxation authorities before tax levy, controlling tax source during tax levy and review after tax levy, which greatly improves the quality and efficiency of environmental protection tax administration.

#### Case | Dynamic display of environment-related information to make corporate tax compliance more convenient

Qingpu District's No. 2 Sewage Treatment Plant Co., Ltd. is responsible for treating domestic and industrial sewage covering a demonstration area of 93.2 square kilometers with a population of about 630,000. After comparing the daily tax and environment protection data, the tax authorities recommended ways to upgrade the company's operation. Guided by these recommendations, the plant set up special R&D funds to optimize its wastewater treatment process and upgrade its facility, upgrading its deodorization and capping projects. The quality of emitted sewage is stable and better than the Level-A standard. Pursuant to the Environmental Protection Tax Law of the People's Republic of China, "the discharge of taxable pollutants from urban and rural sewage centralized treatment and domestic waste centralized treatment sites established by law, which do not exceed the emission standards stipulated by the state and local regulations" is a circumstance that qualifies for temporarily exemption from environmental protection tax. Benefiting from the policy, the plant saved a total of nearly RMB 26.83 million from environmental tax payment.



4

### Green taxation promoting high-quality development

The effect of green taxation in protecting and improving the environment and promoting high-quality development has become visible.

According to the statistics provided by Shanghai Municipal Bureau of Statistics, in 2022:



Annual average concentrations of fine particulate matter (PM2.5)

Annual average concentrations of nitrogen dioxide (NO<sub>2</sub>)

Annual average concentrations of sulfur dioxide (SO<sub>2</sub>)

# Chapter II: Enhancing the Competence of Tax Administration According to Law

## Tax law benefits the people and ensures a smooth transition to a new era

The report to the 20th National Congress of the Communist Party of China stressed the need to exercise law-based governance on all fronts and advance the rule of law in China. Law-based tax governance is a key initiative to advance the rule of law. In 2022, Shanghai Municipal Tax Service played an active role in implementing law-based tax governance. Shanghai Municipal Tax Service continuously improved the legislative mechanism to build a high-quality tax system, established a mechanism for synchronous policy releases, built a multi-channel tax policy inquiry and communication platform, and deepened the reform on tax law enforcement. In this way, Shanghai Municipal Tax Service has advanced tax collection and administration in an open and fair way and thus significantly improved tax governance.



## Improving law-based tax governance to optimize the tax system

On March 4, 2022, Shanghai Municipal Tax Service issued the revised Management Measures for the Formulation of Tax Regulatory Documents, which stipulate the procedures for the drafting, review, adoption, issuance, registration, evaluation, and moratorium of regulatory documents for tax administration.

### 1 Establishing a review system to protect the legitimate rights and interests of taxpayers

The Taxpayer Service Division of Shanghai Municipal Tax Service checks whether draft regulatory documents may illegally undermine the rights and interests of taxpayers or increase their burdens. If yes, a written opinion shall be issued, and the proposals shall be returned to the drafting departments if a consensus cannot be reached after consultations.

### 2 Collecting public opinions through multiple channels to improve the quality of administrative rules

Shanghai Municipal Tax Service engages with the public throughout the entire process of policy making, and fully considers taxpayers and experts' opinions to ensure that its regulatory documents fit circumstances.

#### Conducting research

The drafting department conducts research on the necessity and feasibility of a draft regulatory document, and organizes reviews on real issues and the legal basis of the rules to be adopted.

#### Collecting Feedbacks

**Method:** Feedbacks can be solicited and collected by mail or through online submission, seminars, hearings, field visits, etc.

**Target:** Community-level tax service agencies, taxpayer representatives, trade associations and chambers of commerce, and the general public.

**Timeline:** Consultations for policies and decisions that require public engagement and their feedback generally last **no less than 30 days** from the date of announcement.



3

Responding positively to public feedback and creating a favorable legal environment for taxation

The public can access the proposed documents on the website of Shanghai Municipal Tax Service and provide the suggestions. Shanghai Municipal Tax Service accepts rational feedbacks from the public and publicizes them later.



Example

Public feedback on the Announcement of Shanghai Municipal Tax Service of the State Taxation Administration and the Shanghai Office of China Banking and Insurance Regulatory Commission on Rules Concerning Withholding Vehicle and Vessel Tax on Vehicles Registered in Shanghai Municipality

Channel and time of public feedback: From June 22 to July 22, 2021, the rules will be shown on the official website of Shanghai Municipal Tax Service.

Revision suggestion

In the event a national holiday occurs during this period, it is recommended that the withholding agent postpone the payment of taxes and late fees accordingly.

Form is too complicated.

Acceptance

Pursuant to The Law of the People's Republic of China Concerning the Administration of Tax Collection, Shanghai Municipal Tax Service adopts the suggestion that withholding insurance companies should file to the tax authority for paying vehicle and vessel tax and/or late fees within 15 days after the end of month, but in the event that a national holiday occurs during this period, the withholding agency may delay payments accordingly.

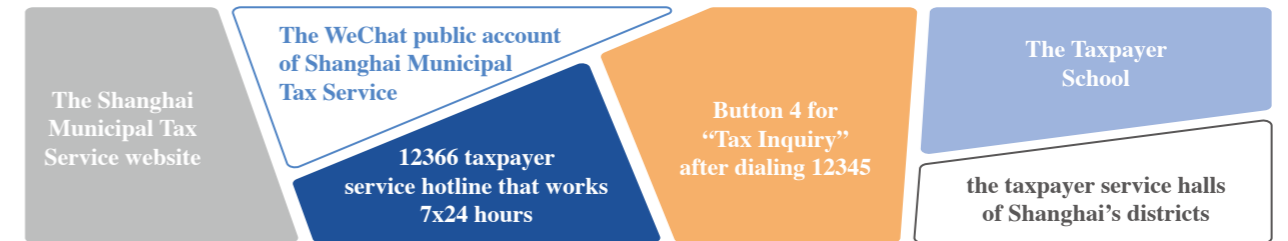
According to the requirements of the Notice of the State Administration of Taxation on the Implementation of Simplified Tax Filing, Shanghai Municipal Tax Service is deepening the reform to put taxpayers at the center of its tax collection and administration procedures. Starting June 1, 2021, the city integrated filing of property and behavior tax. Shanghai Municipal Tax Service tries to reduce the tax compliance burden on taxpayers by streamlining tax returns, cutting documentation requirements for filing tax, and optimizing the tax services.

Enhancing public communication to ensure the transparency of tax regulations

Shanghai Municipal Tax Service has established a mechanism to ensure that tax policy release, policy interpretation, and public communication run synchronically, while a high-quality and efficient tax policy inquiry mechanism has been established which embraces a whole range of channels.

1

Policy communication and interpretation through multiple channels



In 2022



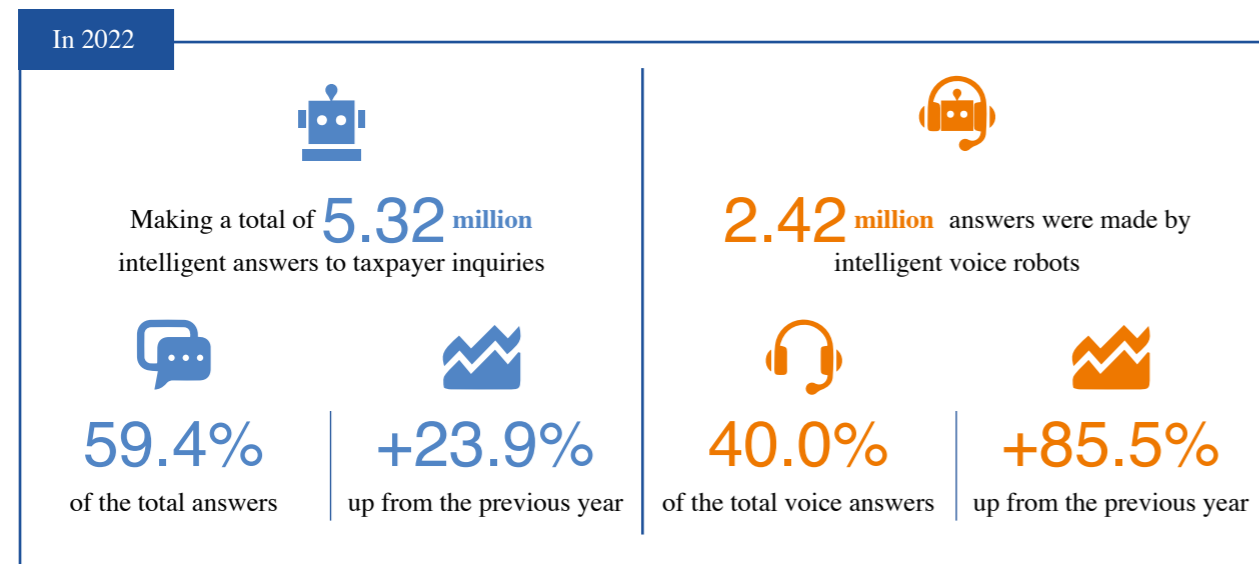


2

Upgrading the intelligent inquiry system

**Improving its knowledge base to support intelligent inquiry:** Based on its pilot project to promote FDEIs, Shanghai Municipal Tax Service has optimized the “tax + enterprise” knowledge map, and built a complete knowledge base of digital invoicing to provide intelligent inquiry response. At the same time, it has continued to track frequently asked questions from taxpayers and expanded its smart voice knowledge base to cover the growing needs for information service.

**Upgrading intelligent recognition to raise the matching rate between questions and answers in smart voice inquiries:** To recognize ambiguous questions or descriptions in taxpayer inquiries, an intelligent guiding system was established to improve the keyword capture and matching capabilities of its robots and improve the efficiency of intelligent inquiry.



**Providing scenario-based and graphic online services:** Taking FDEI as an example, Shanghai Municipal Tax Service has built a multi-dimensional scenario-based system to handle multi-round online questions and answers, covering 34 links in the invoicing process. After the inquirer enters a question, the smart inquiry system (robot) will automatically pick up the corresponding scenario and provide the second-level links for the inquirer to choose. After it quickly and accurately captures the inquiry demand, the robot will provide an access to targeted information graphically, leading the inquirer directly to the answer they need.



Advancing fair and considerate tax law enforcement

1

Optimizing measures to standardize tax law enforcement

- Shanghai Municipal Tax Service has worked to update its Implementation Measures for Publicity of Administrative Law Enforcement, Implementation Measures for Recording the Whole Process of Enforcement, and Implementation Measures for the Legal Review of Major Enforcement Decisions, while rationalizing the work process and related answers to questions.
- 41 matters that must be disclosed to the public were specified; the daily maintenance of the law enforcement publicity platform was improved; audio and video records were made and kept on file covering 8 tax law enforcement links; and administrative penalties involving a higher amount of money and 4 other types of enforcement decisions were subject to legal review. Through these ways, Shanghai Municipal Tax Service has standardized its tax law enforcement, while making its law enforcement activities more precise.

2

Advancing flexible tax law enforcement

In 2022, Shanghai Municipal Tax Service continued to advance flexible law enforcement, introducing innovative law enforcement methods, to create a law-based business environment that combines leniency with strictness. Shanghai Municipal Tax Service has taken the initiative to promote “no penalty for first offense” in the Yangtze River Delta for a list of minor tax offenses. The principle of “no penalty for first offense” is applicable to the listed minor tax offenses. At the same time, Shanghai Municipal Tax Service, together with other government departments of Shanghai, has worked to update the city’s “no penalty for first offense” system to recalibrate law enforcement standards in the city.

List of 18 tax-related offenses qualifying for "no penalty for first offense" in the Yangtze River Delta:

- A taxpayer fails to register, or modify or cancel their registration before the deadline;
- A withholding agent fails to register for withholding taxes in accordance with regulations;
- A taxpayer fails to set up and keep account books or keep accounting vouchers and relevant documentations in accordance with regulations;
- A taxpayer fails to submit the financial and accounting systems or accounting methods and accounting software to tax authorities for future examination as requested;
- A taxpayer fails to report all their bank accounts to tax authorities in accordance with regulations;
- A domestic institution or individual who contracts out engineering operations or labor services fails to report relevant matters to tax authorities in accordance with regulations;
- A taxpayer fails to install or use tax data monitoring devices in accordance with regulations;
- A withholding agent fails to set up and keep account books, vouchers, and other relevant documentations for tax withholding and remittance in accordance with the regulations;

**List of 18 tax-related offenses qualifying for "no penalty for first offense" in the Yangtze River Delta (Continued):**

- 09 An invoice should be issued but has not been issued, or a batch of invoices are issued all at once without reference to time sequence, number, or column, or are not stamped with a seal;
- 10 A taxpayer fails to file tax returns or submit other tax documentations before the deadline, or a withholding agent fails to report and submit necessary withholding and remittance documentations to tax authorities before the deadline;
- 11 A taxpayer uses a non-tax-monitoring electronic device to issue invoices but fails to report the software used in the device to tax authorities, or save or submit the invoicing data in accordance with regulations;
- 12 A taxpayer uses a tax data monitoring device to issue an invoice but fails to submit the invoicing data to tax authorities on time;
- 13 A taxpayer uses other vouchers instead of invoices;
- 14 A taxpayer fails to hand back void unused invoices to tax authorities to be canceled in accordance with regulations;
- 15 A taxpayer fails to keep invoices properly in accordance with regulations;
- 16 A person carries, mails, or transports void invoices across areas of use, or enters and leaves China with void invoices;
- 17 A withholding agent fails to issue tax vouchers, or fails to keep and submit tax vouchers and relevant documentations for withholding and paying taxes in accordance with the provisions;
- 18 A taxpayer who is responsible for issuing their own tax vouchers fails to issue tax vouchers in accordance with regulations.

# Chapter III: Advancing Digitalized Tax Governance and Smart Tax Services

**3**

**Enhancing accountability and awareness of responsibilities**

Shanghai Municipal Tax Service has worked to promote the awareness of tax-related rights and responsibilities among its tax law enforcement personnel through a well-prepared implementation plan and a list of 138 rights and responsibilities, aiming to get the city's first batch of more than 7,100 enforcement personnel to be accountable and make the list of rights and responsibilities a major reference of each law enforcement department, position, and workflow. At the same time, the awareness of rights and responsibilities was also embedded in the training and performance evaluation of law enforcement personnel, as well as in their accountability and oversight.

**4**

**Exempting those who fulfill their duties from liability to encourage positive actions**

In order to motivate tax law enforcement personnel to fulfill their duties and at the same time protect the legitimate rights and interests of taxpayers, in 2022, Shanghai Municipal Tax Service followed the principle of precise accountability, or exempting those who fulfill their duties from liabilities, and drew up a list of 50 liability exemptions for tax law enforcement personnel, with the goal of solving difficulties at the community level. In 2022, Measures for Exemption of Due Diligence of Tax Law Enforcement Personnel of Shanghai Municipal Tax Service (Trial) was issued, and a comprehensive pilot project was carried out in the whole city.

**Harnessing the power of data technology to upgrade tax governance**

In alignment with the Digital China strategy, as well as other major reform and development initiatives, Shanghai Municipal Tax Service has tried to improve its tax governance through digitalization. Shanghai Municipal Tax Service has proactively explored the deep integration of data technologies in various aspects of tax governance, such as cloud computing, big data, and artificial intelligence, to advance smart taxpayer services and tax compliance facilitation.





Shanghai was praised by the State Council for its efforts to digitalize tax governance and optimize services for taxpayers.

## Scaling up the pilot project for promoting FDEIs

Pursuant to the Opinions on Further Deepening the Reform of Tax Collection Administration of the General Offices of the CPC Central Committee and the State Council, starting in December 2021, as one of China's first selected provinces and municipalities to promote FDEIs, Shanghai Municipal Tax Service made every effort to scale up smart tax governance and optimize its services.

### Key benefits of using FDEIs: Streamlining the process and saving time

- 01 A nationwide unified FDEI platform, offering “one-stop” invoicing services;
- 02 No need for any special tax data monitoring device;
- 03 No need to verify invoice types or claim invoices;
- 04 Enterprises’ ability to issue invoices as soon as they begin operation;
- 05 No limit on the amount on a single invoice through total invoicing amount management;
- 06 Data integration from digital tax accounts, purpose confirmation, inquiry, download, printing, and other invoicing services;
- 07 Instant billing of invoices, integrated reimbursement, recording, and archiving through the Natural System.

## FDEIs accessible to more taxpayers

The FDEI pilot project has been fully expanded: Excluding some special taxpayer, taxpayers around the city have been included into the FDEI pilot.



**Connection between the FDEI service platform and the Government Online-Offline Shanghai platform:** The verification system for FDEIs has been connected with the Government Online-Offline Shanghai platform to realize paperless tax processing and invoicing around the clock.

### Case | FDEIs help SIPG reduce workload and embark on a low-carbon voyage

As the busiest port in the world, Shanghai Port has become a major port for the 21st Century Maritime Silk Road and river-sea intermodal transport in the Yangtze River Economic Belt, and a hub of both domestic and international markets. As a port service provider, SIPG Digital Technologies Co., Ltd, a subsidiary of Shanghai International Port (Group) Co., Ltd. (SIPG), operates throughout the year without interruption and has a huge invoicing volume. After inclusion in the FDEI pilot project, the company can issue FDEIs through the Leqi System. Up to now, more than 2.2 million digital invoices have been issued, the largest number among all pilot enterprises in China.

Dai Yue, head of SIPG Digital Technologies, said, “The use of digital electronic invoices is no longer subject to approval of the maximum billed amount and the invoice type. It allows us to ‘personalize’ invoices through flexible credit lines and integration of factors.” The billing capability of SIPG Digital Technologies has been greatly improved, reaching 50 invoices per minute, and the maximum number of invoices billed in a single day came to 36,000, enabling the company to invoice transactions day by day. So far, digital invoices have been issued to more than 7,000 downstream enterprises, with “zero burden” and “zero time difference” in invoicing, and “zero negligence” in taxpayer service, which guarantees the stable operation of Shanghai International Shipping Center and the global industrial chain.

The introduction of FDEIs meets the development needs of enterprises by saving resources and realizing low carbon and environmental protection. It is also one of the important drivers for tax authorities and enterprises to work together to realize China's carbon peaking and carbon neutrality goals. Yang Haifeng, general manager of the asset and finance department of SIPG, said, “SIPG Digital Technologies is responsible for invoicing imported goods. Around 3.5 million invoices are issued each year. Previously, it took 20 people to print invoices, and a special warehouse was needed to keep invoices. Now, using digital invoices, customers across the country can be linked on a national invoice service platform. Printing and mailing costs saved exceed RMB 1 million a year.” The mass of paper invoices avoided by SIPG Digital Technologies each year is estimated to be equivalent to 1,400 poplar trees.



# Optimizing taxpayer support with data technologies

## 1 Building an online interactive tax service model featuring accurate notification, intelligent inquiry, integration of tax processing and inquiry, and whole-process interaction

In 2022, Shanghai Municipal Tax Service built an interactive service platform to support taxpayers featuring accurate notification, intelligent inquiry, integration of processing and inquiry, and whole-process interaction. The platform has upgraded from “answering questions” to “solving problems”, which is highly and widely recognized by taxpayers. The platform is cited by STA as exemplary case of the Golden Tax Service System Project Phase IV.

### Forecasting possible problems and questions with “intelligence”

Shanghai Municipal Tax Service provides smart inquiry services to taxpayers. Using knowledge base tags, user tags, and behavior tags, and then based on the matching results, Shanghai Municipal Tax Service’s smart inquiry system can push answers to hot questions and relevant knowledge entries to taxpayers predictively. If necessary, taxpayers can click to choose the manual service to begin one-on-one interaction. At present, this innovative hybrid model of smart plus manual inquiry service can provide precise guidance and answers for taxpayers.



# Remote interactions to offer timely assistance

To increase the convenience and accuracy of taxpayers’ online tax compliance, the coverage of hybrid “online + manual” services has been expanded, through audio-visual screen interaction.

- “Screen to screen” online inquiry: Giving answers to tax-related questions and guidance through the tax compliance process;
- “Face-to-face” video-link: Solving difficult questions, remote communication with corporate taxpayers;
- “Hand in hand” real-time assistance: Helping taxpayer through the tax compliance process step by step through on-screen interactions, guiding taxpayers to click, file, and pay on a real-time basis.



## 2 Precise push of tax policies, one-click check of qualification for tax incentives, and algorithm-enabled 100% service coverage to ensure that tax benefits are fully realized

**Precise push of tax policies**

In 2022, Shanghai Municipal Tax Service continued to optimize the precise push of tax policies and optimized the precise profiling of corporate taxpayers through labeling, communicating relevant tax policies, service measures, credit risks, tax, and fee cuts to ensure that tax-related benefits offered to enterprises are widely known and realized.

By the end of 2022, Shanghai Municipal Tax Service had communicated a total of about **520,000** entries of information concerning VAT credit refund to target taxpayers through the Government Online-Offline Shanghai platform and Suishenban APP. Information and rules concerning tax incentives had been accurately pushed to eligible taxpayers in Shanghai **21.01 million times** through the E-Tax Service platform and the e-declaration client.

**One-click check of qualification for tax incentives**

In 2022, Shanghai Municipal Tax Service used the Government Online-Offline Shanghai platform and big data to realize one-click check of qualification for tax incentives.

After entering information such as line of business and business size, enterprises can know about their eligibility for tax incentives, getting a report that clearly shows the degree of match and recommends optimization steps. One-click check of qualification for tax incentives enables intelligent matching and quick realization of tax incentives for eligible enterprises, and has served a total of **2.9 million** enterprises. **Relevant features have been integrated by the General Office of the State Council into the national government service platform.**

**Algorithm-enabled 100% service coverage**

Shanghai Municipal Tax Service has developed **110 algorithmic models** to quickly scan and automatically evaluate the declarations of enterprises, and then generate a list of enterprises that have not yet benefited from relevant tax incentives. After that, through the mobile channels for interactions between tax authorities and taxpayers, Shanghai Municipal Tax Service can issue reminders and provide follow-up guidance to the listed eligible taxpayers, and organize regular surveys on a quarterly basis. Through “one-on-one” guidance, taxpayer-by-taxpayer reviews, and tax incentive realization reviews, Shanghai Municipal Tax Service makes sure that tax incentives really benefit all taxpayers.

3

Using data to promote interconnectivity throughout supply chains

In 2022, faced with the complex and severe economic situation, Shanghai Municipal Tax Service proactively explored and expanded data applications, integrated access to the Shuijuntong online platform of STA, China's national supply chain query system for tax-payers, and Shanghai's Yunliantong platform to establish a new mechanism for industrial chain data analysis within the Yangtze River Delta Integrated Demonstration Zone. By collecting and sharing demand information, Shanghai Municipal Tax Service tried to connect upstream and downstream enterprises and enable enterprises to secure orders, providing intelligent support for development across industrial chains.



In 2022

Shanghai Municipal Tax Service established a supply-chain work mechanism to help enterprises resume normal operation enabling enterprises to reach **333** procurement agreements with a total contract value of RMB **780** million

Case | Big data linking up production and market

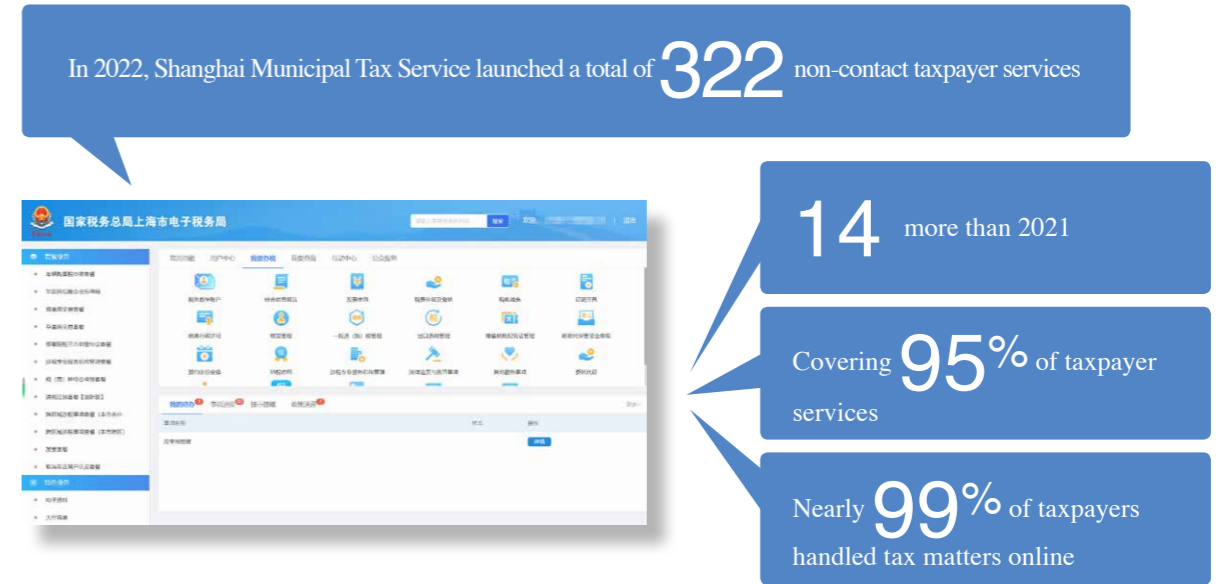
Shanghai PGP Zipper & Button Manufacturing Co., Ltd. is a medium-sized manufacturer. Affected by the COVID-19 pandemic, it once fell into a difficult situation where workers, equipment, and products had no sales channels. Bearing in mind the company's difficulties in the supply chain, Shanghai Municipal Tax Service figured out that the Shanghai branch of Décor (Suzhou) Co., Ltd. had a demand for hardware products including zippers through processing and analyzing the industrial chain data in the Yangtze River Delta. Afterwards, PGP got in touch with Décor (Suzhou) to discuss product specifications and supply issues. In the end, the two companies reached a purchase agreement and completed a transaction of RMB 620,000.

Advancing tax payment facilitation by smart means

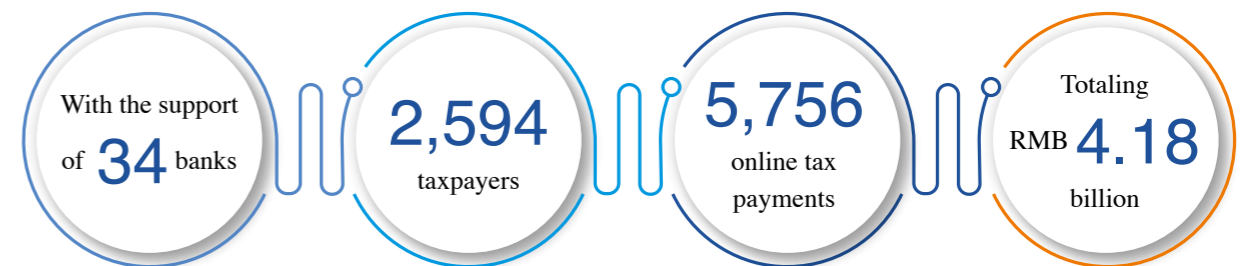
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Expanding the scope of non-contact taxpayer services

In 2022, Shanghai Municipal Tax Service continued to expand the scope of non-contact service and promote mobile terminals for handling tax matters. Non-contact tax compliance has become the first choice of most taxpayers.



- **Supporting online tax payment across provinces:** Taxpayers can pay taxes to the Shanghai treasury from bank accounts outside of Shanghai through the Treasury Information Process System (TIPS) after filing a tax return in Shanghai, which greatly reduce travel and other costs for tax payments.



- **Taking initiative to implement national online audit of vehicle and vessel tax payment:** Shanghai Municipal Tax Service offered insurance companies the access to vehicle and vessel tax information to simplify procedures and facilitate the purchase of insurance and tax payment for vehicles across regions.





2

Exploring smart categorized service guide and appointment

In 2022, Shanghai Municipal Tax Service explored the mechanism of categorized online and offline tax service. The E-Tax Office launched the “Smart Service Guide and Appointment” feature, which intelligently guides taxpayers through tax procedures that do not have to be handled offline, and at the same time enables making appointments with tax service windows throughout the city. At the same time, Shanghai Municipal Tax Service explored the integration of commonly used tax services into the Government Online-Offline Shanghai platform to assist taxpayers in handling high-frequency tax matters that must be handled offline through multiple channels.

By the end of December 2022



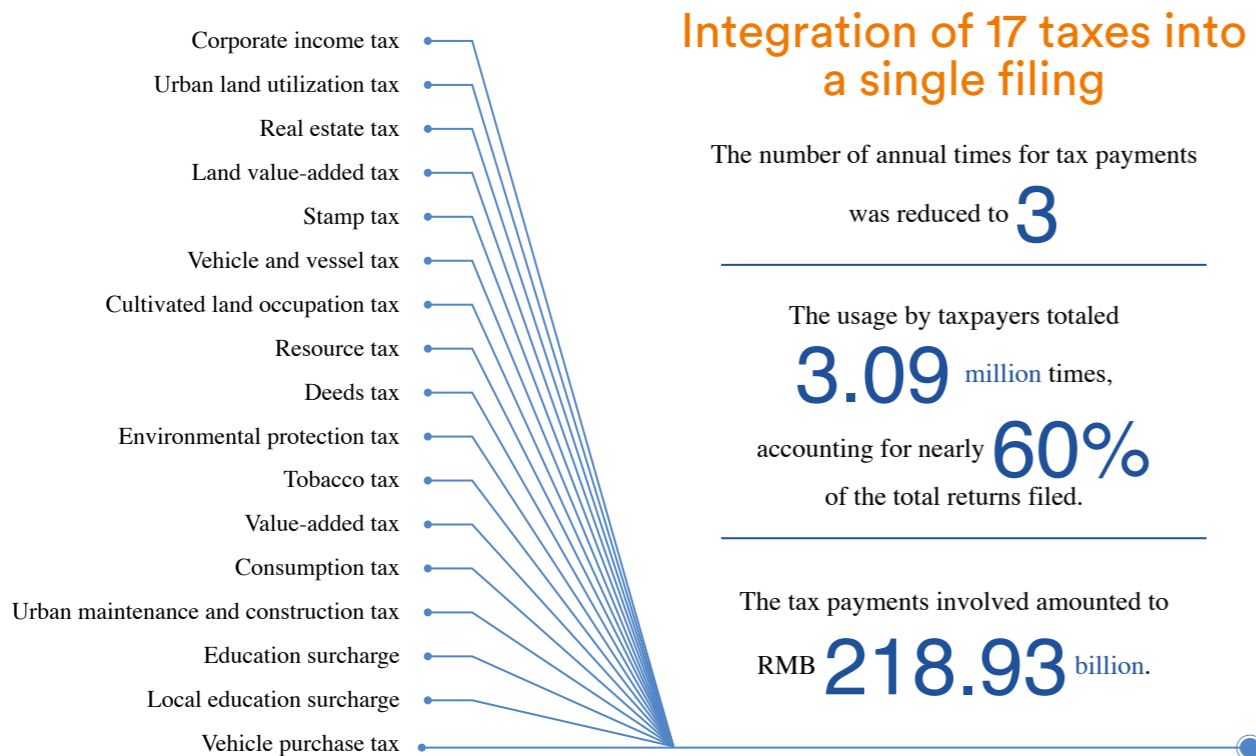
About **950,000** appointments had been made and corresponding service requests had been processed.

3

Optimizing integrated filing of 17 taxes and fees

Since the nationwide introduction of integrated filing for 17 taxes (fees), Shanghai Municipal Tax Service has used previous data to optimize data pre-filing and the reuse of high-frequency information to save taxpayers’ time spent on tax return filing. Shanghai has become the city with the highest level of integration of returns in China.

- **Optimized data pre-filing:** Shanghai Municipal Tax Service has sorted out and integrated previous forms and items to be filled in, and used historical data sharing to achieve 100% automatic data pre-filing.
- **Reuse of high-frequency information:** Through statistical analysis of taxpayers’ past returns filed for various taxes, high-frequency information is extracted and automatically copied to the corresponding columns on each annexed data sheet, and the taxpayer can submit it after checking.

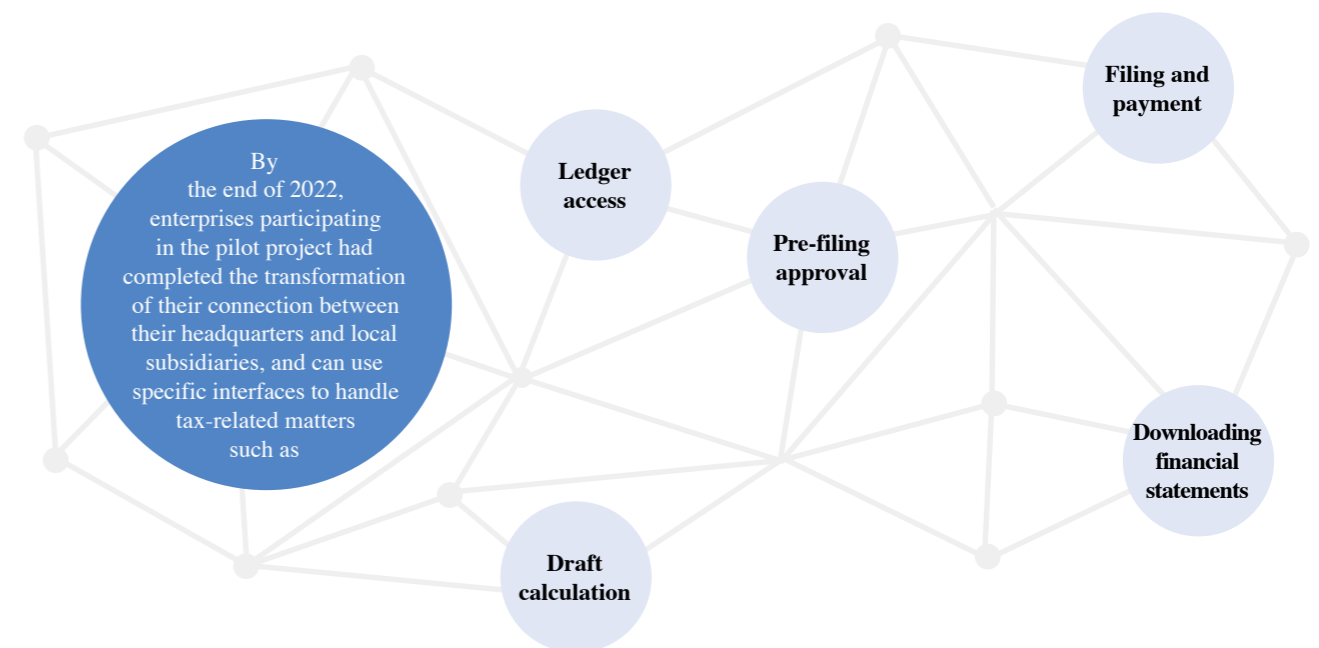


4

Improving the direct link between tax authorities and enterprises and formulating specific service plans for large enterprises

Shanghai Municipal Tax Service has advanced direct link between tax authorities and enterprises. As Shanghai is the only city implementing the pilot project for advancing direct link, Shanghai Municipal Tax Service has moved from individual account connection to group connection, realized direct link for 30 services including filing of VAT credit returns, pre-filing of corporate income tax, submission of financial statements, tripartite agreement for payments, and invoice information inquiry in order to accelerate the goal of “handling all tax matters at one site” for large enterprises.

At the same time, Shanghai Municipal Tax Service has adopted a broad-based and penetrative public communication method to introduce the highlights and value of the direct link through special seminars and discussions between tax authorities and enterprises, stimulate the enthusiasm of enterprises, and make tailored direct-link plans for enterprises who are ready to use direct link.





## Intelligent refunding of overpaid corporate income tax in the annual filing

## Combined filing and refund, and intelligent audit



An intelligent system is used to help enterprises understand tax refund requirements and procedures, and offer tips for declaring for refunds, so enterprises can get tax refund with “one click”.



According to the real-time credit and risk status of enterprises, Shanghai Municipal Tax Service can implement intelligent monitoring on enterprises of different types, judge the audit scenarios, and reasonably distribute audit efforts, administering automatic audit for small and medium-sized enterprises, to improve the efficiency of tax settlement and refund and tax refund.

## Intelligent refunding of over payments



Relying on E-Tax Service, taxpayers' data are analyzed on the combined basis of data and rules, and the taxpayers qualified for refund will receive a prompt reminder. Taxpayers can directly move to the tax refund interface by clicking on the reminder, and submit the data after confirming them. In this way overpaid tax can be refunded intelligently.

## Case | Jing'an District Bureau of Shanghai Municipal Tax Service administers intelligent one-click tax refund to improve efficiency

In 2022, Jing'an District Bureau of Shanghai Municipal Tax Service managed to make the settlement and overpayment refund of corporate income tax intelligent, relying on the data sharing between E-Tax Service and the internal data system. Using the “dynamic credit and dynamic risk” monitoring model, it changed the approval procedures for tax refund to qualified enterprises: the approval rule for refunds below RMB 100,000 has changed from “five-step approval” to one-click automatic approval by the smart system. After automatic approval, tax refunds will be made within three days.

By the end of October 2022, Jing'an District Bureau of Shanghai Municipal Tax Service had completed the annual corporate income tax settlement and refunds for the year 2021 to more than 2,300 enterprises overpaying less than RMB 100,000. Among them, more than 1,767 enterprises (76.66%) have completed tax refunds through the smart system, with an aggregate refund of RMB 6.5913 million. In the previous year, tax refunds were made to 1,158 enterprises by manual review, which means a great improvement in efficiency this year.



## Optimizing the VAT credit refund process

In 2022, Shanghai Municipal Tax Service continued to promote facilitation measures for VAT credit refunds, aiming at small and micro enterprises and the manufacturing industry. Relying on precise notification, pre-filled return, and optimized procedures, Shanghai Municipal Tax Service has further saved time spent on VAT credit refund.

## Precise notification:

The cloud data platform would compare data of newly added VAT credit, industry, taxpayer credit, and previous returns, and then eligible taxpayers would automatically receive notification of their additional VAT credit refund. Calculation is performed real time throughout the process, and reminder is given instantly.

## Pre-filled filing:

Shanghai Municipal Tax Service continued to improve the pre-filled return filing mechanism for VAT credit refunds, realizing 100% online filing with pre-filled returns, and further saving time for tax refund processing.

## Optimized refunding procedures:

The VAT credit refunding process is optimized by simplifying the review process, strengthening the prevention and control of risks concerning tax refund, and ensuring that refunds reach taxpayers safely and quickly.



Of all taxpayers receiving VAT credit refunds in 2022, SMEs accounted for **93.4%**, getting a total tax refund of RMB **33.11** billion.

## Export tax rebates

In 2022, in conjunction with Shanghai Municipal Finance Bureau, Shanghai Municipal Commission of Commerce, Shanghai Customs District P. R. China, Shanghai Branch of the People's Bank of China and other authorities, Shanghai Municipal Tax Service issued Measures of Shanghai Municipality for Further Facilitating Export Tax Rebate and Optimizing the Business Environment for Cross-border Trade. Moving from paperless filing and review to intelligent tax refund, export tax refund processing in Shanghai has accelerated.

### 01 Paperless tax refund

Taxpayers can file for returns online through E-Tax Service and a “Unified Window”. After receiving the taxpayer’s filed data, the tax service staff would perform the review by digital means to complete paperless processing. At present, export tax rebate processing in Shanghai has been made totally paperless. Except for four types of enterprises that are not allowed to make paperless declarations by STA, full coverage of paperless filing has been realized.

### 02 Pre-filled return

Together with Shanghai Customs District P. R. China and Shanghai Municipal Commission of Commerce, Shanghai Municipal Tax Service has built an export information database, capable of online integration and collection of information such as export declarations, purchase invoices, and technology export contract registration, and realized pre-filing of return for goods and services export tax rebates. The proportion of pre-filled return has exceeded **90%**, the average refund processing time is less than **4 work days**, and the time for the first and second types of enterprises is shorter than **2 work days**.

### 03 Compliance facilitation

Exporting enterprises are encouraged to use non-contact methods to handle tax steps for customs and cross-border trade compliance, through the issuance and use of digital proofs/documents for export tax rebate. Paper documents that are required by regulations can be “submitted” digitally by video link. A “Unified Window” is set up to handle tax compliance steps for international trade.



At the end of 2022, the ratio of online export tax rebate processing was

**99.3%**

#### Case | Quick export tax refunding to support foreign trade enterprises

The liquidity of JA Solar (Shanghai) is very tight due to the COVID-19 pandemic. The legal person representative had to stay in the office throughout the pandemic outbreak in Shanghai, which made it impossible for the company to file its VAT and the subsequent export tax refund. The staff of Shanghai Municipal Tax Service in charge remotely helped the company log in to the E-Tax Service and complete its VAT declaration. Later, through “one-on-one” online tutoring, the company managed to file for export tax refund through the Unified Window, arrange special personnel to handle the case, and strengthen the control of each step leading to export tax refund. The receipt of 11 million in export tax refund not only helped the company pay for goods from suppliers, but also paid wages in a timely manner, ensuring its stable operation.

## Chapter IV: Promoting Effective and Scientific Regulation and Supervision to Benefit People

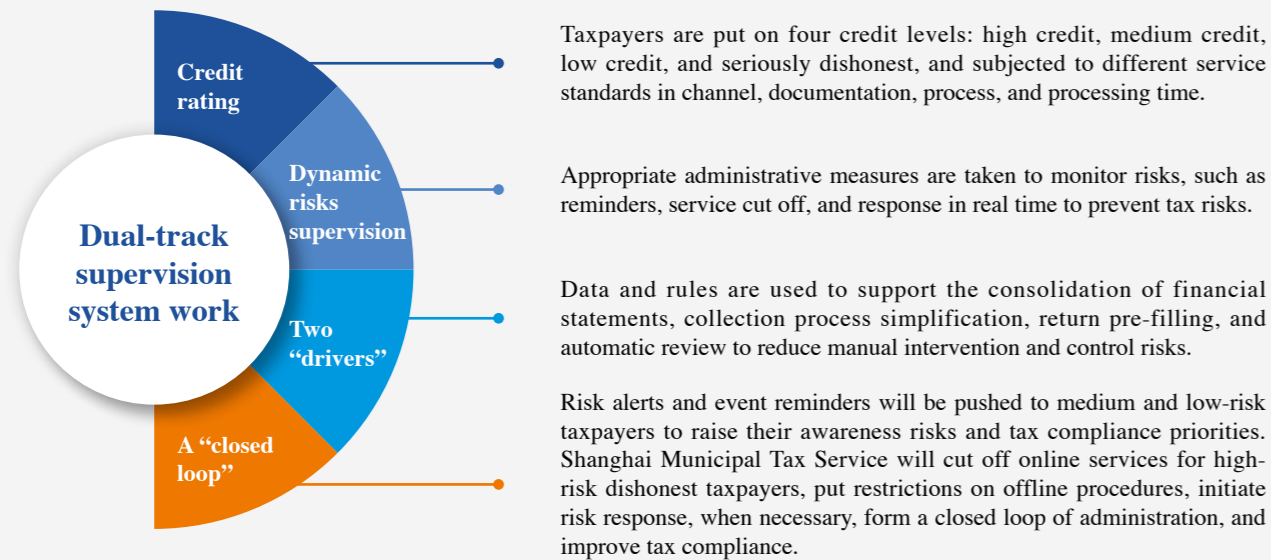
### Precise supervision raises efficiency and benefits the people

STMS has always put taxpayers at the center of its work, and has created an innovative hybrid “credit plus risk” regulatory model, which improves credit-based categorized tax administration and reduces burdens on both tax authorities and taxpayers. It has managed to strengthen team building, strengthen intelligent audit and inspection, and implement scientific supervision throughout the process. It has also managed to improve tax dispute resolution, and make every effort to protect the taxpayer’s rights and interests.

## Precise supervision to reduce risks

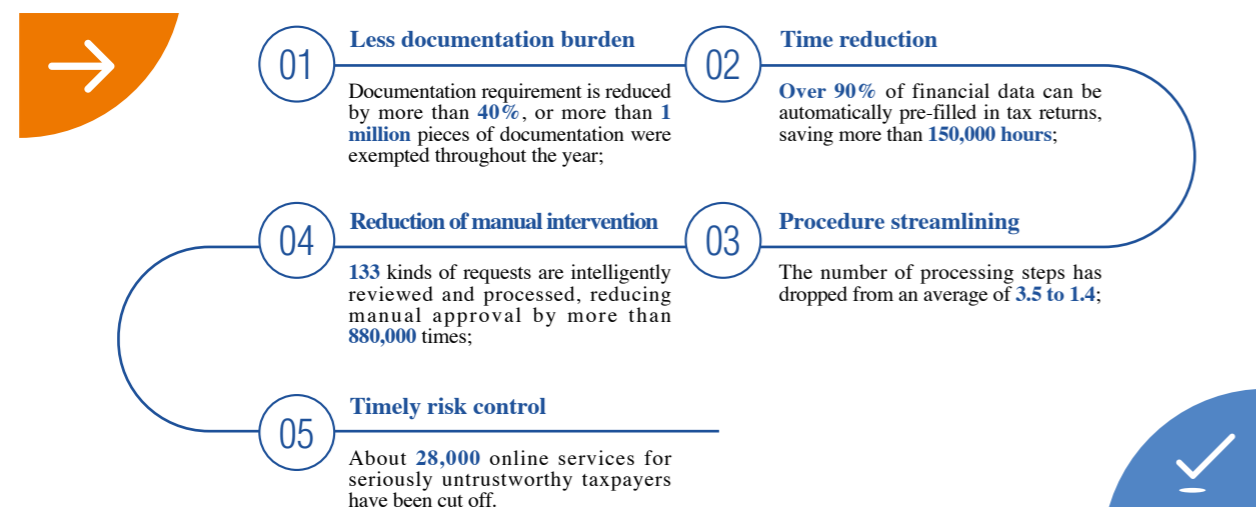
In 2022, relying on big data, Shanghai Municipal Tax Service built a hybrid “credit + risk” (dual track) supervision system, which is embedded in the tax compliance process, and realizes classification of 138 service items such as new enterprise packages, comprehensive filing, and simplified penalty process. It has identified severely untrustworthy taxpayers and stopped about 28,000 online services to them, which greatly reduces tax-related risks and improves the approval efficiency. The system has relieved the burden on both taxpayers and community-level tax administrators. **The system was cited as a best practice by the State Council in the Briefing on the Transformation of Government Functions and the Improvement of Governance.**

### How does the dual-track supervision system work



### Benefits of the dual-track supervision system

#### Improving the tax compliance efficiency for taxpayers with good credit records



## Upholding basic principles and breaking new ground for justice and efficiency

Shanghai Municipal Tax Service carried out tax audit and inspection in strict accordance with the Law of the People’s Republic of China on the Administration of Tax Collection, the Implementing Rules for the Law of the People’s Republic of China on the Administration of Tax Collection, the Measures for the Management of Tax Audit Cases (STA, 2016), and the STA’s Procedural Provisions for Handling Tax Audit Cases. Relying on an intelligent platform, Shanghai Municipal Tax Service has managed to improve tax audit efficiency by staff disciplining and training to improve the comprehensive literacy and skills of its law enforcement personnel.

1

### Promoting smartness throughout the audit process

Shanghai Municipal Tax Service enhanced intelligent auditing to make the entire process smart and standard from case filing, data surveying, data integration, data analysis, credit risk alert, and decision document generation, in order to further improve the efficiency of tax auditing. It has strengthened interaction between investigation and administration, and implements category and grade-based investigation.

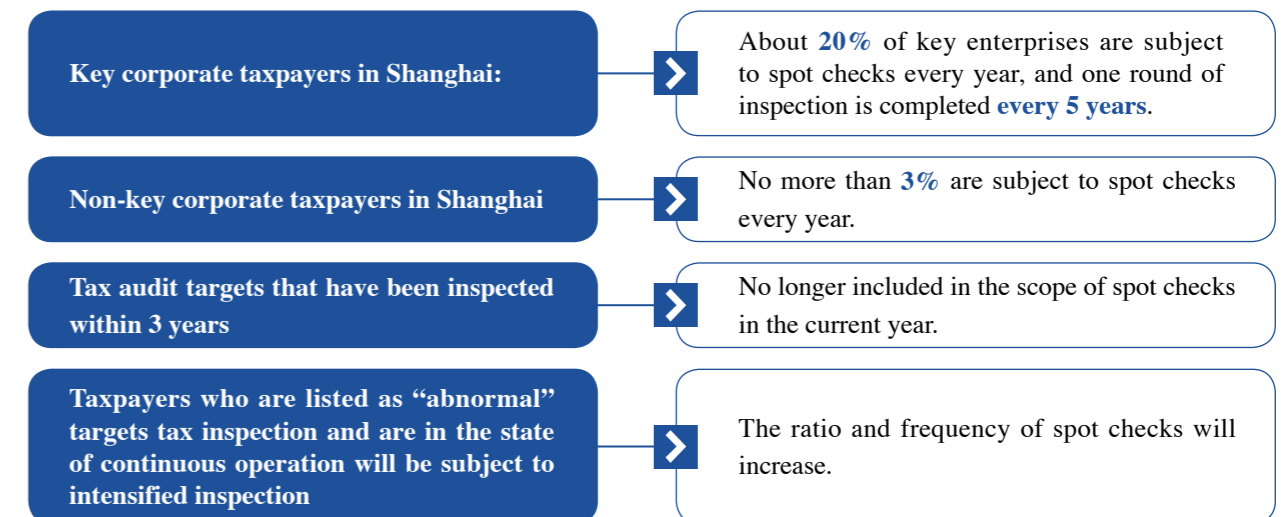
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### Tax auditing: Case identification, inspection, examination, division of labor, and double check

#### Case identification: Risk-based identification through collective discussions

**Risk identification and case classification:** The case source department is responsible for identifying case sources and figuring out the type of case source, taxpayer status, clarity of clues, and tax risk level based on the collected information, and then putting them in different categories such as return for correction, handover to relevant departments, temporary storage for investigation, investigation and verification (including collaborative investigation), and opening a case for investigation.

#### The ratio and frequency of spot checks are based on risk levels.



**Collective discussions to identify audit targets:** Shanghai Municipal Tax Service has established a mechanism of collective review meetings for identifying cases and targets of audit. High-risk taxpayers are transferred to the corresponding inspection department through the risk management department and the collection administration department. Under normal circumstances, after cases are identified by the inspection departments of STA and Shanghai Municipal Tax Service, they will be transferred to cross-regional inspection authorities.



## Inspection, hearing (and/or review), and enforcement: Shanghai Municipal Tax Service strictly follows established procedures of audit to safeguard the legitimate rights and interests of audit targets.

### Inspection

**Before inspection:** The targets of audit will be informed of the inspection time and documentations to be submitted.

**During inspection:** Two or more inspectors with **law enforcement qualifications and authorities** will collect proofs and other necessary documentations strictly following statutory procedures within their authority scope. If the audit target has any objection concerning their misconducts and the basis of judgement, it shall provide a defense and proofs within a time limit. Where the audit target makes an oral statement, the inspectors shall record the statement and keep a transcript, which shall be signed by the speaker.

### Hearing and review

According to the seriousness level of cases, Shanghai Municipal Tax Service implements a four-level hearing and review mechanism:

- **Major cases are submitted to the Major Tax Case Hearing Panel** of Shanghai Municipal Tax Service;
- **Cross-regional key cases** are submitted to the Inspection Department of Shanghai Municipal Tax Service for collective review;
- **Complex and difficult cases that do not reach the level of key cases** are submitted to cross-regional inspection departments;
- **Other cases** are handled by the review department of cross-regional inspection departments.

### Enforcement

In 2022, pursuant to the requirements of STA, Shanghai Municipal Tax Service carried out a pilot project on using non-coercive enforcement methods such as risk reminders and coaching taxpayers on self-inspection to avoid tax evasion. After surveying existing coercive measures, Shanghai Municipal Tax Service determined that five categories of tax matters should not be handled by coercive methods, in order to develop a more inclusive and prudent law-based business environment.

## 3

### Disciplining the tax enforcement personnel

As always, Shanghai Municipal Tax Service has paid close attention to disciplining its personnel. It has managed to make internal discipline (both administrative and political) part of tax governance, trying to regulate tax administrators' law enforcement behavior, and ensure that power is exercised according to law and regulations.

In 2022

Shanghai Municipal Tax Service carried out **254** routine inspections over tax enforcement conducts, **10** special inspections, and **144** political checks.

## Multiple mechanisms to resolve disputes and improve efficiency

In 2022, Shanghai Municipal Tax Service continued to strengthen the protection of the legitimate rights and interests of taxpayers, improve the tax-related dispute resolution mechanism, and build smooth channels for remedies. According to the Administrative Procedure Law, the Administrative Reconsideration Law, Regulations for the Implementation of the administrative reconsideration Law, the Administrative Reconsideration over Tax Affairs Rules, Shanghai Municipal Administrative Reconsideration over Tax Affairs and Mediation Implementation Measures, Shanghai has formed a tax dispute resolution mechanism that integrates mediation, reconsideration, and litigation.

### Tax dispute mediation

In recent years, Shanghai Municipal Tax Service has gradually established and improved the consultation and mediation mechanism chair by government lawyers, with a special mediation room in the main tax service hall. Government lawyers will work to solve difficult problems concerning taxpayers through mediation, and strive to improve the quality and efficiency of tax-related dispute resolution and resolve complex tax issues within tax service venues once and for all.

#### Case | Xuhui District Bureau of Shanghai Municipal Tax Service realizing flexible enforcement and offering lawyer assistance to citizens

Ms. Chen sued someone over a real estate dispute involving tax matters, but the court ruling was changed after mediation during ruling enforcement. However, when changing the ruling, the court did not issue the new mediation statement or enforcement instrument to confirm the change to tax payable. When Ms. Chen wanted to pay the tax, she found that the tax service staff calculated the tax payable according to the original ruling. As the difference was more than RMB 40,000, Ms. Chen did not accept it. Then, she went to the tax office to demand a reconsideration.



From a jurisprudential point of view, the tax office performs its duties in accordance with the law, but considering the need for flexible law enforcement and administrative harmony, the legitimate rights and interests of taxpayers must be protected and their reasonable demand must be met. Facing this dilemma, government lawyers from Xuhui District Bureau of Shanghai Municipal Tax Service proactively connected and communicated with the adjudicators of the court making and changing the ruling to understand the real situation. The Government Lawyers Mediation Center suggested that Xuhui District Bureau of Shanghai Municipal Tax Service should send an official letter to the court to request the court to provide relevant evidence so that the tax office can confirm the basis for calculating the tax payable.

“The court finally provided relevant evidence, so the tax office determined the basis for the tax payable by Ms. Chen, and thus resolved the dispute,” said Wu Long, internal lawyer of the Legal Affairs Department of Xuhui District Bureau of Shanghai Municipal Tax Service. He added that this mediation mechanism can not only meet the taxpayer’s reasonable demands, but also ensure the authority, legitimacy, and rationality of the conducts of tax administrators.

## Tax administrative reconsideration

### Applicant's rights



Citizens, legal persons and other organizations may apply for administrative reconsideration in accordance with the law who believe that any administrative acts of tax authorities have infringed their legitimate rights and interests.

### Independence of administrative reconsideration agencies



Applicants who object to any administrative acts of tax authorities at all levels have the right to apply to a tax authority at a higher level for administrative reconsideration. The agency of the reconsideration authority which is responsible for legal affairs shall accept applications for administrative consideration in accordance with law.

### Time limit for administrative reconsideration



The tax administrative reconsideration agency shall decide within 60 days from acceptance of the application. If the situation is complicated and the administrative reconsideration decision cannot be made within the time limit as prescribed above, the time limit may be appropriately extended with the approval of the person in charge of the reconsideration agency, and the applicant and the respondent shall be informed thereof; however, the extension shall not exceed 30 days.

## Tax administrative litigation

### Applicant's rights



Citizens, legal persons or other organizations who refuse to accept a reconsideration decision may bring a suit before the People's Court within 15 days after receiving the reconsideration decision. If the reconsideration agency fails to decide within the time limit, the applicant may bring a suit before a People's Court within 15 days from the date of expiration of the reconsideration period.

### Time limit for administrative litigation



The People's Court shall make the first-instance judgment within 6 months after the case is filed. If special circumstances occur that require an extension, the extension shall be approved by the Higher People's Court, and if the Higher People's Court needs to extend the hearing of a case of first instance, the extension shall be approved by the Supreme People's Court. When trying an appeal case, the People's Court shall make a final judgment within 3 months after receiving the appeal petition. If special circumstances occur that require an extension, the extension shall be approved by the Higher People's Court, and if the Higher People's Court needs to extend the hearing of an appeal case, the extension shall be approved by the Supreme People's Court.

# Chapter V: Working Together Towards Collaborative Tax Governance

## Joining hands to get through a tough time

In recent years, Shanghai Municipal Tax Service has used the Government Online-Offline Shanghai platform to upgrade its processes across departments, levels, and regions in accordance with the "six ones" principle: "one notification", "one application form", "one entry acceptance", "one processing network", "one certification", and "one management". Shanghai Municipal Tax Service has managed to advance collaborative tax governance and a smart tax system based on all-in-one service and collaboration with third parties. Shanghai Municipal Tax Service stays open to the taxpayers' feedback and supervision, and responds quickly through channels of advance collaborative governance.

# Collaboration among departments to improve the efficiency of taxpayer service

## 1 Integrating government services and tax administration to increase efficiency

The reform initiative to combine multiple tax compliance procedures into one has brought correlated and frequent tax matters formerly handled by multiple departments into one workflow.

Shanghai Municipal Tax Service has managed to bring tax matters to the Government Online-Offline Shanghai platform to improve taxpayer service efficiency, raising both quality and speed. Shanghai Municipal Tax Service has also increased cooperation with market regulators, the People's Bank of China, and other authorities to launch 14 "packages" covering various service scenarios, including new business registration and business cancellations, to simplify the procedural requirements for market entities during the "full life cycle" from entry to exit.



### 14 service packages



## 2 Integrating "three taxes (and fees)", and upgrading tax administration through digitalization

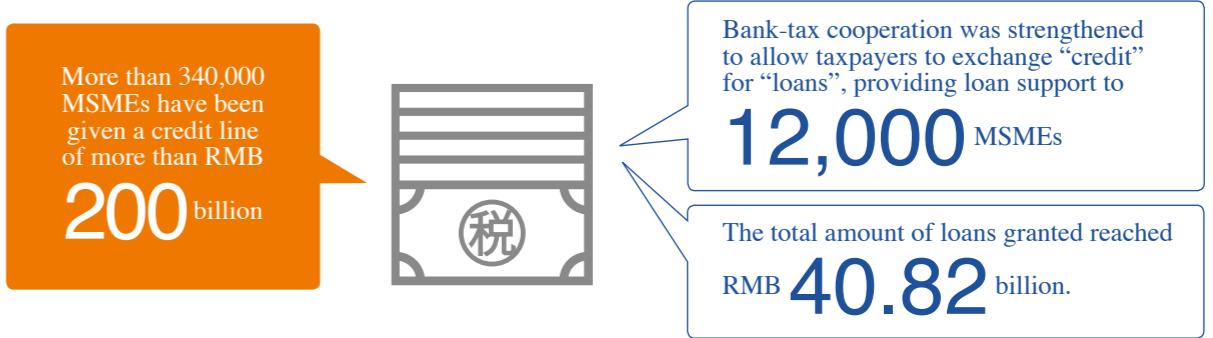
Shanghai is China's pioneer to bring personal income tax, social insurance contributions, and housing provident fund together in one filing workflow. On May 21, 2022, the workflow of corporate tax settlement and payment was upgraded by the Shanghai Municipal Tax Service to enable enterprises to declare their contribution to five social insurance schemes and the housing provident fund for the year 2022 all at once through combined data validation.

- Enterprises can log on to the Government Online-Offline Shanghai platform and click on "Integrated filing" to declare their contribution to social insurances (including pension, medical care, unemployment, work injury, maternity benefits) and housing provident fund, which is enabled by the sharing of wage data.
- When enterprises declare their social insurance contributions, the system can automatically access the company's data and intelligently pre-fill the return, while the declaring enterprises only need to check, supplement, and correct the pre-filled data.



## 3 Strengthening collaboration between banking and tax authorities to guarantee the liquidity of enterprises

Under the convenient, efficient and safe mechanism and platform, Shanghai Municipal Tax Service promotes the spillover effect of the innovative version of "Bank and Tax Interaction". It has made initial progress in improving the effectiveness of "Bank and Tax Interaction", expanding the coverage of financing facilitation, and enhancing the sense of gain of MSMEs.



## 4 Integrating multiple statements into one to avoid repeated submissions of the same data

Shanghai Municipal Tax Service, together with market regulators, social security authorities, and the Customs, has advanced the reform initiative to combine "multiple statements (declarations) into one". Enterprises can log on to the national enterprise credit information publicity system which can automatically recognize and confirm their identity, match their registration information, and declared data, and even access data from the Customs, commerce, and foreign exchange authorities. Enterprises only need to fill out their annual statement once, but do not need to submit relevant data to multiple departments repeatedly.



## Prompting tax collaborative governance to provide one-stop tax services

Shanghai Municipal Tax Service has formulated Guidelines for the Construction of Collaborative Tax Governance Outlets in Shanghai in order to create a “a circle where tax services are accessible within a 15-minute walk” (also called 15-minute tax community) with outlets in industry parks, office buildings, community service centers and other places, where diversified tax services such as tax law communication, inquiry about tax matters, and processing of tax matters, as well as rights protection and other government services are provided.

By the end of 2022

Shanghai had set up more than **70** collaborative tax governance outlets

More than **40** have a rather large size

Serving taxpayers **2.6** million times

### Shanghai (International) Taxpayer Service Center: Extending the reach of collaborative governance and building a cross-border entity service outpost

Shanghai (International) Taxpayer Service Center is first of all an international exchange center, mainly serving cross-border market entities. In the spirit of collaborative governance, the Center set up a 12366 Service Station in the Lin-gang Special Area last year, and proactively expanded into new areas of cooperation with business service agencies such as the Shanghai Foreign Investment Promotion Center and the Lin-gang Special Area Investment Promotion Center, as well as Shanghai Daily.

The Center surveys and analyzes the tax compliance requirements for cross-border investors, and has compiled the 30,000-word Tax Handbook for Investing in Shanghai to provide advance tax compliance guidance for cross-border investors. The Center has also joined the Lin-gang Service Team for Investment Stabilization, Promotion and Incubation, proactively communicating Shanghai's tax environment, especially the services of the service hotline 12366, to help attract and incubate investors in the Lin-gang Special Area. A joint mechanism was established with City News Service, the English-language mobile information service platform of Shanghai Municipal People's Government, and an all-English question and answer section was launched to provide professional tax inquiry for foreigners, which was well received by cross-border market entities.



### Hongkou District: Cultivating smart tax services and building collaborative tax governance outlets

In late 2021, Hongkou District's tax authorities opened Shanghai's first 5G-based CBD collaborative governance center at Raffles City The Bund. In 2022, the Hongkou District Bureau of Shanghai Municipal Tax Service upgraded the smart interactive self-service tax compliance terminal (version 2.0). The smart terminal is the only physical equipment displayed by STA at the national exhibition “Forging Ahead in the New Era”.

**Creating the new model of “government services + tax services”.** The smart tax service system embedded in the Government Online-Offline Shanghai platform is another feature of the smart interactive self-service tax compliance terminal. Currently, a total of 304 high-frequency tax matters are handled online; 22 tax service packages for new business registration, business cancellation, invoices, declarations etc. are offered on the cloud; tricky enterprise-specific problems are handled with remote assistance; and 97 service scenarios in 18 major fields are covered by “packages” which are integrated in the Government Online-Offline Shanghai platform.

**Upgrading the terminal and launching Version 2.0.** To address the four issues that concern taxpayers most, i.e., filing for tax refunds, proxy invoicing, personal income tax returns, and integrated filing of multiple taxes, an intuitive video operation guide has been made available. A new item “services for natural persons” was added to the terminal, covering the highest frequency services for natural persons with graphic guidance on the screen. Various certification templates and usage routes were clear immediately.



### Minhang District: Taking multiple measures to promote collaborative governance and upgrade services

The Minhang District Bureau of Shanghai Municipal Tax Service has set up collaborative tax governance outlets and Minmin Tax Services Stations in Hongqiao Front Bay Area, the Greater Neo Bay scientific innovation zone, and the Zizhu High-tech Zone. Using smart self-service tax compliance terminals, taxpayers can connect with tax administrators real time for “face-to-face” inquiry and “point-to-point” coaching.

The Minhang District Bureau of Shanghai Municipal Tax Service set up Shanghai's first taxpayer complaint window, which is a cross-departmental communication and cross-process coordination channel, and would optimize the service process and solve tough problems. Since its opening in 2021, the complaints window has effectively solved more than 90 problems and shaped 13 work mechanisms.



### Huangpu District: Government and enterprises joining hands to promote collaborative tax governance

In November 2022, representatives of the Huangpu District Bureau of Shanghai Municipal Tax Service, the Science and Technology Committee of Huangpu District, and Shanghai Xinxin (Group) Co., Ltd. came together to sign a cooperation framework agreement. The three parties pooled together their respective strengths to improve taxpayer service quality and efficiency through collaborative governance.

- This new model breaks down information barriers and promotes information sharing and resource sharing to realize service collaboration.
- It also diversifies communication platforms, integrates online and offline resources, and embeds the “Taxpayer Service” feature in the WeChat account of Zhangjiang Huangpu Park Enterprise Service Center to share service resources.
- Joint trainings were given to a volunteer tax service team to improve their service ability.
- Excellent enterprises were jointly discovered, supported, and nurtured in key fields through institutional and digitalized collaborations with enterprise service organizations.



### Fengxian District: Tax service station working as an engine to promote rural revitalization

In 2022, the tax service station, nicknamed “Tax Engine”, of Fengxian District Bureau of Shanghai Municipal Tax Service entered the agricultural park in Zhuanghang Town, the only riverside open space themed on “agronomy” in Shanghai, so the 15-minute tax community could cover enterprises and collaborative tax governance could be realized in the countryside.

The staff of the service station discovered that when handling tax matters, enterprises would encounter not only problems arising from policy understanding, but also practical and operational problems. Therefore, they connected with enterprises to complete the “last mile” of tax policy communication through hands-on coaching and face-to-face guidance on the Internet.

When they discovered that an enterprise had any questions concerning tax matters, the service station would invite representatives of the industry park, the enterprise, and the tax authorities concerned to the cloud to answer the questions by interactive methods on the cloud.





## Embracing public supervision to build a first-class business environment

1

Collecting feedback through multiple channels to identify the concerns of market entities and address them as they are found

Shanghai Municipal Tax Service has always insisted on bringing real benefits to taxpayers, carefully listened to the voices of market entities, collected their problems and concerns, and answered their questions in a timely manner in a bid to improve services for taxpayers.

### Channels for taxpayers in Shanghai to give feedback

Citizens service hotline 12345

Tax service hotline 12366

“Interactive Communication” section on the Shanghai Municipal Tax Service website

“Assistance to Citizens in Handling Tax Matters” section on the WeChat account of Shanghai Taxation

Weibo account of Shanghai Taxation

In 2022, Shanghai Municipal Tax Service collected feedbacks through the above channels and the average response time was **4 working days**, with a **100%** response rate.

In 2022, the staff of the tax authorities of Shanghai visited around **6,400** enterprises and solved more than **1,600** tax-related issues.

Shanghai's tax authorities at both the municipal and district levels recruited **300** tax service assessors, who provided more than **1,000** suggestions on how to improve various tax services.

2

Striving for excellence and achieving remarkable results



Rating of taxpayer services is nearly **99.97%** positive in 2022.

**Shanghai Advanced Organizations for Optimizing the Business Environment:** The Taxpayer Service Division of Shanghai Municipal Tax Service / No. 1 Taxation Office of Pudong New Area Bonded Zone Tax Bureau / No. 1 Taxation Office of Fengxian District Bureau of Shanghai Municipal Tax Service / The Knowledge Base Management Section of No. 4 Bureau of Shanghai Municipal Tax Service were selected

Deputy Director Lian Chi of No.1 Taxation Office of Pudong New Area Bureau of Shanghai Municipal Tax Service was named a “**Model Civil Servant**” and attended the awarding ceremony in Beijing.

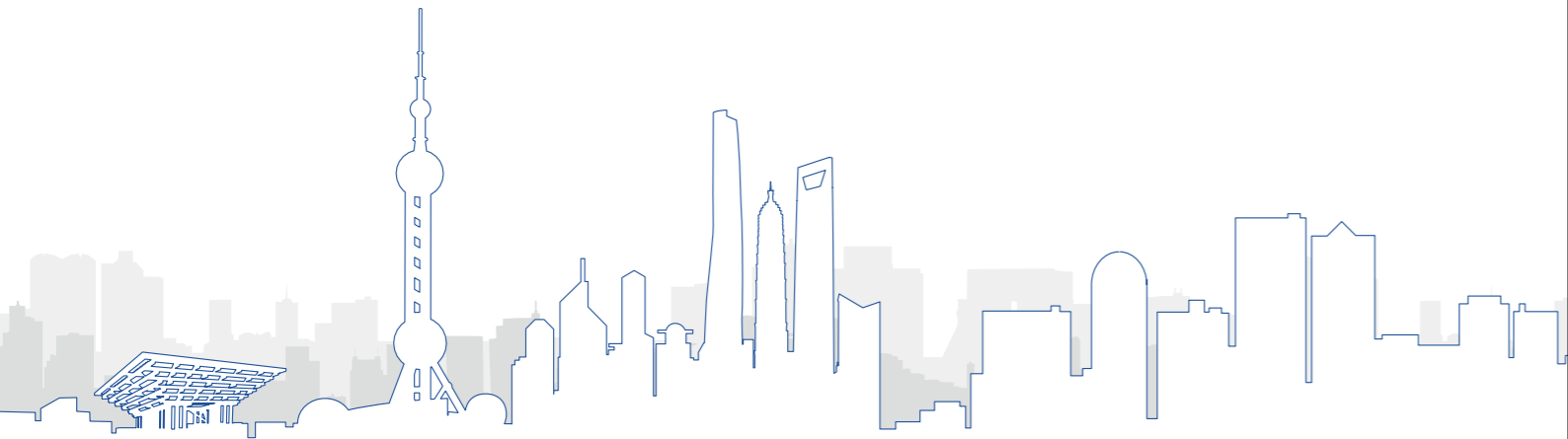
**Shanghai Advanced Individuals for Optimizing the Business Environment:** He Minjie, Pan Huying, Ma Yulin, Huang Yimeng

## Summary and Outlook

In 2022, Shanghai Municipal Tax Service continued to put taxpayers at the center and forefront of its work, and remained highly sensitive to taxpayers’ needs and concerns. The tax authorities of Shanghai played their role proactively according to law while promoting digitalized tax governance by implementing favorable tax policies, relieving burdens on enterprises, and improving taxpayer services. These efforts contributed to Shanghai’s success in business environment improvement, with an upgraded tax governance system and a stronger capacity to support high-quality economic and social development in Shanghai.

2023 will be a fruitful year. Staying strongly committed to the modernization of tax services with Chinese characteristics, Shanghai Municipal Tax Service will closely follow the guidance of the CPC Central Committee with Comrade Xi Jinping at its core and the principles set out in the report to the 20th CPC National Congress, including “three imperatives”, “the two establishes”, and “the two upholds”. In 2023, Shanghai Municipal Tax Service will continue to work as a transparent and efficient government body to improve the tax environment, and implement innovations to achieve this goal. Taxpayer services in Shanghai will be enhanced to optimize the business environment. While marching towards the modernization of tax services with Chinese characteristics, Shanghai Municipal Tax Service will contribute to the grand program of making Shanghai a modern metropolis with global influence.



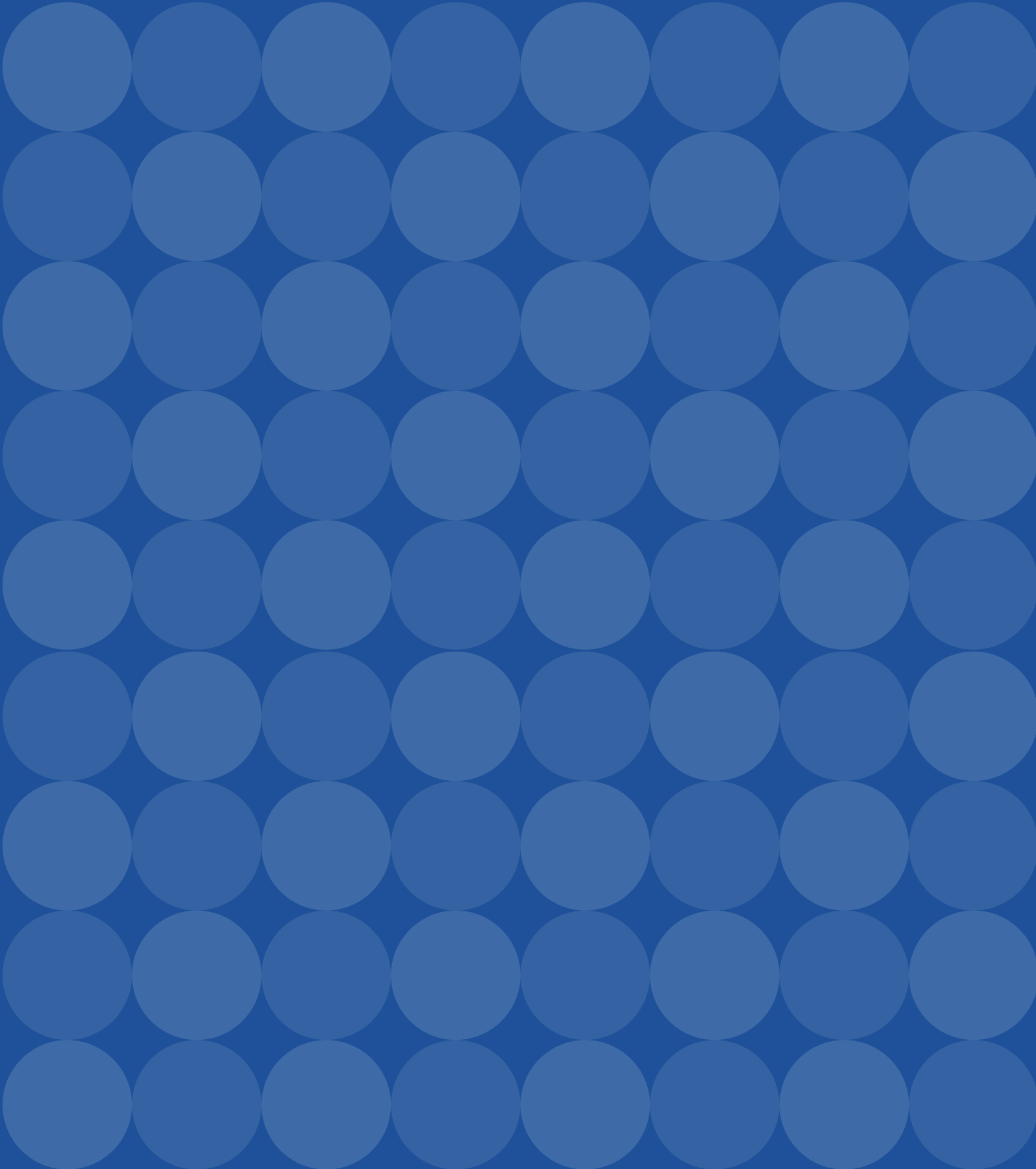


## Epilogue

In 2023, the Shanghai Municipal Tax Service released the White Paper on Tax Doing-Business Environment in Shanghai for the fifth consecutive year, aiming to review and update the initiatives to optimize the tax doing-business environment in Shanghai, so that taxpayers could better understand the taxpayer service actions that may affect them. It also intends to survey the effectiveness of the taxpayer service measures in the previous years by obtaining feedback from taxpayers and to make further improvements accordingly in the coming years.

While preparing the White Paper on Tax Doing-Business Environment in Shanghai, Shanghai Municipal Tax Service received a strong support from third-party organizations and corporate taxpayers. We would like to express our gratitude to all of them for their efforts and contributions in data provision, data collection and research, and we welcome valuable comments and suggestions from readers.





**国家税务总局上海市税务局**

Shanghai Municipal Tax Service, State Taxation Administration