

Latest Updates and Strategies for Tax Minimization and Profit Maximization

CHINA TAX & TRANSFER PRICING

14-15 AUGUST 2006

Marina Mandarin Hotel, Singapore

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YOUR SINGLE SOURCE FOR COMPREHENSIVE BRIEFINGS ON

- ☐ Maximizing your profits by responding to the latest developments in China's strict tax environment
- ☐ Reducing your risk exposure through the latest updates on transfer pricing policies in China
- ☐ Preparing for a possible tax audit with full knowledge of what the Chinese tax auditors are really looking for
- ☐ Understanding how the authorities value Intangibles in transfer pricing
- ☐ Negotiating Advanced Pricing Agreements (APA) to reduce your transfer pricing risks
- ☐ Understanding current tax implications of mergers and acquisitions and takeover transactions in China
- ☐ Optimising the tax structure with the requirements of your operations in China
- ☐ Effective strategies to minimize your tax liabilities in China
- ☐ Maximise your foreign assets through effective tax treaty planning in China

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LEARN FROM THE REAL WORLD EXPERIENCE OF CORPORATE PRESENTERS

- ◆ Laurence R. O'Laughlin, *Regional Counsel*
Ingram Micro Asia Pacific
- ◆ Dr. Jo Jothidas, *Vice President & Chief
Administrative Officer (Asia Pacific)*
Via Systems, Hong Kong

GAIN NEW TAX MANAGEMENT SKILLS FROM LEADING AUDIT FIRMS

- ◆ Constant Tse, *Tax Partner*
Deloitte Touche Tohmatsu, China
- ◆ Cheng Chi, *Senior Tax Manager*
Ernst & Young China
- ◆ Steven Tseng, *Head of Global Transfer Pricing Services*
KPMG, China
- ◆ Patricia Wong, *Tax Director*
Rohan Mah & Partners

ENRICH YOUR TAX PLANNING KNOWLEDGE WITH VALUABLE INSIGHTS FROM LEADING LAWYERS & EXPERTS

- ◆ Hubert Tse, *Of Counsel*
Chen & Co. China
- ◆ Alfred Chan, *Director of Taxation*
**China Tax & Investment
Consultants, China**
- ◆ Cher Lim, *Senior Manager*
Dezan Shira & Associates, China
- ◆ Chee Fang Theng, *Partner, Tax Department*
KhattarWong
- ◆ Tan Chong Huat, *Partner*
KhattarWong
- ◆ Dr. Lee Fook Hong, *Principal Consultant*
Lee Fook Hong & Co.

MAXIMIZE YOUR PROFITS WITH SOUND TAX STRA

DAY ONE	14 AUGUST 2006	MONDAY
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8.00 REGISTRATION AND MORNING COFFEE

9.00 **CHAIRPERSON'S WELCOME AND OPENING ADDRESS**

Steven Tseng

*Head of Global Transfer Pricing Services
KPMG, China*

9.15 **LATEST UPDATES ON TRANSFER PRICING POLICIES IN CHINA AND THEIR IMPLICATIONS FOR FOREIGN COMPANIES**

- PRC entity's transfer pricing position
- How to mitigate the risks
- Defence documentation to be produced should the transfer pricing position be challenged
- CSAs to resolve existing risks - double taxation, and reduce exposure to senior management

Steven Tseng

*Head of Global Transfer Pricing Services
KPMG, China*

9.55 **MANAGING CHINA'S TAX AUDITS AND INVESTIGATIONS**

- Understand what the tax auditors are really after
- What are the factors that make you an audit target
- Develop an effective strategy for handling the tax audit
- Performing a tax-risk assessment of the foreign investment enterprise or representative office

Constant Tse

Tax Partner

Deloitte Touche Tohmatsu, China

10.40 MORNING REFRESHMENT

11.00 **CHINA'S VIEW OF TRANSFER PRICING TREATMENT OF HIGH VALUE INTANGIBLES**

- Transfer pricing codes and guidelines in China
- Brand management and its significance
- Intangible property: Development, ownership and exploitation
- Cost contribution arrangement and their relevance to intangible property
- Transfer pricing documentation

Cheng Chi

Senior Tax Manager

Ernst & Young China

11.45 **TRANSFER PRICING STRATEGIES: USING ADVANCED PRICING AGREEMENTS IN CHINA**

- Transfer pricing strategies for operations in China
- Advanced Pricing Agreements (APA) and its benefits and drawbacks
- Types of companies suitable for APA
- Managing transfer pricing risks with APA
- Processes, procedures and pitfalls when negotiating APA in China

Dr. Lee Fook Hong

Principal Consultant

Lee Fook Hong & Co.

12.30 LUNCH

1.30 **LEGAL AND TAX ISSUES FOR TRADING OPERATIONS IN THE PRC**

- Legal development
- Capital requirement
- Foreign and domestic trading rights
- Entry modes
- Comparison: FICE in free trade zone and elsewhere
- Scope of business
- Taxes and invoices
- Types of taxpayer and VAT computations
- Accounting vs. VAT rules
- Sales across different cities (provinces)

Alfred Chan

Director of Taxation

China Tax & Investment Consultants, China

2.15 **TAX IMPLICATIONS OF SETTING UP A BUSINESS OPERATION IN CHINA**

- Strategic considerations when setting up your business in China
- Challenges a company faces in the set-up process
- Types of business set-up
- Incentives for foreign business set-ups in China
- China's special investment areas

Constant Tse

Tax Partner

Deloitte Touche Tohmatsu, China

3.00 AFTERNOON REFRESHMENT

3.30 **TAX TREATY PLANNING FOR FOREIGN COMPANIES IN CHINA**

- Taxation for foreign companies
- Elements of an effective tax treaty in China
- Tax treaty planning procedures and requirements

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STRATEGIES AND GAIN A COMPETITIVE ADVANTAGE

- Treatment of assets in tax treaty planning
- Use of tax treaties to reduce Chinese withholding taxes on the payment of interest, royalties or service fees to foreign companies

Chee Fang Theng

Partner, Tax Department

KhattarWong

4.15 TAXATION MANAGEMENT OF TRANSFER PRICING IN CHINA

- Transfer pricing regulations and closer scrutiny from tax authorities in China
- Risk assessment, pricing modifications and adjustments
- Compliance and documentation
- Analysing the arm's length nature of transfer pricing in China
- Defence strategy to counter regulatory challenges and future tax burden

Steven Tseng

Head of Global Transfer Pricing Services

KPMG, China

5.00 END OF DAY ONE

DAY TWO	15 AUGUST 2006	TUESDAY
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8.30 MORNING COFFEE

9.00 CHAIRPERSON'S WELCOME AND OPENING ADDRESS

Hubert Tse

Of Counsel

Chen & Co. China

9.10 FUTURE DIRECTION OF CHINA'S TAX REGIME

- Current trends and developments in China's strict tax environment
- Challenges faced by foreign companies to comply with China's tax policies
- Managing the constant reforms
- Possible tax developments in the future
- Preparing foreign companies for anticipated changes
- Tax aspects of M&A and private equity deals in China

Hubert Tse

Of Counsel

Chen & Co. China

9.55 TAX MINIMIZING OPTIONS IN CHINA

- Using an offshore holding company as a tax effective vehicle
- Withholding tax structures to maximise profit repatriation

- Structuring expatriate salary packages to minimise China individual income tax burden
- Different tax incentives in the various zones in China
- Service charge from the parent company to reduce tax liabilities on profits of operations in China
- Re-investment tax refunds
- Approaches to negotiating tax-free status where applicable

Cher Lim

Senior Manager

Dezan Shira & Associates, China

10.40 MORNING REFRESHMENT

11.10 THE PRACTICAL ASPECTS OF CHINA BUSINESS ENVIRONMENT; CHINA TAX LAWS, RULES AND PRACTICE - FROM THE NON-LOCAL PERSPECTIVE

- The uncommon surprises
- Negotiations, "face" and business deals
- Bribes, kickbacks and favours (are they real?)
- Success in the China playing fields

IN THE CONTEXT OF -

- Intercompany and related parties' transactions
- Applications and use of China tax treaties
- In search of the efficient business and tax model
- Tax and business ramifications from home country's perspective

Patricia Wong

Tax Director

Rohan Mah & Partners

11.55 MAXIMIZING RETURNS FOR YOUR OPERATIONS IN CHINA – DEVELOPING AN INTEGRATED TAX STRUCTURE THAT WORKS

- Integrating taxation and your business needs
- Optimising tax structure for operations in China
- Maximising local investment incentives and benefits
- Income tax issues
- Tax planning for treasury activities

Dr. Jo Jothidas

Vice President & Chief Administrative Officer (Asia Pacific)

Via Systems, Hong Kong

12.40 LUNCH

2.10 CASE STUDY PRESENTATION OF MANAGING A TAX AUDIT

- Tax-risk assessment of the foreign investment enterprise or representative office
- Typical examples on the appropriateness or validity of tax treatments on specific items



■ Effective strategies for handling the tax audit
Laurence R. O’Laughlin
Regional Counsel
Ingram Micro Asia Pacific

2.55 **DISPUTES RESOLUTION WITH CHINA TAX AUTHORITIES**

■ The peculiarities and dilemmas
■ Evidentiary issues
■ The alternative settlement methods in China
■ Issues to consider before litigation
■ Use of experts
Patricia Wong
Tax Director
Rohan Mah & Partners

3.40 AFTERNOON REFRESHMENT

4.15 **TAX TREATMENTS & IMPLICATIONS OF MERGERS AND ACQUISITIONS AND TAKEOVER TRANSACTIONS IN CHINA**

■ China’s revised rules on forex controls in M&A transactions
■ Forms of M&A transactions in China
■ Tax consequences and impact on FIEs in China
■ Loss carry-forward and reinvestment relief
■ Due diligence environment in China
■ China as a holding location for your operations
■ Treatment of goodwill
Panel Discussion
Cher Lim, Senior Manager
Dezan Shira & Associates, China

Tan Chong Huat, Partner
KhattarWong

Hubert Tse, Of Counsel
Chen & Co. China

Dr. Jo Jothidas, Vice President & Chief Administrative Officer (Asia Pacific)
Via Systems, Hong Kong

5.00 END OF CONFERENCE

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KEY BENEFITS OF ATTENDING

- ✓ **MANAGE** the tax implications of setting up a business operation in China
- ✓ **UNDERSTAND** the challenges and avoid the pitfalls faced by foreign companies in complying with China’s tax policies
- ✓ **OPTIMISE** tax treatments when dealing with high value intangibles
- ✓ **LEARN** how to manage transfer pricing risks with APA
- ✓ **BE** Aware of the possible factors that make you an audit target
- ✓ **PROTECT** yourself with defence strategies to counter regulatory challenges
- ✓ **CUSTOMIZE** tax planning to your business needs and maximise local investment incentives
- ✓ **NETWORK** with leading tax experts from China and take charge of your foreign investment revenue today!

WHO SHOULD ATTEND

- Chief Executive Officers
- Chief Financial Officers
- Financial controllers
- Regional Finance Directors/Managers
- Tax Directors/Partners/ Managers/ Specialist/Lawyers
- Accountants
- Financial Analysts
- Management Accountants

And all officers who manage the tax and financial aspects of investment opportunities in China on behalf of their companies

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TAX PLANNING TOOLS AND STRATEGIES TO MAXIMIZE YOUR PROFITS IN CHINA

With China's accession to the World Trade Organization (WTO), and in keeping with its policy of encouraging foreign investments, FIEs are now able to enjoy more generous tax incentives as required by reforms through lower duties and more substantiated ownership in Chinese domestic companies which has in turn greatly increased M&A activity in China.

On the flipside, Tax reform has also ensured that the government has taken a more conservative stance by putting in place new policies that greatly reduce the flexibilities of Transfer Pricing and possibly outlaw what is currently practiced by numerous foreign companies in treating their revenue stream. There has also been a significant increase in outright tax liabilities while imposing heavier tax compliance requirements on FIEs in a staunch effort to protect its tax base and eliminate tax avoidance.

For the thousands of FIEs as well as many more who plan to invest in China, these circumstances are aggravated by the fact that taxes in China are voluminous, complicated with no centralized register for all tax laws and may take effect without proper notification or any publicity.

Addressing all the critical issues that will need clear answers, from transfer pricing, to customs issues, *Asia Business Forum* is proud to present our Annual **CHINA TAX & TRANSFER PRICING** Conference. Covering your key tax concerns in managing a tax audit in China or learning how to execute an effective tax planning treaty to the tax implications of M&A and the valuation of intangibles in transfer pricing. This 2-day Conference will break down and analyze the critical tax issues to help you better manage the tax implications of a broad range of activity in China.

HEAR FROM A DISTINGUISHED GATHERING OF TAX EXPERTS FROM CHINA AND SINGAPORE INCLUDING:

□ **Constant Tse, Partner-in-charge of Deloitte's tax practice in Guangzhou** who specializes in advising clients on matters related to taxation in China and Hong Kong serving local, regional and multinational corporations in various industries. Listed by the International Tax Review as one of the Top Ten Tax Advisors in Hong Kong and Mainland China, Constant will examine the strategic considerations when setting up a business in China and the tax implications companies should expect in the set-up process.

□ **Steven Tseng, Partner in charge of Global Transfer Pricing Services for KPMG** in China & Hong Kong is the lead partner/ lead economist for several hundred global transfer pricing, business transformation, valuations and post merger integration projects around the world. Having been active in advising multinational companies on transfer pricing issues since 1994 and having conducted trainings for the Chinese Tax Authorities on Transfer Pricing matters, Steven will give insights into the arm's length nature of transfer pricing in China and share strategies to work with regulatory challenges and assessing future tax burdens for companies operating in China.

□ **Cheng Chi, Senior Manager of Ernst & Young in China**, is a key and founding member of the Ernst & Young China Transfer Pricing core team. Within Ernst & Young, Cheng has worked on a wide range of transfer pricing projects, encompassing planning, documentation, supply chain structuring, controversy management

and APA negotiation. An expert on China transfer pricing, Cheng frequently manages multi-country transfer pricing projects in the Asia Pacific region with particular expertise in intangibles related transfer pricing. Cheng Chi will examine how well new or existing transfer pricing policies for intangibles will hold up to tax scrutiny in China.

□ **Dr. Lee Fock Hong, Principal Consultant of Lee Fock Hong & Company** with a distinguished career as specialist in taxation, corporate secretarial practice, corporate administration and corporate governance, He had previous experience as the Group Tax advisor to the Shell Group of Companies as well the Inland Revenue Authority of Singapore (IRAS) and will give a presentation on Advanced Pricing Agreements (APA), its benefits and drawbacks as well as how suitable companies can manage transfer pricing risks and its challenges when negotiating APA in China

□ **Alfred Chan, Director of China Tax & Investment Consultants** whom has published numerous articles on PRC taxes in Hong Kong and international professional journals including the Asia-Pacific Journal of Taxation, International Bureau of Fiscal Documentation, Tax Planning International etc and advices foreign investment enterprises on PRC VAT, income tax, and customs rules, as well as accounting control and Internal audit systems. Alfred will detail the intricate but essential legal and tax issues that foreign entities should anticipate.

Invest just 2-day's of your time in this specially researched conference, with an exclusive gathering of key tax experts from China & Singapore and you have a unique opportunity to be updated of the latest tax regulations and their implications as well as concerns and best practices for operating in China and minimizing your cost!

Network with your peers, share experiences and views with fellow practitioners and get tips from top tax experts and practitioners at this value packed event!

Register NOW! For EARLY BIRD DISCOUNTS!

Call our Customer Hotline no. (65) 6536 8676 today. Or Email to marcy.chong@abf.com.sg

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14-15 August 2006 * Marina Mandarin Hotel, Singapore

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If you are unable to attend, a substitute delegate is welcomed at no extra charge. Please provide the name and the title of the substitute delegate at least 2 working days prior to the Conference. A refund less S\$300 administration charge will be made for cancellation received in writing on or before **25 July 2006**. Regrettably, no refund can be made for cancellation received after this date. A complete set of documentation will however be sent to you.

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