



China MNEs BRI Tax Workshops Report

Asia-Pacific • Africa • Eurasia • Latin America • MENA

Background

In coordination with the first Belt and Road Initiative Tax Cooperation Forum (BRITACOF) meeting held in Wuzhen, Zhejiang province on 18 April 2019, and approved by the State Taxation Administration (STA), the China Chamber of International Commerce (CCOIC), China International Taxation Research Institution (CITRI), and International Tax and Investment Center (ITIC) jointly held *China MNEs BRI Tax Workshops* on 23-24 April 2019. Representatives from e-commerce, engineering construction, and energy extraction, were invited to discuss the major tax issues and difficulties they have encountered in the process of “going out” in BRI Countries (regions).

This report briefly introduces the basic situation for China MNEs, summarizes the common tax issues encountered by China MNEs in the BRI countries (regions), and puts forward corresponding suggestions for improvement.

The Basic Situation of China MNEs

In the past six years, since the “Belt and Road” initiative was unveiled by Chinese President Xi Jinping, China’s trade and investment cooperation with countries (regions) along the “Belt and Road” route has been expanded, through which mutual benefits and a win-win situation have been largely achieved. The situation is mainly reflected in the following three aspects:

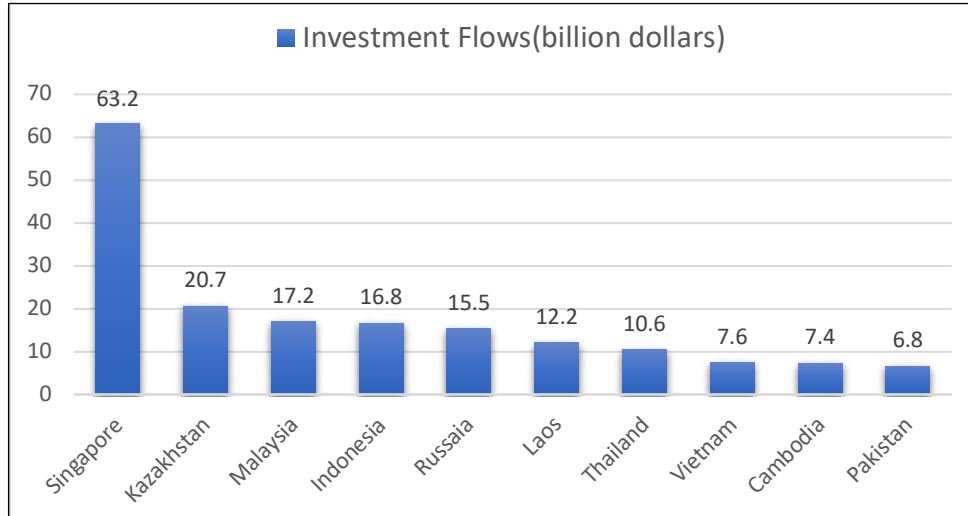
1. China MNEs are mainly distributed in developing countries (regions) along the BRI
2. China MNEs are mainly distributed in real economy and emerging industries
3. Rapid growth in the total amount of China’s “Going Out” enterprises’ investment

China MNEs are Mainly Distributed in Developing Countries (regions) along the BRI

According to the latest “2017 Statistical Bulletin On China Foreign Direct Investment” released by the Ministry of Commerce, in terms of China’s investment flows along the “Belt and Road” countries, Chinese enterprises mainly invested in Singapore, Kazakhstan, Malaysia, Indonesia, Russia, Laos, Thailand, Vietnam, Cambodia, Pakistan, United Arab Emirates and other countries. From the perspective of investment stock, at the end of 2017, the top ten countries were: Singapore, Russia, Indonesia, Kazakhstan, Laos, Pakistan, Myanmar, Cambodia, United Arab Emirates, and Thailand. Among them, China’s investment flows and stocks ranked first in Singapore, at \$6.32 billion and \$44.57 billion respectively accounting for 31.3% and 28.9% of the “Belt and Road” countries. Followed by Kazakhstan and Malaysia, China’s direct investment flows to Kazakhstan and Malaysia were \$2.07 billion and \$1.72 billion, of which Kazakhstan’s growth was 322% year-on-year.

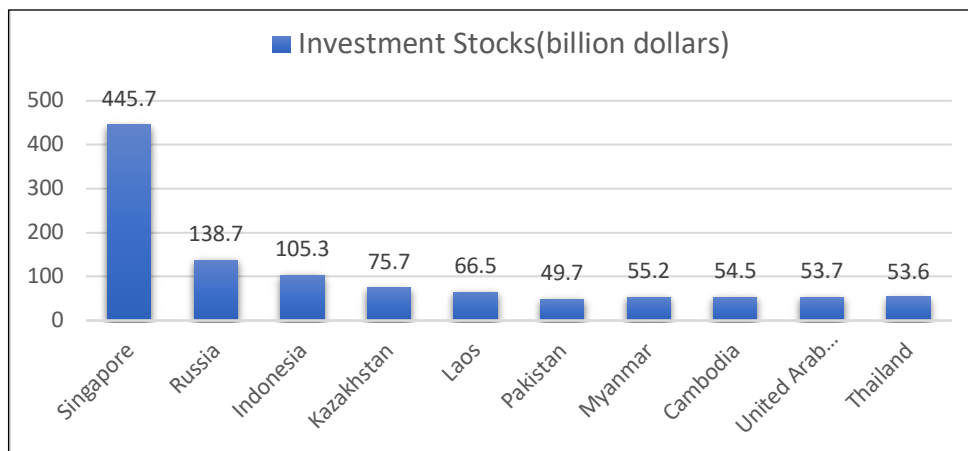
According to the “The ‘Belt and Road’ Big Data Report 2018” released by the National Information Center, Singapore ranks first in the country (region) investment environment index among the “Belt and Road” countries and has the highest national investment environment index (see fig 1, 2).

Figure 1. Distribution of China’s Top 10 Investment Flows to the “Belt and Road” Countries in 2017



Source: Ministry of Commerce, National Bureau of Statistics, State Administration of Foreign Exchange, “2017 Statistical Bulletin on China Foreign Direct Investment”

Figure 2. Distribution of China’s Top 10 Investment Stocks in the “Belt and Road” Countries at the End of 2017



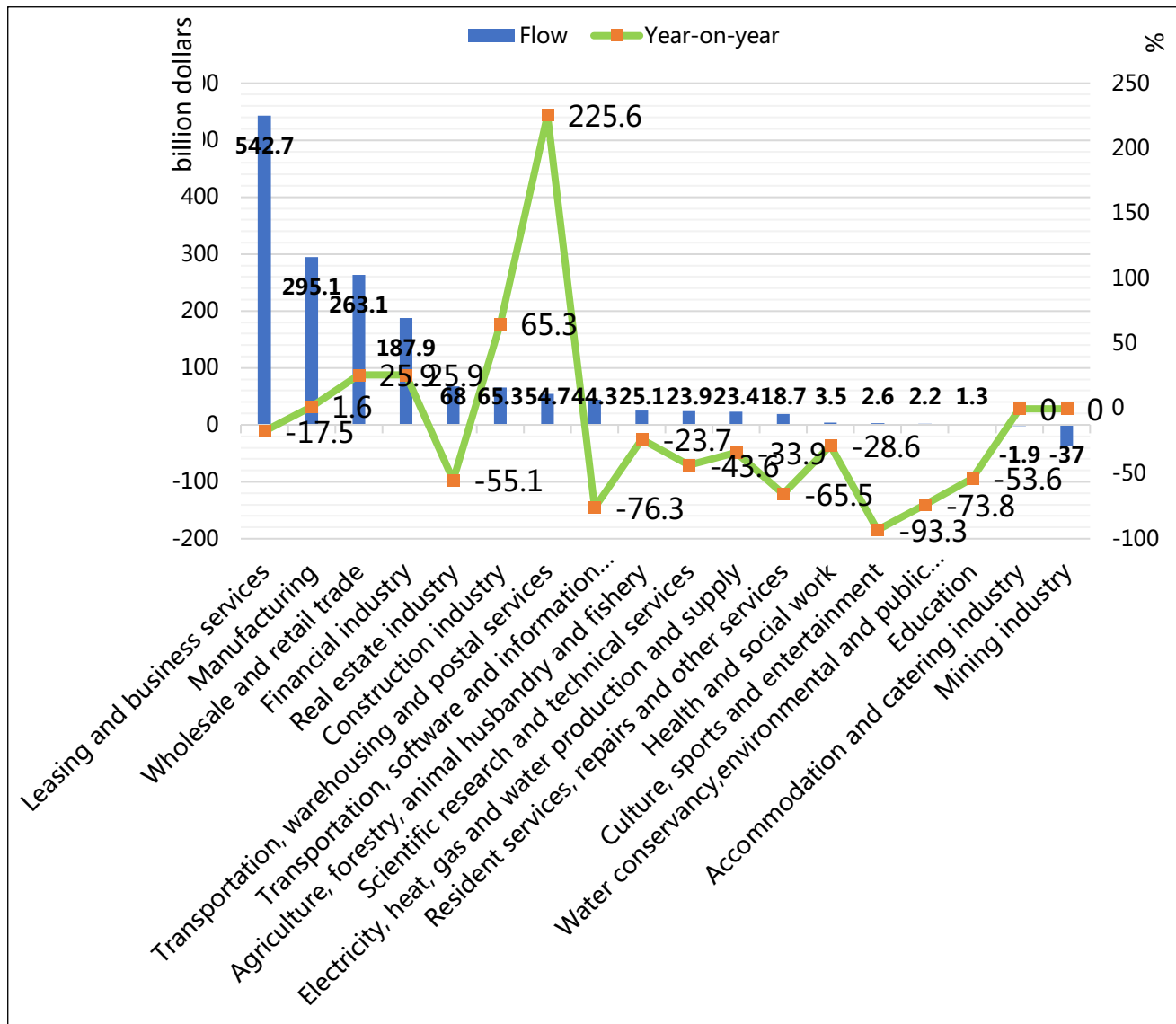
Source: Ministry of Commerce, National Bureau of Statistics, State Administration of Foreign Exchange, “2017 Statistical Bulletin on China Foreign Direct Investment”

China MNEs are Mainly Distributed in the Real Economy and Emerging Industries

According to data from the “2017 Statistical Bulletin On China’s Foreign Direct Investment,” China’s foreign direct investment involved 18 major sectors of the national economy, within which industries with the cash flows exceeding \$10 billion included leasing and business services, manufacturing, wholesale and retail, and financial industry. Compared with year of 2016, the real estate industry, information transmission/software and information technology service industries disappeared from the “over \$10 billion industries.” In 2017, foreign direct investment in the cultural, sports and entertainment industries as well as real estate industries were \$260 million and \$6.8 billion respectively, a sharp decrease of 93.3% and 55.1% year-on-year. The foreign direct investment flows of the water conservancy, environment and public facilities management industry and the residents’ service, repair and other service industries, which were significantly related to the real estate industry, were \$220 million and \$1.87 billion, down 73.8% and 65.5% respectively. Affected by factors such as more stringent supervision and restrictions on foreign investment in developed countries, the foreign direct investment on information transmission, software and information technology services in 2017 was \$4.43 billion, a sharp drop of 76.3% year-on-year.

In 2017, the foreign direct investment flows of manufacturing industry were \$29.51 billion, which went up 1.6% year-on-year. It accounted for 18.6% of total volume in the year, which went up 3.8% from the previous year. The investment was mainly focused on the manufacture of chemical raw materials and chemical products, manufacture of automobile, manufacture of computer/communication and other electronical devises, pharmaceutical manufacture, manufacture of railway/ship, aerospace and other transportation equipment. The performance of foreign investment highlighted the prominent feature of investment in the real economy and emerging industries. (see fig 3).

Figure 3. Composition of China’s FDI Industry in 2017



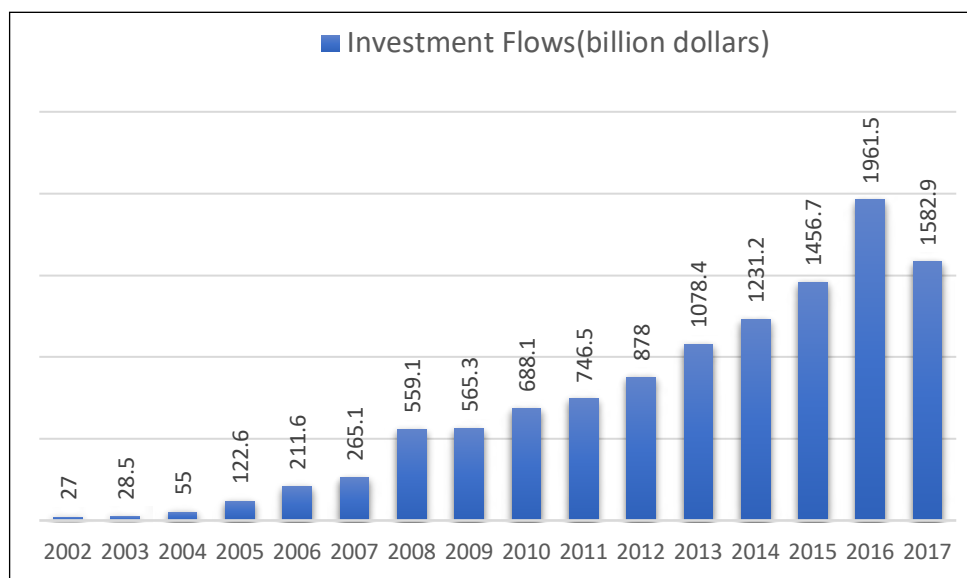
Source: Ministry of Commerce, National Bureau of Statistics, State Administration of Foreign Exchange, “2017 Statistical Bulletin On China Foreign Direct Investment”

Rapid Growth in the Total Amount of China’s “Going Out” Enterprises’ Investment

In recent years, China’s foreign direct investment has flourished and played a positive role in deepening international economic and trade relations, expanding import and export, cultivating corporate competitive advantages, promoting industrial transformation and upgrading, and raising the level of

opening up to the global market. According to the statistics, China's foreign direct investment flows have grown steadily for 14 consecutive years since the country's establishment of the foreign direct investment statistics system in 2002. As of 2016, the average annual growth rate was as high as 35.8%. In 2017, China strengthened its review of the authenticity and compliance of regulations on enterprises' foreign investment. As a result of this, foreign direct investment in real estate, hotels, cinemas, entertainment, and sports clubs was strictly restricted, and the amount of foreign direct investment has declined for the first time in 14 years, by 19.3% year-on-year. However, this allowed the structure of the foreign investment industry to become more optimized. China's foreign direct investment showed a steady and healthy development trend (see Figure 4).

Figure 4. China's Foreign Direct Investment Flows from 2002 to 2017



Source: Ministry of Commerce, National Bureau of Statistics, State Administration of Foreign Exchange, "2017 Statistical Bulletin on China Foreign Direct Investment"

According to the "2017 Statistical Bulletin on China Foreign Direct Investment," as of the end of 2017, China's foreign direct investment stock reached \$1,809.04 billion, an increase of 33.3% from the \$1,357.39 billion at the end of the previous year. 9.7% of the increase of global foreign direct investment in 2017 could be attributed to the increase of the China's foreign direct investment (see Table 1). In 2017, China's foreign direct investment stock accounted for 5.9% of the global total, which went up 0.7% from the previous year, and its proportion reached a record high of nearly 6%. China's ranking rose from sixth to second globally, trailing only the United States.

Table 1. Comparison of China's Foreign Direct Investment and Global Foreign Direct Investment

Year	Global foreign direct investment stock (trillion dollars)	China's foreign direct investment stock (billion dollars)	China's share of the world)
2016	26.2	13573.9	5.2
2017	30.8	18090.4	5.9

Source: Ministry of Commerce, National Bureau of Statistics, State Administration of Foreign Exchange, "2017 Statistical Bulletin on China Foreign Direct Investment"

To sum up, the investment of China's "going out" enterprises mainly focused on Asian developing countries (excluding South Asia, central Asia and Russia), with increasingly diversified industrial distribution and rapid growth of total investment. With the continued expansion of BRI, China's government and "going out" enterprises need also to actively participate in the establishment of regional investment dispute resolution mechanisms, investment dispute resolution rules and procedural guidelines, as well as improving bilateral investment protection agreements to better secure their legitimate rights and interests.

Tax Issues Encountered by China MNEs in BRI

The investment destinations for Chinese enterprises mainly focused on developing countries where tax systems are immature and underdeveloped. In addition, the "going out" enterprises are in short of tax experience in these countries, therefore, the enterprises are under the great challenge of a series of cross-border tax issues.

Taxation Environment Problems in the "Belt and Road" Countries

When China's "going out" enterprises make an investment in certain countries (regions) along the "Belt and Road" with complicated political and economic environment and the low level of business environment, tax issues in connection with tax policy development in these countries (regions) as well as the implementation of the policies by tax authorities includes:

- The tax policies on foreign investment is not transparent, such as Iraq;
- The tax policies change frequently and are lack of stability, such as Chile;
- The basic principles of tax law are unsound, and there is no concept of tax rule of law. Portugal, for example, did not publicly solicit opinions in its tax legislation when imposing special contribution tax on the energy industry.

- Excessive discretionary power of tax law enforcement personnel and arbitrary enforcement of tax laws (including domestic tax laws and tax treaties in force) lead to uncertainty in the application of tax policies, such as Kazakhstan, Pakistan, Iraq and Brazil;
- Lack of effective mechanisms for providing tax certainty, such as the absence of Advance Ruling System and Advance Pricing Arrangements
- The Tax authorities at different time, in different regions, and at different levels are inconsistent in implementing the same/similar tax policies, Myanmar, for example;
- The lack of necessary legal remedies or legal remedies is inadequate and inefficient.

Specific Tax Policy Issues for Countries (regions) along the “Belt and Road”

The current tax policies of countries along the “Belt and Road” have frequent changes in rules, inconsistent policy implementation, and opaque issues, which have brought high tax risks to China’s “Going Out” enterprises. Specifically:

- Corporate income tax issues: countries including Iraq, Chad, Pakistan usually overestimate the profit rate of engineering enterprises, withhold corporate income tax based on income rather than the profit, withholding tax refund is difficult, and tax rate for corporate incomes is high.
- Individual income tax issues: Individual income tax is levied upon, a certain percentage of turnover when it is collected in Iraq, which lead the tax burden higher than it is supposed to be.
- Value-added tax issues: Some countries do not have a VAT refund mechanism, which causes an additional burden to enterprises.
- Other taxes issues, such as: (1) Kazakhstan’s export tariff on crude oil is too high; at the same time, property tax is imposed on the rig; (2) Portugal imposes an energy (special) contribution tax; and (3) Brazil is free to raise the financial operating tax rate in financial transactions.

Specific Tax Collection and Management Issues in Countries (regions) along the “Belt and Road”

Tax Policy Enforcement: Some countries (regions), such as Iraq, Myanmar, and Mongolia, carry out their tax policies without specific implementation rules which leads to the difficulty of implementing tax policies, such as tax policies in regard to tax incentives and tax exemptions.

Corporate Income Tax Management

1. In countries such as Iraq and Ethiopia, it is difficult to apply for a tax refund for corporate income tax with multiple prepayments.

2. China's "going out" enterprises generally propose the issues with respect to the deduction of the management fee allocation (transfer pricing) at headquarters.
3. Some countries (regions) cannot obtain formal vouchers, and the cost incurred by enterprises cannot be deducted.

Tax Treaty

1. Countries such as Kazakhstan, Chad and Egypt do not implement tax treaties that have been signed into force.
2. The Hong Kong Inland Revenue Department is increasingly strict in the management of tax resident status. The company established in Hong Kong by the "Going Out" enterprises in the Mainland is usually a holding platform. It is difficult to obtain Hong Kong tax resident identification before the tax treaty dispute arises.

Current Tax Policy Issues in China (Mainland)

In general, the current foreign-related taxation policies have two major problems: First, the double taxation cannot be completely eliminated. Second, there is no incentive policy for China's "Going Out" enterprises to invest and operate abroad.

Corporate Income Tax – The current overseas income tax credit policy is complicated and cannot thoroughly solve the problem of double taxation. The main reasons are:

- For the purpose of elimination of double taxation, the limited tax credit of foreign income is less effective than the tax exemption and full tax credit of foreign income.
- The requirement of the credit level and the share-holding ratio for the indirect credit results in the fact that the tax paid abroad cannot be deducted by the overseas enterprises whose share-holding ratio is less than 20% or credit levels are more than the five-tiers.
- Losses of overseas branches shall not credit profits of domestic business enterprises.
- The "tax which is the income tax in nature" (but it is unclear its income tax in nature upon foreign tax law) paid abroad cannot credit the enterprise income tax payable in China.
- The period of five-year carry-over and credit provided in the Tax Law is likely to be inapplicable to the overseas large-scale projects whose construction period and warranty period are usually more than five years.

In addition, the limited tax credit system is limited to the amount of credits calculated by the Chinese tax rate. The excessive income tax paid by the high-tax-rate investor cannot apply for tax rebate, while the income earned by the low-tax-rate investor needs to be compensated in China. Even if double taxation is eliminated completely, if the income tax burden of "going out" enterprises in China is higher than that in China or the same, there is no incentive for these enterprises.

Goods and Services Tax (including VAT) – When Chinese enterprises apply for zero tax rate for cross-border taxable services, they always encounter certain difficulties with local tax authorities. If taxation is levied on both domestic and foreign consumption sites, it will be difficult to solve the problem of double taxation. For example, export engineering design services and overseas radio, film and television broadcasting services, culture and sports, medical services which are provided by digital enterprises through domestic radio, television, satellite communications, and the Internet.

Individual Income Tax (including social insurance)

- China adopts limited tax credit approach for foreign income tax to Chinese individuals (both for employee and self-employed). Under the approach, individuals will not be refunded the exceeding amount of tax he/she has paid abroad but has to repay the amount of tax the Chinese administration believes it should have to pay to China. It not only negatively affects the Enthusiasm of individual's "going out", but also affects the promotion of the "Belt and Road" initiative. For expatriates working in countries (regions) with higher personal income tax rates, the actual amount of personal income tax paid in that year exceeded the credit limit derived from that country's income and would continue for many years, resulting in part that exceeded the credit limit derived from that country's income being unable to be deducted.
- Since China and most of the countries along the "Belt and Road" have not signed bilateral social security agreements, China's "Going Out" enterprises will also need to pay social security in accordance with local laws when they work in countries along the "Belt and Road". However, it is usually not possible to get a refund when an employee leaves the country, resulting in double payment of social security, which increases the burden on businesses and individuals.

Lack of Tax Incentive Mechanism – At present, there is no relevant tax incentives for "going out" enterprises. For example, there is no preferential income tax rate for corporate "going out", there is no preferential treatment for deferred tax payment, and there is no preferential treatment of cutting corporate income tax to half with respect to overseas income, etc.

Tax Treaty

- The tax treaty network coverage is incomplete: until now, China's tax treaty network has covered 111 countries (regions), which has set up a bridge for international tax cooperation for China's "Going Out" enterprises. However, China has not signed bilateral tax treaties with countries along the "Belt and Road" countries such as Myanmar, Yemen, Maldives, Palestine, East Timor, Lebanon, Bhutan, Jordan, Iraq, and Afghanistan.
- The taxation provisions in the signed tax treaties are imperfect: only 21 of the international tax treaties signed between China and the countries along the "Belt and Road" include tax sparing credit clauses, and most of the agreements do not involve tax sparing credit.
- The withholding tax rate, which is normally 10%, specified in the tax treaty that has been signed into force is not favorable enough. 5% is sometimes provided but it is difficult to achieve. For example, the withholding tax rate (10%) for dividend specified in the tax treaty between China and

Kazakhstan is significantly higher than it is in the tax treaty (0.5%) between the Netherlands and Kazakhstan; the withholding tax rate for dividend stipulated in the Chinese and Russian tax treaties are 5% and 10%, and for those who are shareholders holding more than 25% shares and not less than 80,000 euros, the dividend withholding tax rate does not exceed 5%. However, due to restrictions on the shareholding ratio to foreign investors investing in strategic assets such as energy and minerals, the shareholding ratio of Chinese companies is difficult to reach 25%, so they cannot enjoy the withholding tax rate of no more than 5%.

- The tax agreements that have entered into force do not support the capital thinning rules. Because most of the host countries (regions) have rules on capital thinning, which restrict the ratio of debt to capital and interest expenditure. If there is no agreement support for capital thinning rules in tax agreements, such as dividend provisions that do not include interest adjusted to prevent capital thinning, it will increase the risk of double taxation of China's "Going Out" enterprises.

Current Foreign Tax Collection and Administration and Dispute Resolutions Issues in China (Mainland)

Foreign Tax Collection and Administration

- If the overseas tax payment vouchers cannot be provided or provided later than the next year's Final Settlement and Payment of Enterprises Income Taxes, it will lead to the difficulties in offshore income tax credit or inter-temporal tax credit, which may lead to tax disputes.
- The deduction of assets losses of overseas enterprises lacks operational guidelines.
- There are some difficulties in the actual operation of taxpayers' Final Settlement and Payment of Enterprises Income Taxes with respect to their overseas income. For example, expatriates tend to be stationed abroad for a long time, with uncertain returning time and short stay time in China. At the same time, most of the expatriates are in underdeveloped areas, the tax law is not thorough enough, and tax authorities are inefficient. These factors increase the complexity of calculating income at home and abroad and tax credits abroad. In addition, there are differences in tax system and tax collection and management methods between the expatriates and China. It is difficult for taxpayers to settle and pay overseas income.

Insufficient Efforts to Resolve Tax Disputes – In the process of actual tax collection and management, the "going out" enterprises often have tax differences and disputes with their overseas tax authorities. Enterprises often find it difficult to get timely and effective assistance from domestic tax authorities, which brings inconvenience to tax disagreement coordination and dispute resolution.

Proposal to Resolve and Improve Tax Issues

Long-Term Suggestions

1. For specific industries, sectors, business models, transaction types, real cases, international tax rules and practices of the national tax authorities along the “Belt and Road”, China should recognize and improve business literacy in a positive way. In addition, China should shoulder the responsibility of optimizing the environment for business at different levels of development and in the field of tax collection and management to improve the tax system and the physical strength of tax collection and management.
2. In recent years, the efficiency and the level of tax collection and administration have been improved significantly. This achievement is closely related to the efforts of China’s tax authorities to apply advanced science and technology to the field of tax collection and administration. In the future, the SAT can share the experience of digitalized taxation, strengthen training for tax officials, assist in upgrading tax collection systems and providing technical support in different countries.
3. From 2015 to 2018, China has organized 22 training courses for more than 50 countries along the “Belt and Road”. These training courses exert an important impact on the improvement of the tax officials’ professionalism. In the future, Kazakhstan, China, Macau, Beijing and Yangzhou tax schools can serve as regional training and research centers. They can provide tax training for member states and observer countries of the “Belt and Road” tax collection and cooperation mechanism (BRITACOM), cultivate international taxation personnel, increase exchanges between tax authorities in different countries, and improve tax collection and management capabilities and tax service levels.
4. In practice, with the help of tax-related professional service agencies, “Going out” enterprises have already completed investment in different countries along the “Belt and Road”. These companies rely on the cooperation of internal fiscal and tax management teams and external professional service teams. Therefore, China needs to encourage global and regional network organizations to participate in the “Belt and Road”, thus contributing more solutions to China’s “Going out” enterprises.
5. While attempting to build BRITACOM into a dynamic, mutually beneficial and win-win mechanism, SAT may also launch multiple programs such as holding annual forums with respect to tax collection and management cooperation and the annual communication forums between business community and tax authorities. These programs will further better ensure the implementation of BRITACOM, which in turn will bring significant benefits to China’s “Going Out” enterprises.

Short-Term and Medium-Term Suggestions

Promote Further Collaboration and Cooperation Between Tax Authorities in Countries (Regions) along the “Belt and Road”

1. As of April 2019, in order to facilitate China’s “going out” enterprises to obtain and understand the tax basic information of the investing country, the 84-point country investment tax guide has been released. The purpose of optimizing and updating the tax guides for the “Belt and Road” is to present local tax policies and reporting processes. The BRITACOM official website will publish relevant tax policies to provide information for China’s “going out” enterprises and other national investors. In addition, for industries with large investment scales, taxpayers can refer to the generalization and the solution to common tax issues.
2. The China International Taxation Research Association, the China International Chamber of Commerce and the International Taxation and Investment Center can serve as a platform for “going out” enterprises to communicate with the State Administration of Taxation. Through BRITACOM, the State Administration of Taxation can arrange exchange meetings between the China International Taxation Research Association, the China International Chamber of Commerce and the “Belt and Road” tax authorities. To be specific, “going out” enterprises can reflect tax issues and share tax management experience by visiting the “Belt and Road” tax authorities with the China International Taxation Research Association and the China International Chamber of Commerce.
3. BRITACOM can establish regular exchange programs with countries along the “Belt and Road”. By collecting tax problems and difficulties encountered by China’s “going out” enterprises in advance, the State Administration of Taxation can discuss the taxation principles, implementation methods and solutions with local tax authorities. In order to enhance the certainty and transparency of tax policies, participants can post information to collect taxpayer feedback and comments for important tax issues.
4. The State Administration of Taxation can explore simple pricing agreements and negotiation rules with companies and regions that have large-scale investments, such as Kazakhstan and Pakistan. In addition, the Directorate can explore simple measures to promote the implementation of the agreement and even narrow the scope of the signed countries. These measures can promote cooperation, accumulate experience, and enrich international tax coordination methods and channels.
5. It is recommended that countries along the “Belt and Road” adopt tax credit rating management for enterprises. Enterprises with higher credit ratings can be classified as tax green channels. This method can simplify the taxation process for enterprises with good credit ratings, reduce the tax burden of enterprises, and improve the efficiency of tax authorities.
6. Publishing annual or short-term tax work plans through official channels is an effective way for taxpayers to understand future local tax policies and tax work. This approach enhances the predictability of tax policy and management. In addition, they should summarize practical cases and

enhance the timeliness and transparency of information publication, tax authorities should publish tax work regularly.

Improve and Optimize China's Tax Policy System

1. The cross-border taxation policy for the digital economy applicable to China is an urgent issue for “going out” enterprises. Due to the lack of enthusiasm for other countries to solve this problem, the General Administration should pay attention to this issue and propose China’s solution as soon as possible.
2. Dispatching more tax employees to stay at countries along the “Belt and Road” can provide better and faster tax services for local Chinese companies. In addition, it can play an active role in promoting the “Belt and Road” tax cooperation and helping the “Belt and Road” economic and trade.
3. The State Administration of Taxation should establish a rapid communication mechanism, for example, to set up a “hotline” with the tax authorities of the investing country to resolve urgent tax issues and cases in a timely manner. In addition, since BRITACOM has been formally established, it is recommended that the General Administration should also set up a working group for “going out” business services. The main work of this group is to coordinate with the China International Taxation Research Association, the China International Chamber of Commerce and the International Taxation and Investment Center, which have the functions of tax policy research and liaison services. The tax problems and difficulties encountered by Chinese enterprises can be communicated through the BRITACOM with the state tax authorities of “Belt and Road”. In addition, the team needs to maintain close contact with BRITACOM staff to provide feedback on the tax policies and requirements of the China International Taxation Research Association, the China International Chamber of Commerce, the International Tax and Investment Center, and the “going out” companies. Relying on the working group, BRITACOM can play an important role in helping the Chinese “Going out” companies in the tax field.
4. Regarding the tax policy of Chinese enterprises encountering tax credits and tax aggression, the General Administration and the Ministry of Finance still needs to revise and improve the relevant provisions. To encourage Chinese companies, the General Administration should introduce corresponding preferential tax policies, including short-term and long-term, inclusive and structural preferential policies. To be specific, the overseas income of the “Belt and Road” cooperation should be given preferential treatment such as tax reduction and investment loss reserve. Chinese companies can not only reduce the cost and burden of tax provisions, but also increase their enthusiasm for participating in global market competition.
5. Working groups should be set up and they should provide relevant services for “going out” enterprises. In addition, the group should be connected with national associations for tax policy research and liaison services. Based on BRITACOM mechanism, the group should establish a communication mechanism with the tax authorities of the “Belt and Road” countries to solve the tax problems and difficulties encountered by Chinese enterprises. Depending on BRITACOM

platform, the General Administration should plan long-term goals and pay more attention to short-term and medium-term goals. The General Administration should solve the tax problems faced by Chinese enterprises according to the degree of difficulty and priority. In this way, the role of BRITACOM in building a win-win new tax relationship can be well used.

Actions of CCIOC and ITIC

1. Based on the conference outcome and the Wuzhen Action Plan under BRIACOM, ICC China Taxation Commission will via ICC Taxation Commission to propose suggestions for the improvement of international tax rules, which includes improvement of model tax convention, improvement of transfer pricing guideline, and establishment of digitalization tax regime, etc., and submit the suggestions to the relevant international tax organizations for purpose of improvement of international tax cooperation rules.
2. As an observer of BRITACOM, ITIC has developed a 2-3 years' action plan, which has been filed with the BRITACOM, as to the improvement of tax environment in belt and road countries including key countries, key areas, action content, time table, and road map. The action plan, combined with best international practice and experts' opinions, was developed based on the outcome of the conference and the Wuzhen Action Plan under the BRITACOM. ITIC will continue to move forward the implementation of the belt and road countries tax environment improvement and tax cooperation rules in accordance with the Action Plan, actual situation, and BRITACOM's arrangements.

CCIOC, CITRI, and ITIC suggest STA relying on the BRITACOM as a communication platform, putting more emphasis on the short-term goal while always regarding the long-term goal as the start point. In order to give a full play to BRITCOM's role in building a new tax relationship for win-win cooperation, STA shall also propose implementation plans to solve problems, which encountered by the "going-Out" enterprises, of tax policies certainty, inefficiency, inconsistency, and transparency as well as the difficulty of reconciliation of tax disputes and disputes resolution. All these implementation plans should be launched step by step upon the degree of difficulty and priority.