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[SHANGHAI] More Industries Eligible for the Support Measures under Epidemic

Following the issuance of the <Action Plan for Accelerating Economic Recovery and Revitalization> on May 29th, 2022 ([Click](#) to check our previous Flash Info), some supporting measures in terms of social insurance and taxation have further been expanded to cover more businesses in Shanghai.

– VAT credits refund

As a part of the national measure, from July 1st, 2022, seven new industries, in addition to the six ones already eligible ([Click](#) to check our Tax Newsletter), can apply for the refund of historical and incremental VAT credits. The seven new industries include:

- Wholesale and retail
- Agriculture, forestry, husbandry and fishery
- Hospitality and catering
- Personal services, repair services and other services
- Education
- Healthcare and social work-related services
- Culture, sports, and entertainment

The industries are determined as per the definition in the <Industrial Classification for National Economic Activities>.

When the company engages in different industries, the sales related to the eligible industries must account for more than 50 percent of the company's total sales.

– Deferred payment of social insurance

According to a Circular issued by the Shanghai Human Resources and Social Security Bureau jointly with other authorities, in addition to the initial eligible five sectors that are seriously affected by the epidemic (i.e. catering, retail, tourism, aviation and road, waterway and rail transportation), the policy of the deferment of payment of social insurance has now been expanded to other seventeen industries, including textile and apparel industry, pharmaceutical manufacturing, automobile manufacturing, general equipment manufacturing, culture and art, entertainment etc. ([Click](#) for the full list).

The enterprises in aforesaid industries facing difficulties can apply for the deferment of payment of social insurance premiums, i.e.:

- The payment of pension and medical insurance of employer's part for the period from June 2022 to December 2022
- The payment of work-related insurance and unemployment insurance for the period from June 2022 to March 2023

In addition, medium, small and micro-sized enterprises or self-employed entrepreneurs impacted by the epidemic and suffering difficulties in production and operation can also apply for the deferment of social insurance of the employer's part for the period from June 2022 to December 2022.

The late payment penalties will not apply during the deferment period.