The 5th BRITACOF

Deepening Tax Administration Cooperation for High-Quality Belt and Road Development

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New Practices of China's Tax Administration Digitalization and International Cooperation

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1

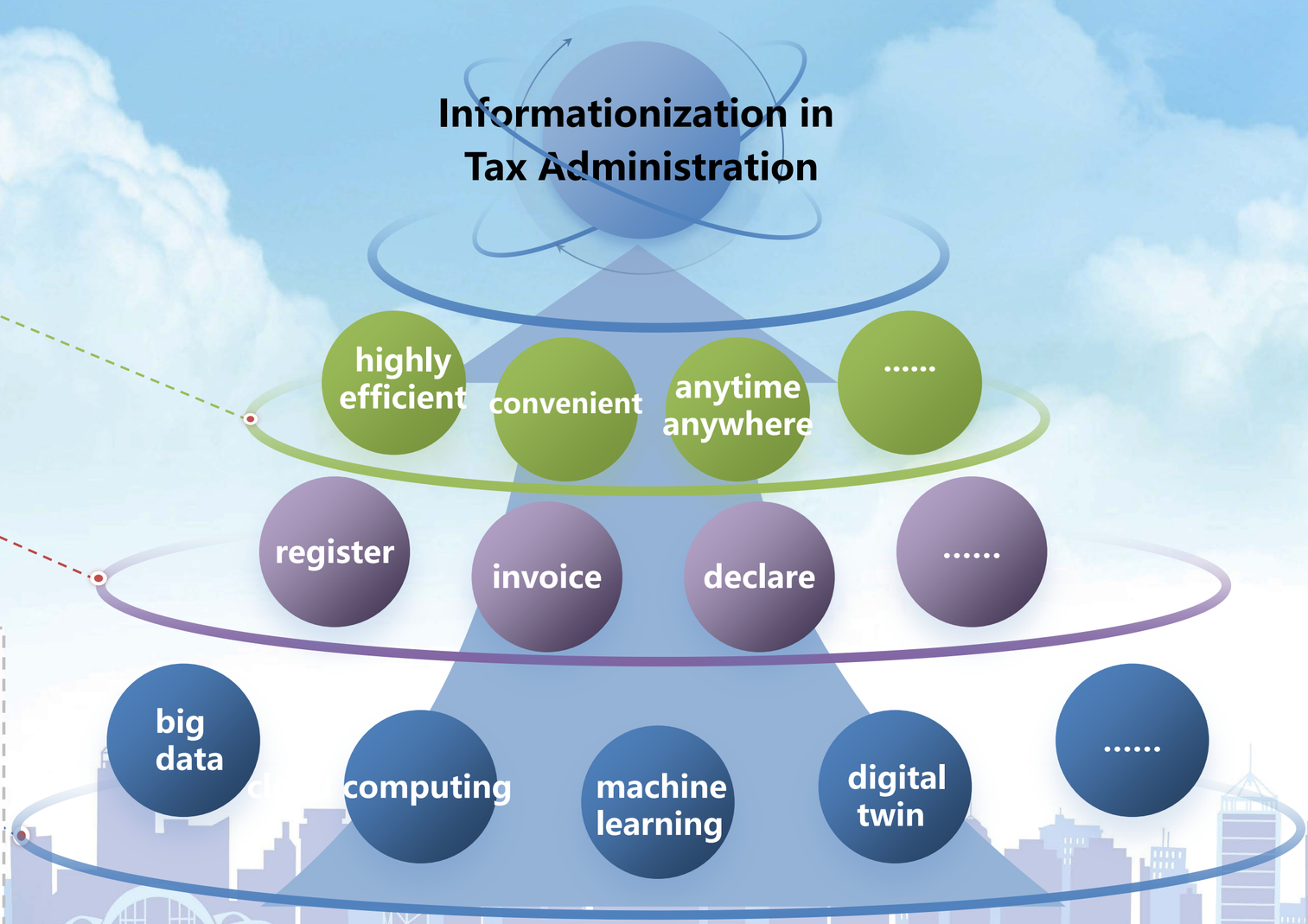
The Current Status of Digitalization in Tax Administration in China

The Current Status of Digitalization in Tax Administration in China

high-quality tax service

optimized business process

wide &deep application of new technologies &information resources



The Current Status of Digitalization in Tax Administration in China

actively drew on the advanced concepts of Tax Administration 3.0 released by the OECD

learned from the best practices of countries along the Belt and Road

launched the construction of the 4th phase of the Golden Tax for the smart taxation in 2020

The Current Status of Digitalization in Tax Administration in China

launched the construction of Golden Tax Phase IV for the smart taxation in 2020

→

built a "three-entities" intelligent application platform system

→

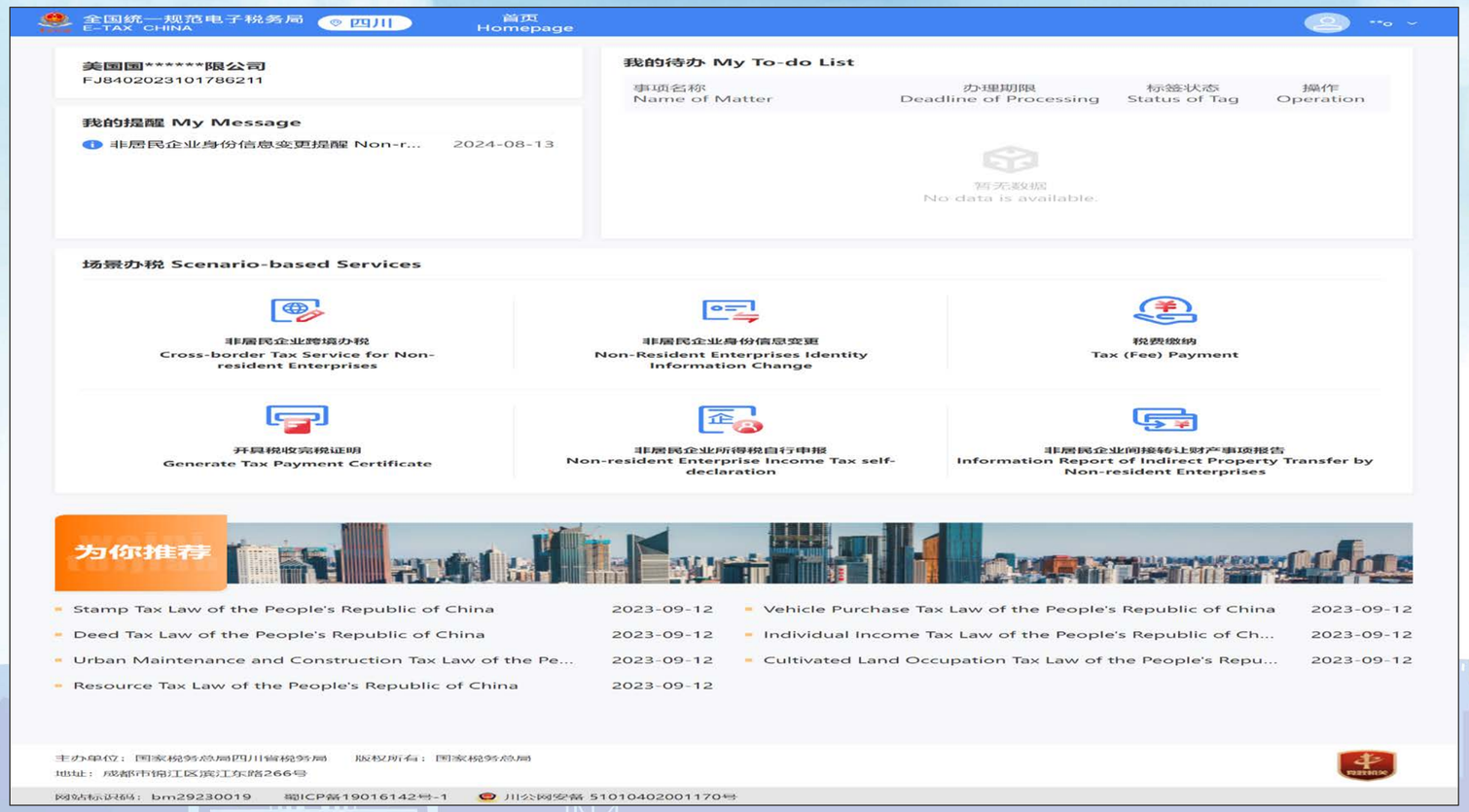
- taxpayers
- tax officials
- tax heads

The Current Status of Digitalization in Tax Administration in China

built a "three-entities" intelligent application platform system

- **taxpayers**
- **tax officials**
- **tax heads**

- build a unified tax service platform
- meet the needs of handling the tax-related affairs



The Current Status of digitalization in Tax Administration in China

built a "three-entities" intelligent application platform system

- **taxpayers**
- **tax officials**
- **tax heads**

- build a unified electronic work platform
- integrate all the systems that needed to operate

The Current Status of Digitalization in Tax Administration in China

built a system including the"three-entities" intelligent application platforms

- **taxpayers**
- **tax officials**
- **tax heads**

➢decision-making and Command Platform

➢comprehensive reference information

➢improvement of their decision-making ability

2

New Achievements of China's Digitalization Development of Tax Administration

New Achievements of China's Digitalization Development of Tax Administration

2.1 A Secure And Unique Digital Identity System

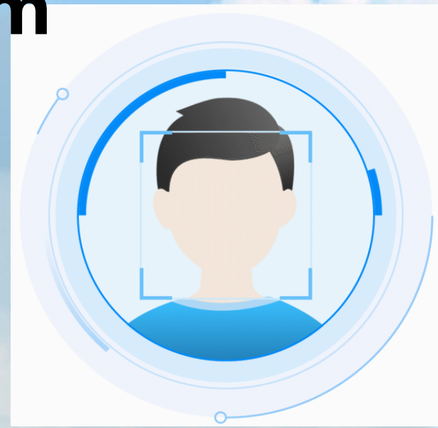
2.2 Fully Digitized Electronic Invoices

2.3 LeQi Direct Connection Platform: Moving Taxation Process Into Taxpayers' Natural Systems

2.4 Applying Tax Spillover Effect And Serving the Whole-of-Goverment Construction

New Achievements of China's Digitalization Development of Tax Administration

2.1 A Secure And Unique Tax Digital Identity System



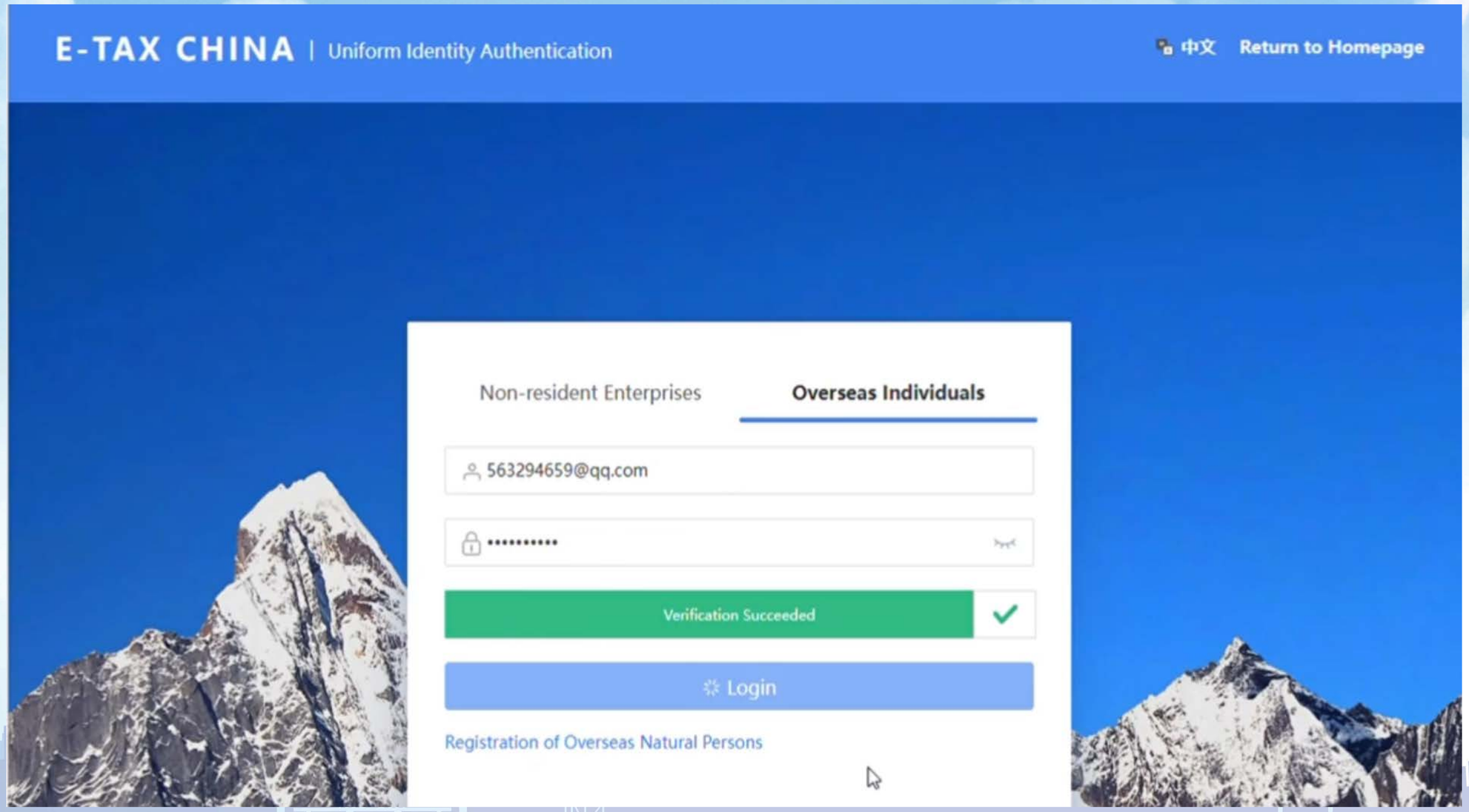
- **Privacy Protection**
  - encryption algorithms
  - digital certificates
- **Cross-system Interaction**
  - tax information system ⇔ national e-government platform
- **Verification Technologies**
  - collaborative signature
  - facial recognition
- **Service Target**
  - hundreds of millions of taxpayers
  - over 600,000 tax employees

- nationally unified
- unique for life

a tax trusted identity management platform with a huge business scale

New Achievements of China's Digitalization Development of Tax Administration

2.1 A Secure And Unique Tax Digital Identity System



New Achievements of China's Digitalization Development of Tax Administration

2.2 Fully Digitized Electronic Invoices

In China, value-added tax (VAT) accounts for the largest proportion of tax revenue

How to to properly manage VAT

Invoice is the foundation for implementing VAT management

Invoices record a large amount of transaction information

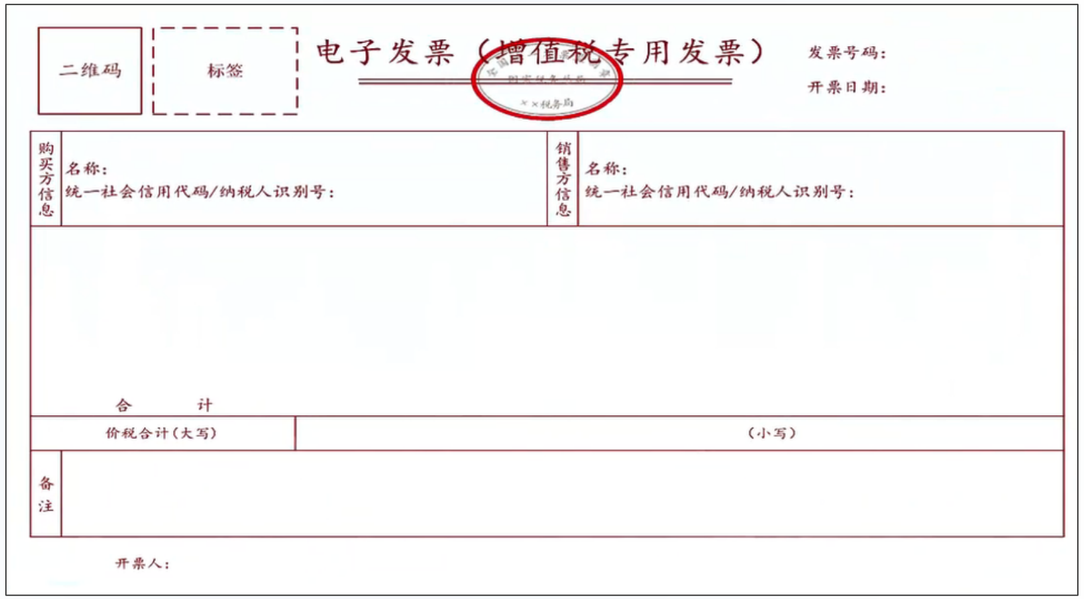
For taxpayers: issue and use invoices more conviniently

For tax employees: prevent fraud in VAT more accurately

New Achievements of China's Digitalization Development of Tax Administration

2.2 Fully Digitized Electronic Invoices

fully digitized electronic invoices



issued, stored, delivered, and displayed entirely in digital form

characteristics

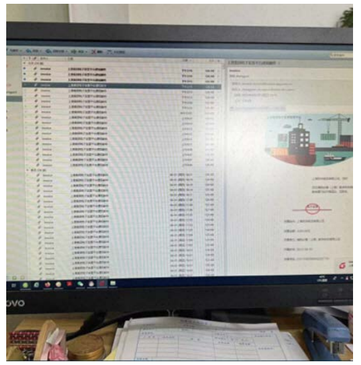
➢ **Real-time online issuance and delivery of invoices**

- issuance and receipt of invoices occur simultaneously online in real time
- reduce the institutional cost of invoice use

New Achievements of China's Digitalization Development of Tax Administration

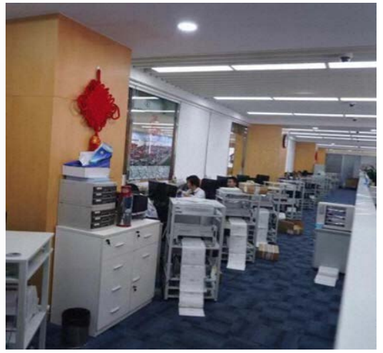
2.2 Fully Digitized Electronic Invoices

e-invoice



eg：a Port Group in Shanghai **manufacture** **processing** **issuance**

paper invoice



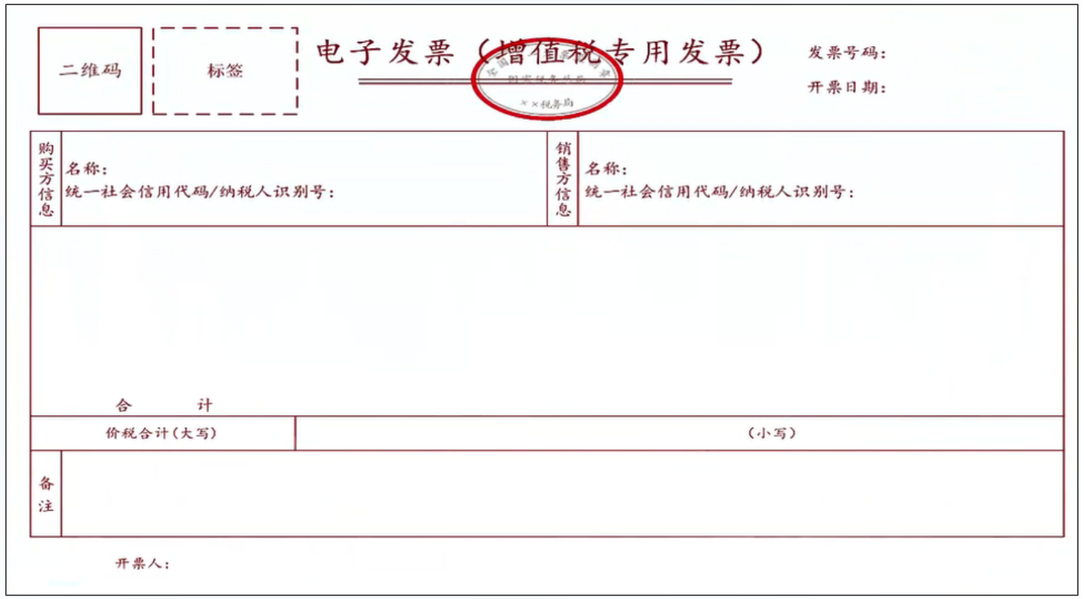
According to the company's own calculations,each year cost can be saved

10,000,000 yuan

New Achievements of China's Digitalization Development of Tax Administration

2.2 Fully Digitized Electronic Invoices

fully digitized electronic invoices


二维码 标签 电子发票（增值税专用发票） 发票号码： 开票日期：
购买方信息 名称： 统一社会信用代码/纳税人识别号：
销售方信息 名称： 统一社会信用代码/纳税人识别号：
合 计
价税合计（大写） （小写）
备注
开票人：

issued, stored, delivered, and displayed entirely in digital form

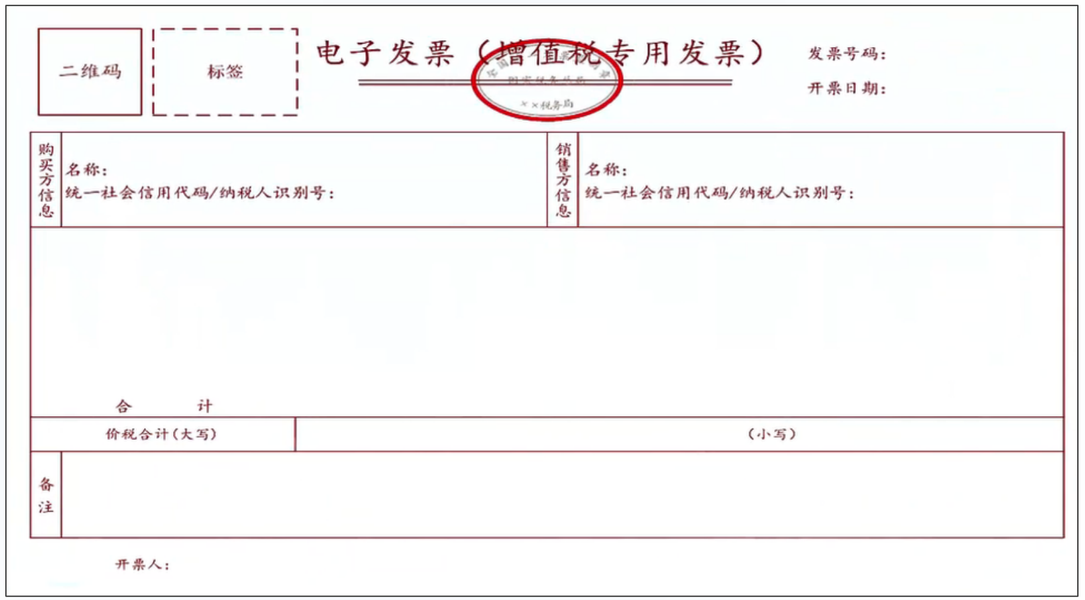
characteristics

- **precise control over risks occurred in invoice management**
  - the transaction information is automatically collected in the tax digital accounts of the buyer and seller, and stored in real-time in the tax information system.
  - not only ensures the security of taxpayers' invoice data, but also enables tax department to scan and analyze the data so that they can identify problems and take measures in a timely manner.

New Achievements of China's Digitalization Development of Tax Administration

2.2 Fully Digitized Electronic Invoices

fully digitized electronic invoices



issued, stored, delivered, and displayed entirely in digital form

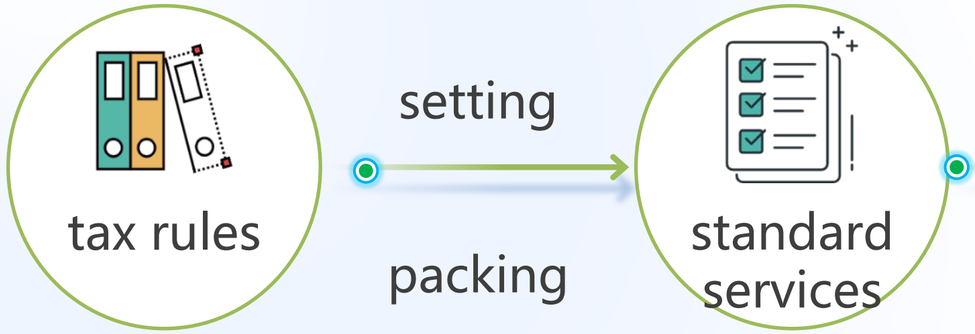
cross-border interaction

- **adopt the internationally recognized data language XML format**
  - easy for computers to read, recognize, collect, and analyze subsequently
  - the core elements of e-invoice are consistent with the basic elements of commercial vouchers internationally, such as invoices, debit notes, receipts, etc.

New Achievements of China's Digitalization Development of Tax Administration

2.3 LeQi Direct Connection Platform

leqi direct connection platform



refering concepts in TA3.0 Creat

LeQi Direct Connection Platform

taxpayers choose

on their demand

taxpayers' natural system

Production and business activities run automatically under the tax rules

purchaser **seller** **tax authority**

invoice data to 3rd party infomation system simultsnrously

New Achievements of China's Digitalization Development of Tax Administration

2.4 Applying Tax Spillover Effect And Serving the Whole-of-Goverment Construction

one-stop government service

nationwide labeling system of tax policy

- accurately push policies for tax department
- accurately push policies for other government department

different subjects

different scales

different types

New Achievements of China's Digitalization Development of Tax Administration

2.4 Applying Tax Spillover Effect and Serving the Whole-of-Goverment Construction

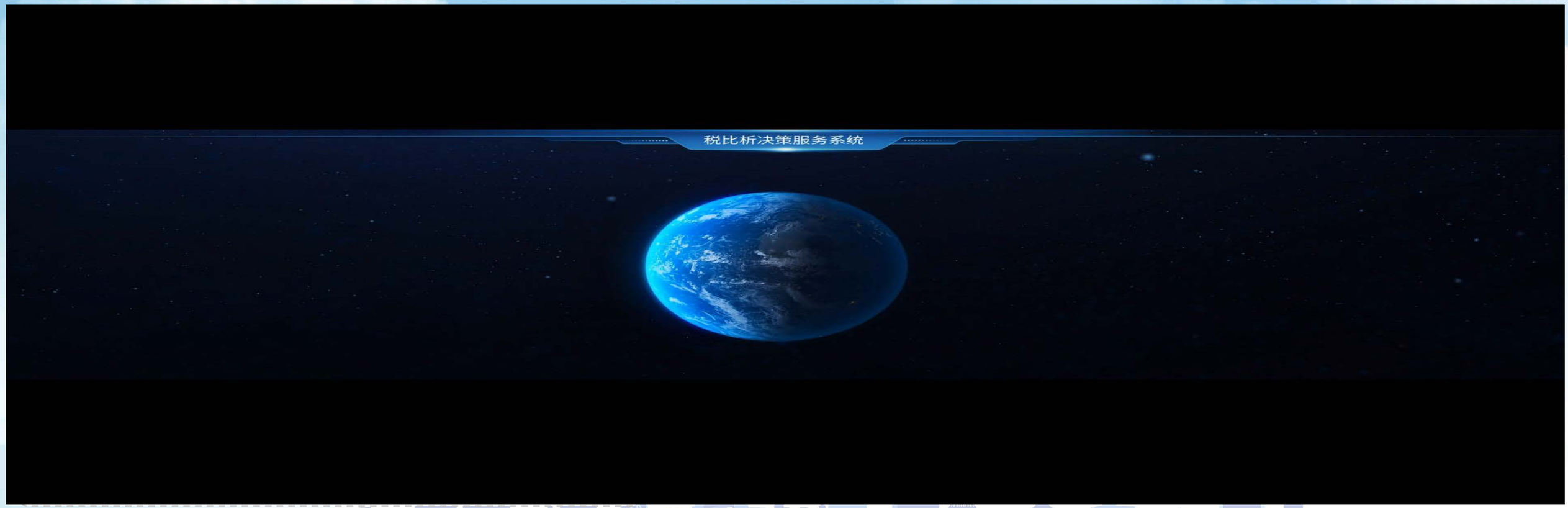
serving national governance

massive, diverse, extensive tax data

- deeply applied in various fields of economic operation and social managemen
- accurate, comprehensive, and timely decision-making reference for the government

New Achievements of China's Digitalization Development of Tax Administration

2.4 Applying Tax Spillover Effect and Serving the Whole-of-Goverment Construction



New Achievements of China's Digitalization Development of Tax Administration

2.4 Applying Tax Spillover Effect and Serving the Whole-of-Goverment Construction

one-stop government service

nationwide labeling system of tax policy

- accurately push policies for tax department
- accurately push policies for other government department

participated in international research

explored a broader digitalization Landscape with international peers

3

Future Prospects

Future Prospects

following the development direction of AI constantly

- creating intelligent tax payment scenarios
- optimizing intelligent interaction services
- strengthening intelligent tax risk control

Thanks