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CECHY PRZEPROWADZENIA KONTROLI FISKALNEJ W CHIŃSKIEJ REPUBLICE LUDOWEJ

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Adnotacja. Artykuł poświęcono badaniu działalności organizacji wdrażającej kontrolę fiskalną na terytorium Chin, a mianowicie Państwowej Administracji Podatkowej ChRL. Rozważono możliwości, którymi jest obdarzona i jej strukturę. Wskazano podział podatników na typy. Scharakteryzowano procedurę przeprowadzania kontroli fiskalnej na terytorium Chińskiej Republiki Ludowej. Chińska Republika Ludowa jest obecnie jednym z najbardziej postępowych krajów w dziedzinie kontroli fiskalnej. Największym zainteresowaniem cieszy nas proces przeprowadzania kontroli podatkowych, w trakcie których istnieje możliwość złożenia zapytania m.in. o rachunki depozytowe, za których pomocą podatnik lub agent podatkowy dowie się o oszczędnościach posiadanych przez podejrzanego. Ale takie informacje mają wyjątkowy charakter i nie mogą być wykorzystywane do celów innych niż pobieranie podatków.

Słowa kluczowe: kontrola fiskalna, Chińska Republika Ludowa, podatki w ChRL, system fiskalny ChRL, polityka fiskalna.

FEATURES OF THE IMPLEMENTATION OF FISCAL CONTROL IN THE PEOPLE'S REPUBLIC OF CHINA

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Abstract. The article is devoted to the study of the activities of the organization that implements fiscal control on the territory of China, namely the State Tax Administration of the People's Republic of China. The possibilities it has and its structure are considered. The division of taxpayers into types is indicated. The procedure of fiscal control in the territory of the People's Republic of China is characterized. The People's Republic of China is currently one of the most progressive countries in the field of fiscal control. Of greatest interest to us is the process of conducting tax audits, during which there is the possibility of submitting a request, including about deposit accounts, which the taxpayer or tax agent can use to find out about the savings owned by the suspect. But such information has an exclusive focus and cannot be used for purposes other than tax collection.

Key words: fiscal control, People's Republic of China, taxes in the PRC, fiscal system of the PRC, fiscal policy.

ОСОБЛИВОСТІ ЗДІЙСНЕННЯ ФІСКАЛЬНОГО КОНТРОЛЮ У КИТАЙСЬКІЙ НАРОДНІЙ РЕСПУБЛІЦІ

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Анотація. Стаття присвячена дослідженню діяльності організації, що реалізує фіскальний контроль на території Китаю, а саме Державного податкового управління КНР. Розглянуто можливості, якими воно наділене, та його

структуру. Зазначено поділ платників податків на типи. Охарактеризовано процедуру здійснення фіскального контролю на території Китайської Народної Республіки. Китайська Народна Республіка є на сьогоднішній день однією з найпрогресивніших країн у сфері фіскального контролю. Найбільший інтерес для нас викликає процес проведення податкових перевірок, у ході яких існує можливість подання запити, у тому числі про депозитні рахунки, якими платник податків або податковий агент дізнатися про заощадження, якими володіє підозрюваний. Але така інформація має виняткову спрямованість і не може використовуватись для інших цілей, крім збору податків.

Ключові слова: фіскальний контроль, Китайська Народна Республіка, податки у КНР, фіскальна система КНР, фіскальна політика.

Relevance of the article. A well-functioning public sector that delivers quality public services that meet the preferences of citizens, and that promotes the growth of the private market through the simultaneous management of fiscal resources, is one of the main ways to overcome poverty and achieve the Sustainable Development Goals. The best way to achieve this goal, in our opinion, is to study the experience of foreign countries on ideas and practices that promote responsiveness (by aligning the activities of public services with the wishes of citizens), responsibility (for the efficiency and fairness of service delivery without excessive fiscal and social risk) and accountability (citizens for all actions) governments in developing countries.

Presenting main material. One example of a country that has implemented an efficient and effective fiscal control implementation system is the People's Republic of China. Within the framework of this study, we propose to study in more detail the features of such activities on the territory of the state. China's tax laws and policies are mainly shaped by government bodies such as: the National People's Congress and its Standing Committee; State Council; Ministry of Finance; State Tax Administration; State Foreign Exchange Administration; and the General Customs Administration. The Ministry of Finance, the State Tax Administration and the General Administration of Customs are ministries and institutions subordinate to the State Council, and they are authorized to issue tax announcements, circulars and responses for the purpose of supplementing, interpreting or clarifying the laws and regulations of the IHE and the State Council (Zhou, 2020).

The responsibility for the direct implementation of fiscal control in the PRC is entrusted to the State Taxation Administration of the PRC (STA), established in 1958. His powers include:

- creating tax laws and regulations; development of detailed rules for the application of tax laws and regulations; making proposals on tax policy and, together with the Ministry of Finance, reviewing proposals and submitting them to the Council of State; formulation of rules for the implementation of tax policy;
- measuring the overall tax burden and putting forward proposals on the use of the tax for regulatory purposes; formulation of tax rules and procedures and control over their implementation; providing advice on the collection and administration of local taxes;
- organizing the collection and administration of taxes, general taxes and contributions to state funds; development of income plans; providing interpretation of issues relating to the collection and administration of taxes, as well as general tax policy issues arising from the application of tax laws and regulations;
- conducting international exchange and cooperation on taxation; negotiation and application of double tax treaties and the prevention of tax evasion with respect to income and capital taxes;
- regulation of the collection and refund of VAT and excises on imports and exports;
- responsibility for human resource management, payroll, size and expenses of local STA offices; appointing and supervising the work of directors and deputy directors at the provincial level of STA offices; advising on the appointment and removal of local tax directors at the provincial level;
- promoting training for tax officials at all levels to improve their professional skills and ethical standards; organization of theoretical studies in the field of taxation and activities to raise public awareness of taxation issues; maintenance and adjustment of certified tax agents and tax agencies, etc (State Taxation Administration of the People's Republic of China, 2020).

The STA headquarters has 14 functional departments, each of which consists of several departments (offices). In addition, some non-governmental organizations are directly subordinate to the STA headquarters, including the Agency Service Center (organizational service bureau), the Electronic Tax Administration Center, the Centralized Purchasing Center, the Tax Research Institute, the Tax Promotion Center, the College of Tax Management (Party School of the State Chinese Communist Party Tax Administration), China Tax Journal, China Taxation Newspaper, China Tax Press, Yangzhou Training Center and Changchun Tax College (State Taxation Administration of the People's Republic of China, 2020).

There are eighteen different types of taxes in China, which can be divided into three categories depending on their nature:

- taxes on goods and services, VAT, excise tax, tax on the purchase of vehicles and duties,
- income tax, both from legal entities and individuals,
- taxes on property and conduct, including land valuation tax, real estate tax, land use tax in cities and towns, farmland occupation tax, real estate tax, resource tax, vehicle and boat tax, stamp duty, urban maintenance and construction tax, tobacco tax, shipping tonnage tax and environmental protection tax.

The variety of types of information obtained from many sources and through various channels helps the Chinese tax administration keep taxpayers under review. Tax returns filed by taxpayers are used by the STA to regularly identify and analyze risks in accordance with the integration of tax information into and exclusion from the tax administration system. Taxpayers from whom tax revenues may flow are classified based on their risk ratings. For

low-risk taxpayers, the tax authorities will only send out risk warnings asking them to prevent risks or revise their returns. For high- and medium-risk taxpayers, tax administrations will implement risk control measures, including compliance assessments, tax audits, tax avoidance screenings, and tax audits. Meanwhile, tax administrations have to improve risk indicators and models accordingly on an ongoing basis after evaluating risk management processes.

In 2018, based on the STA risk management platform, it conducted specialized risk analysis in key industries and improved the accuracy of risk analysis. The STA has also deepened and expanded cross-regional coordination of risk management and cooperation. Lists of irregular households, Tier D companies and taxpayers subject to taxes are distributed by region. Cooperation is carried out on risk warning, information exchange and risk investigation. A picture of nationwide vertical and horizontal cooperation in risk management has emerged that has effectively improved tax compliance by taxpayers.

In 2019, the STA established the Big Data and Tax Risk Management Administration to organize and manage big data and tax risk management activities across the country, establishing a professional organizational structure in this field.

The tax risk administration at all levels throughout the country has taken full advantage of its professional organizations to carry out cross-regional cooperation in the field of risk management and promote national exchange of information on tax risks. With the support of information technology, such as a cross-regional risk management system, offline monitoring and warning of delinquent taxpayers was implemented, which improved the management of tax risks throughout the country.

In accordance with the requirement of common activity planning, methods and work levels, STA uses the function of identifying similar tasks in the risk management system to strengthen risk task planning and centralize risk management, and improve the efficiency of risk management work. Taking full advantage of its strengths in data integration and processing, STA has created and improved tax risk indicator models in recent years and strengthened indicator model development, risk analysis, prevention and control in areas of high tax risk based on cross-industry and cross-regional data, and computational capacities and models of the cloud platform (State Taxation Administration of the People's Republic of China, 2020).

Let us consider the procedure for implementing fiscal control in China in more detail.

In accordance with the Law of the People's Republic of China on the Administration of Tax Collection, the tax authorities have the right to conduct such tax audits:

- check the taxpayer's books, account receipts, reports and related information; review the withholding agent's ledgers, invoice vouchers and related information on the amount of tax withheld and transferred or collected and transferred;
- check taxable goods or other property of the taxpayer at the taxpayer's facilities where production or economic activity is carried out, and in places where goods are stored; to check the working conditions of a tax agent related to the withholding and transfer of tax or the collection and transfer of tax;
- order the taxpayer or tax agent to provide documents supporting documents and information related to the payment of tax or the amount of tax withheld and transferred or collected and transferred tax;
- make inquiries to the taxpayer or tax agent on issues and information related to the payment of tax or the amount of tax withheld and transferred or collected and transferred;
- check at stations, docks, airports, postal enterprises and their branches supporting documents, vouchers and information related to taxable goods or other property, the taxpayer handed over for transportation or sent by mail;
- with the approval of the commissioner of a tax audit bureau (or sub-bureau) at the county level or higher, apply for deposit accounts that a taxpayer engaged in manufacturing or business operations or a tax agent has opened with a bank or any other financial institution. In consultation with the commissioner of the tax audit bureau (sub-bureau) at the city level, divided into districts or autonomous prefecture or higher, find out the savings that the suspect is involved in the case. No information obtained through an investigation by the tax authorities may be used for purposes other than tax collection (Law of the People's Republic of China on the Administration of Tax Collection, 2001).

To conduct an audit, officials sent by the tax authorities present a tax audit certificate and tax audit notices and are required to maintain the confidentiality of the data of the audited persons; if such certificate and communication are not presented, the persons subject to verification shall have the right to refuse to accept the verification. If, as a result of a tax audit of a taxpayer engaged in production or economic activity, the taxpayer's evasion of the obligation to pay tax and obvious signs of transfer or concealment of taxable goods, goods or other property or income are revealed, they may take measures to save taxes or enforcement measures to ensure (Law of the People's Republic of China on the Administration of Tax Collection, 2001).

The tax due diligence process can be lengthy and usually includes the following steps:

- initial verification by the tax authority of questionnaires or forms filled out by taxpayers at the request of the tax authority;
- visiting the taxpayer's office and checking financial, accounting, tax and other related documents;
- discussion and negotiations between the taxpayer and the tax authorities on issues arising during the tax audit;
- internal review and approval by the tax authorities of the proposed settlement or additional assessment, as appropriate;
- issuance of a certificate by the tax authority (KPMG Asia Pacific Tax Centre, 2014).

Led by the STA, local tax authorities sometimes use data analysis methodologies to improve the targeting and focus of their tax audit activities. Various local tax authorities have developed their own systems for detecting red flags and selecting tax audit targets.

In 2019, tax audit bureaus at all levels made every effort to investigate and punish violations of tax laws and regulations, continued to deepen tax audit reforms and improve the efficiency and effectiveness of their work.

The State Tax Inspectorate further deepened and improved the tax audit reform. The Office published 12 documents, including a Statement on the regulation of the activities of audit bodies and proposals for further improving the work of tax audit, and also formulated rules and measures for tax audit, joint investigation of invoice cases, combating tax fraud, managing funds, reviewing cases of serious offenses, the implementation of the investigation and control of funds, the management of the information content of reports, the parallel investigation of cases, the processing of objections to the "black list", etc. to consolidate and improve the results of the tax audit reform and promote the efficient and orderly implementation of audit work (Tax auditing. State Taxation Administration of the People's Republic of China, 2021).

Of interest are the methods of counteracting fiscal offenses by the State Tax Administration, including:

- application of a two-year special program to combat erroneous billing and fraud in the return of export taxes;
- random selection and publication of observation results;
- facilitating IT-based auditing;
- in-depth implementation of the "black list" and the general system of punishments.

The conclusion of an agreement on joint compliance with tax requirements between the taxpayer and the tax administration is also welcome. Since 2012, the signing of the tax compliance agreement has been gradually implemented, first by the STA with large businesses, and then extended to the provincial-level tax authorities. Such an agreement in negotiation is not yet for a non-big business company.

In addition, China has invested significant resources in the digitalization of tax processes. Most fiscal control tasks in the People's Republic of China can now be completed online, even using a mobile phone. In addition, the concept of "big data" has also pushed for new perspectives and concepts in fiscal administration and risk management. Digitalization seems to be a phenomenal trend in which the implementation of any tax-related activity will become more transparent, and the forecasting and identification of tax risks will become possible at an earlier stage.

The People's Republic of China is, today, one of the most progressive countries in the field of fiscal control. Of greatest interest to us is the process of conducting tax audits, during which there is the possibility of submitting a request, including on deposit accounts held by a taxpayer or tax agent, to learn about the savings owned by a suspect. But such information has an exclusive focus and cannot be used for purposes other than tax collection. We propose to pay detailed attention to the transition of most fiscal processes to the online space, which simplifies access to the data necessary for carrying out fiscal control activities, simplifies the implementation of the obligation to provide tax information for citizens, enterprises and tax agents (especially in the context of temporary quarantine restrictions) and also significantly increases the transparency of the process of implementation by the state of fiscal control. That is why, in our opinion, such experience is the most relevant for implementation in the national legal system.

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