



Crisis Management And Contingency Aid: How Can FIEs Access To Chinese Government Assistance

危机管理与应急援助:外商投资企业如何获得中国政府的财政资助

--by Victor Herrera, CWCPA



Overview 概述

Part I: Business position assessment

第一部分:业务评估

- Assess your business 评估你的业务
- Check your business' tax position and records 检查贵司的税务状况和记录

Part II: Central Government's major policies under the COVID-19 situation

第二部分:中央政府在新冠肺炎疫情下的主要政策

- Policies related to foreign investment 有关外商投资的政策
- Subsidies for key industries 重点行业补贴

Part III: Financial policies and measures in major Chinese cities

第三部分:中国主要城市的财政政策和措施

- Financial policy directions in different cities 不同城市的金融政策方向
- Assistance given by the local governments to enterprises 地方政府对企业的扶持
- How technology help to overcome the current challenges 技术如何帮助克服当前的挑战

Part I: Business position assessment

第一部分:业务评估

Assess your business
评估你的业务



Step 1: Know the policy

了解政策

If an enterprise wants to obtain government subsidies, the first task is to understand the relevant government policies, familiar with the content, application conditions, funding amount and quantity of government-funded projects, as well as the required materials

企业如想顺利获得政府资助，首要任务就是先去了解政府相关政策，熟悉政府相关资助项目的内容、申请条件、资助金额和数量，以及所需准备的材料等



Step 2: Assessment and planning

评估与规划

Before an enterprise decides to apply for subsidies, they must assess from the technology, research and development team, finance, annual revenue, enterprise size and other aspects, and then plan out eligible projects

企业在确定要申报之前，必须先从技术、研发团队、财务、年收入、企业规模等方面进行评估，然后再规划出符合条件的项目



Step 3: Prepare the materials

准备材料

After determining the items to be applied, the enterprise shall prepare the materials in advance, so as to avoid the temporary shortage of materials or certificates. Preparation of materials in advance (including business license, education certificate of relevant personnel, financial and tax statements, intellectual property certificate, etc.) can not only avoid mistakes, but also help people better deal with the approval process

确定好要申报的项目之后，企业应当提前将所需要申报的材料准备好，以免临时出现资料或证书不足的情况。提前准备材料(包括营业执照、相关人员学历证明、财税报表、知识产权证书等)，不仅能避免出错，还可以帮助大家审批过程中能更好应对



Step 4: Inspection

审查

After passing the preliminary examination, some government projects will require enterprises to provide further documents for inspection

通过初审之后，部分政府项目会对企业安排进一步审查



Step 5: Fund distribution

下达资金

If the materials submitted by the enterprise are approved, public notice will normally be issued. If no objection is raised during the notice period, funds will be distributed

对于企业提交的资料，如果审定通过，一般会予以公示。期间如无异议，则可以下达资金

Part I: Business position assessment

第一部分:业务评估

Check your business' tax position and records
检查贵司的税务状况和记录



- Assess your business 评估你的业务
- Check your business' tax position and records 检查贵司的税务状况和记录

- Managing Cash Flows
- Accounts receivable management

Assess your business

- Understand the law of “Demand and Supply”
 - Focus on customer needs and wants
 - Reallocation of monetary resources, manpower, time
- Analyze Revenue management
 - Better understanding of the market situation/ position.
 - To emphasize with your client’s situation and offer a helping hand.
 - Foster better and closer relation with your portfolio for clients.
 - Look for new customers, through studying and assessing similar needs to those of your clients

Assess your business

- Monitor your Accounts Receivables
 - Control and shorten the collecting time, keeping it as low as possible.
- Analyze cash inflows and outflows
 - Forecast the volume of money generated and the money spent.
- Working capital.
 - Assess your company's working capital determining your current assets less current liabilities. Insufficient working capital cannot keep the business to stay afloat.

Check your business' compliance status

- Identify risks and weak points in your regulatory compliance with the authority
 - Check your tax records, social security payments.
 - Accuracy of the calculation and payment of taxes.
 - Measures already taken to control cash outflow (salaries cut, interruption of contracts, frozen wages, pensions , etc.)
- Identify weak internal processes
 - Businesses with compliance teams (legal, tax, Finance) often struggle to keep a company in good standing due to outdated or substandard tools.
- Changing state requirements.
 - Federal and local governments may often change deadlines, raise fees, or issue new forms.

Part II: Central Government's major policies to deal with the COVID-19 situation

第二部分:中央政府在新冠肺炎疫情下的主要政策

Policies related to foreign investment
有关外商投资的政策



Policies
related to
foreign
investment
有关外商投
资的政策

MOFCOM: Local governments should go above and beyond to assist FIEs to resume operations and resolve the practical issues they are facing

商务部:地方政府要积极帮助外商投资企业恢复经营和解决实际问题



Policies related to foreign investment 有关外商投资的政策

- Local governments should help FIEs resolve labor shortages and other employment issues as a result of the outbreak 地方政府应帮助外商投资企业解决疫情造成的劳动力短缺和其他就业问题
- Local governments should give extra assistance to firms involved in the production of medical equipment, such as protective clothing, masks, and goggles 地方政府应该对生产医疗设备的企业给予额外的帮助，比如防护服、口罩和护目镜
- Establish active lines of communication with foreign investors 与外国投资者建立积极的沟通渠道



Policies related to foreign investment 有关外商投 资的政策

- Encourage governments to communicate closely with foreign investors, accelerate their approvals for import and export licensing, and help them resume operations 鼓励各国政府与外国投资者密切沟通，加快审批进出口许可证，帮助他们恢复经营
- Local governments should cooperate with insurance agencies to increase their support for FIEs e.g. assisting with unexpected order cancellations 地方政府应与保险机构合作，增加对外商投资企业的支持，如协助处理意外订单取消
- Developing e-commerce services for foreign trade 发展外贸电子商务服务

Part II: Central Government's major policies to deal with the COVID-19 situation

第二部分:中央政府在新冠肺炎疫情下的主要政策

Subsidies for key industries
重点行业补贴



MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) 中小微企业

- Periodically reduce or exempt the corporate social insurance premiums including pension, unemployment, and work injury to alleviate the epidemic's impact on enterprises 阶段性减免企业养老、失业、工伤保险单位缴费，以减轻疫情对企业的影响
- Before the end of June, enterprises can apply for deferred payment of housing fund 6月底前，企业可申请缓缴住房公积金



MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) 中小微企业

- Where the VAT of a small-scale taxpayer is collected at a reduced levy rate of 1% according to relevant provisions, the taxpayer shall compute its sales amount according to the following formula: Sales amount = Tax-inclusive sales amount / (1 + 1%)

增值税小规模纳税人按照有关规定，减按1%征收率征收增值税的，按下列公式计算销售额：销售额=含税销售额/（1+1%）



TRANSPORTATION,
CATERING,
ACCOMMODATION,
TOURISM INDUSTRIES
("Difficult Industries")

交通运输、餐饮、住宿、
旅游业 ("困难行业企业")

- For losses incurred by enterprises in difficult industries seriously affected by the epidemic in 2020, the maximum carry-forward period may be extended from five years to eight years 受疫情影响较大的困难行业企业2020年度发生的亏损，最长结转年限由5年延长至8年
- The main business income of enterprises in difficult industries shall account for more than 50% of their total income (excluding non-taxable income and investment income) in 2020 困难行业企业2020年度主营业务收入须占收入总额（剔除不征税收入和投资收益）的50%以上



Aviation Industry

航空运输行业

- Civil aviation enterprises should be exempted from the civil aviation development fund
免征民航企业应缴纳的民航发展基金
- Rewards are given for international flights that do not stop or resume during the outbreak. Support for both domestic and foreign airlines is treated equally 对疫情期间不停航和复航的国际航班给予奖励；支持对象不分国内还是国外航空公司，均一视同仁
- International flight reward standard: the reward standard of flying flight is 0.0176 yuan per kilometer, and the reward standard of solo flight is 0.0528 yuan per kilometer 国际航班奖励标准：飞航班的奖励标准为每座公里0.0176元，独飞航班的奖励标准为每座公里0.0528元



MANUFACTURERS OF KEY MATERIALS FOR EPIDEMIC PREVENTION AND CONTROL 疫情防控重点保障物 资生产企业

- A one-off basis for pre-corporate income tax deduction 一次性企业所得税税前扣除
- May apply to the competent tax authority for a full refund of the incremental overpaid VAT 可以向主管税务机关申请全额退还增值税增量留抵税额
- Taxpayers are exempt from VAT on their income from transporting key materials for the epidemic prevention and control 对纳税人运输疫情防控重点保障物资取得的收入，免征增值税

Part III: Financial policies and measures in major Chinese cities

第三部分:中国主要城市的财政政策和措施

Financial policy directions in different cities
不同城市的金融政策方向



Shanghai 上海

- Cut down the costs of affected enterprises by 30 billion yuan 为受影响企业削减300亿元的成本
- Emphasis on support for enterprises at the frontline of virus control 重点支持病毒防控一线企业
- Reducing the burden on companies of all kinds 减轻各类企业负担
- Increasing financial assistance, stabilizing employment and resuming work in an orderly manner 增加资金支持，稳定就业，有序复工



Guangzhou 廣州

- Issued "Fifteen Measures To Support The Healthy Development Of Small, Medium And Micro Enterprises In Winning The Battle Of Epidemic"—covers 1.05 million individual businesses in the city 印发《关于支持中小微企业在打赢疫情防控阻击战中健康发展的十五条措施》
- As a city of commerce and trade, the e-commerce platform is encouraged to play an active role 结合广州作为商贸之都的特点，鼓励电商平台积极发挥作用



Shenzhen 深圳

- Issued “Measures for Supporting Enterprises to Tide Over the Difficulties Caused by the Novel Coronavirus in Shenzhen” 印发《深圳市应对新型冠状病毒感染的肺炎疫情支持企业共渡难关的若干措施》
- Shenzhen is the only city in the Greater Bay Area that allows enterprises to apply for a reduction or delay in the payment of the housing accumulated fund 深圳是大湾区各市中唯一规定允许企业申请降低住房公积金缴存比例或缓缴住房公积金的城市
- As a national innovation-oriented city combining with the characteristics of the industrial structure, enterprises are encouraged to expand investment in technological transformation 作为国家创新型城市，结合产业结构特点，鼓励生产企业扩大技术改造投资



Zhuhai 珠海

- Issued the "Several Policy Opinions on Supporting Small and Medium-Sized Enterprises to Tide Over the Difficulties in Response to the Epidemic Caused by Novel Coronavirus" 印发《关于应对新型冠状病毒感染的肺炎疫情支持中小企业共渡难关的若干政策意见》
- Give priority to policy support to those who reduce rent for small and medium-sized enterprises during the epidemic period 对在疫情期间为承租中小企业减免租金的，相关部门在开展年度运营考核评价将优先予以政策扶持

Part III: Financial policies and measures in major Chinese cities

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Assistance given by the local governments to enterprises
地方政府对企业的扶持



Shanghai 上海

- A one-time pre-tax deduction for the purchase of equipment needed for manufacture of epidemic prevention materials 一次性扣除购买生产防疫材料所需设备的税前费用
- Income from transporting key materials, providing public transportation or daily-life services and postal express delivery shall be exempted from value-added tax 对于重点物资运输、公共交通、生活服务、邮政速递的收入，免征增值税
- Registration fees for relevant drugs and devices, as well as the Civil Aviation Development Fund shall be exempted 免收有关药品、器械的注册费和民航发展基金
- Credit support will be made available for key enterprises making contributions to epidemic prevention and control, including small and micro enterprises. Loans will be given at a 50-percent discount to keep the corporate lending rate below 1.6 percent 对做好防疫工作的重点企业，包括小微企业，给予信贷支持。贷款将以50%的折扣发放，以使企业贷款利率保持在1.6%以下
- Financial subsidies of 50 to 80 percent will be available for production and imports of epidemic prevention material 对生产和进口防疫物资给予50%至80%的财政补贴



Shanghai 上海

- As some SMEs are suffering heavily, the city will reduce or waive rents for business premises 由于一些中小企业经营困难，市政府将降低或免除营业场所租金
- Low-cost financial support is available to enterprises through various means, and financial institutions should increase their credit allocation to businesses heavily affected by the epidemic, with interest rates reduced to at least 25 basis points below the prime rate 通过各种方式向企业提供低成本的金融支持，金融机构应增加对受疫情影响严重的企业的信贷分配，将利率下调至比最优惠利率低至少25个基点
- New government loan guarantees in 2020 will increase by at least 3 billion yuan and the fee for new applications by micro, small and medium-sized enterprises shall be cut to 0.5 percent per year 到2020年，新增政府贷款担保至少增加30亿元，中小微企业每年新增贷款申请费用降低到0.5%
- Local authorities will make better use of one-stop online platforms offering government services and pursue examination and approval processes that avoid face-to-face contact 地方政府将更好地利用提供政府服务的一站式网络平台，实行避免面对面接触的审批流程



Guangzhou 廣州

- Require all banking institutions to increase support for micro, small and medium-sized enterprises and ensure that the credit balance and the number of households of small and micro businesses and individuals in the first half of 2020 are not lower than that of the same period in 2019 要求各银行机构加大对中小微企业的支持，确保2020年上半年小微企业、个人经营性信贷余额和户数不低于2019年同期
- For catering, accommodation, tourism, trade, transportation and other industries that are greatly affected by the epidemic, banks are encouraged to reduce the original loan interest rate by more than 10% 针对受疫情影响较大的餐饮、住宿、旅游、商贸、交通等行业，鼓励银行机构在原有贷款利率水平上降低10%以上



Guangzhou 廣州

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- Policy-based financing guarantee companies at the municipal and district levels will cancel the counter-guarantee requirements, and the guarantee rate of the affected enterprises will be lowered by 1 percentage point compared with the same period last year 市、区两级政策性融资担保公司取消反担保要求，对受影响的企业担保费率较去年同期水平下调1个百分点，市融资再担保公司取消再担保收费



Guangzhou 廣州

- In 2020, the Bank of Guangzhou and the Rural Commercial Bank of Guangzhou plan to increase loans to micro, small and medium-sized enterprises by 57 billion yuan and cut the interest rate for new loans to micro, small and medium-sized enterprises across the board, by no less than 10% compared with the same period last year 020年，广州银行、广州农商行计划新增中小微企业贷款570亿元，并全面下调新投放中小微企业贷款利率，比去年同期利率整体下调幅度不低于10%
- Enterprises which cannot pay employee's endowment insurance, unemployment insurance, industrial injury insurance premium, may apply for extension to the outbreak after three months, no fines shall be received during this time period 用人单位无法按时缴纳企业职工养老保险费、失业保险费、工伤保险费的，可申请延期至疫情解除后三个月内缴费，期间不加收滞纳金。



Shenzhen 深圳

- Enterprises producing epidemic prevention materials are encouraged to expand investment in technological transformation. The enterprises can receive a maximum subsidy of 20 million yuan for not exceeding 50% of the investment in equipment 鼓励生产防疫物资的企业扩大技术改造投资，按不超过设备投资的50%予以最高不超过2000万元的资助
- Property rent reduction and exemption 减免物业租金
- Delay payment of social insurance premiums in accordance with laws and regulations 依法依规延期缴纳社会保险费
- Reduce the proportion of enterprise housing accumulated fund 降低企业住房公积金缴存比例
- Refund of the enterprise's urban sewage treatment fee 返还企业城镇污水处理费
- Reduce electricity costs of industrial and commercial enterprises 减轻工商企业用电成本



Shenzhen 深圳

- Delay payment and reduction or exemption of tax according to laws and regulations 依法依规延期缴纳和减免税款
- Increase the preferential support of industrial funds 加大产业资金倾斜支持
- Further release of "Four Hundred Billion" policy dividends 进一步释放“四个千亿”政策红利
- Step up efforts to support the enterprises and stabilize the job positions 加大援企稳岗力度
- Implement flexible employment policies 实施灵活用工政策
- Increase subsidies for skill training of enterprise employees 加大企业职工技能培训补贴力度
- Strengthen export credit insurance services 加强出口信用保险服务保障



Zhuhai 珠海

- For travel agencies affected by the epidemic, some or all travel agencies warranty will be temporarily returned or be replaced by bank performance guarantee 对受疫情影响的旅行社，暂时退回部分或全部旅行社质保金，以银行履约保函等代替
- Subsidies for Labor 劳动用工补贴
- Tackling key problems of science and technology projects 解决科技项目重点问题
- Loan interest subsidy 贷款利息补贴
- Loan risk sharing 贷款风险分担
- Rent reduction and exemption 减免租金
- Tax reduction and exemption 税收减免
- Delay payment of taxes 延迟缴税
- Import and export business support 进出口业务支持
- Emergency public legal services 紧急公共法律服务

Part III: Financial policies and measures in major Chinese cities

第三部分:中国主要城市的财政政策和措施

How technology help to overcome the current challenges
技术如何帮助克服当前的挑战



USING INFORMATION TECHNOLOGY TO SPEED UP THE RESUMPTION OF ENTERPRISE PRODUCTION 用新一代信息技术加快企业复工复产

- Enhance software applicability 增强软件应用能力
- The Human Resources and Social Security Bureau will make full use of big data to strengthen information sharing among departments and enhance efficiency of their services 人力资源和社会保障局将充分利用大数据，加强部门间的信息共享，提高服务效率
- Improve the level of production management through the integration of technologies 通过技术集成提高生产管理水平
- Emphasis on the implementation of online working methods such as telecommuting, work from home, video conferencing and online training 重点实施远程办公、在家办公、视频会议和在线培训等在线工作方式



ONLINE RECRUITMENT 在线招聘

- The COVID-19 pandemic is changing how every organization is attracting, recruiting, and retaining employees on their virtual teams, making remote work the new normal 新冠肺炎大流行正在改变每个公司在其团队中吸引、招募和保留员工的方式，使远程工作成为新常态
- Virtual career fairs and events, fully-remote recruiting and more personalized career paths are quickly emerging 虚拟招聘会和活动、全远程招聘、更个性化的职业道路正在迅速涌现
- For instance, Hong Kong Science and Technology Parks Corporation (HKSTP) hosted the city's first and largest Virtual Career Expo, providing more than 1,100 jobs from 160 tech companies, with a view to attracting global talent to build an even more robust talent pool in the city 例如香港科技园(HKSTP),举办了香港第一个和最大的虚拟招聘，透过160间科技公司提供超过1100个工作岗位，以吸引全球人才建立一个更强大的人才库



GLOBAL TRENDS IN E-COMMERCE 电子商务的全球趋势

- National boundaries seem to have become less important, and more and more people are turning to overseas online stores to purchase goods and services 国家边界变得不那么重要，越来越多的人转向海外网上商店购买商品和服务
- Due to the rapid development of mobile technology, more and more digital payment platforms for smart phones or tablets are also helping O2O (Online To Offline) business promote. This type of payment platform is often referred as an electronic wallet, allowing consumers to use smartphones to pay for goods and services in the store 随着移动技术的快速发展，越来越多的智能手机或平板电脑的数字支付平台也在帮助O2O业务的推广。这种支付平台通常被称为电子钱包，允许消费者使用智能手机支付商店里的商品和服务



GLOBAL TRENDS IN E-COMMERCE 电子商务的全球趋势

- In Mainland China, O2O is widely adopted, and its operation mode is far more mature than that of other modes of the world 在中国大陆，O2O被广泛采用，其运营模式远比世界上其他模式成熟
- The fierce marketing battle between two e-commerce giants in the Mainland, Alibaba and WeChat, has driven the growth of O2O business in the Mainland 中国大陆两大电商巨头阿里巴巴和微信之间激烈的营销大战，推动了大陆O2O业务的增长
- Many retail stores in the mainland now allow customers to complete payments using Alipay or WeChat Pay 中国大陆的许多零售商店的支付宝或微信支付已被广泛使用
- Internationally, with the advent of Apple Pay, Tap & Go and Google Wallet, more electronic wallets become available for consumers 在国际上，随着Apple Pay、Tap & Go和谷歌钱包的出现，将会有更多电子钱包供消费者选择



Thanks For Coming To Our
Webinar

Have a nice day!