

Research on Tax Policy Based on Financial Innovation of China Free Trade Zone

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Abstract: With the continuous progress of China's economic level, the financial innovation industry of the free trade zone is gradually put on the agenda. Based on this, if the economic free trade zone wants to promote its long-term development with the help of the development of the current era, it needs to rely on the existing laws and regulations to carry out its own innovation. The innovation of the free trade zone plays a certain role in the development of China's financial market. The amount innovation of the free trade zone will drive the continuous improvement of China's economic level and increase tax revenue to a certain extent. Based on this, this paper will explore financial innovation.

Keywords: China Free Trade Zone; Financial Innovation;

1. Analysis of financial innovation problems in China free trade zone

1.1 The tax law regulation consciousness of financial innovation is relatively weak

Tax laws and regulations can play a certain role in promoting the development of financial innovation through their own stability and predictability, but the financial activities of enterprises related to the free trade zone should effectively implement financial innovation. Therefore, it will face greater difficulties on the road of innovation, such as tax burden and cost capital required for innovation, etc. The reason for this phenomenon is nothing but the strangeness of financial innovation to current relevant legal provisions. Therefore, financial innovation should be formulated in accordance with existing laws and regulations. And the relevant tax provisions should meet the requirements of China's tax system, as well as the relevant international regulations on the tax system. Secondly, it is necessary to ensure the profitability of profits, to ensure that there will be no illegal transfer, and the tax revenue is stable, and the relevant national management institutions should also be able to carry out certain risk regulation. However, the current situation is that the existing relevant policies and tax laws have not been improved to clearly define it, which will to some extent lead to different interpretations of free trade zone policies in different regions, resulting in serious economic problems and innovative development.

1.2 The tax law regulation of financial innovation needs to be improved

At present, China's financial tax law rules are not relatively complete policy documents and unified provisions. There are still some deficiencies in adapting to the development of enterprise financial innovation. Therefore, in the process of financial innovation, the financial trade zone is faced with not only financial innovation, but also part of the tax law rules. That is to say, the

financial innovation of the free trade zone lacks the support of the corresponding tax law. In recent years, the introduction of a large number of new financial methods, such as Internet consumption, has brought certain challenges to financial innovation. Relevant tax rules cannot keep up with the changes of The Times, which has become an important factor restricting the current financial development. And inhibit the enthusiasm of business implementation, so it can also reflect the current financial innovation related tax rules are to be improved.

1.3 Weak tax collection and management of financial innovation

At present, the State Administration of Taxation has also carried out similar innovations in the tax administration of tax administration departments in different regional free trade zones, which has achieved certain results, but also caused a certain negative impact on the efficiency of tax collection and administration. In some aspects of collection and management, the current existing tax rules are inconsistent with the financial innovation of the free trade zone on a certain level, mainly because the capital flow of the free trade zone is more convenient and flexible. Nevertheless, the changes of the great era still lead to the current financial innovation is still unable to meet its development needs, so the corresponding tax collection and management should follow the progress of The Times to make certain changes.

1.4 The tax law regulation of financial innovation has defects in policy

From China's current implementation of the schemes and measures in the free trade zone, the main focus is to encourage investment, promote trade, such as tax breaks, and the free trade zone, is still in order to realize efficient tax as the main direction of development, that is, the current focus on financial development is still taxes, services and information. Secondly, the relevant non-political factors of financial innovation should be formulated. Currently, policies related to financial innovation still need to be perfected. In the policies related to the free trade zone, there is no distinction between offshore finance and onshore finance, which has seriously damaged the original attraction of China's free trade zone for foreign investment. This has also caused a certain degree of stagnation in economic development, which has a negative impact on the current economic development and progress.

2. Analysis of financial innovation in China free Trade Zone

2.1 Implement regulations under the tax law

In the process of financial innovation, relevant laws and regulations should be fully implemented, relevant development rules and international financial standard provisions should be observed, related risks in financial innovation should be reduced, the legal compliance level of its own trade zone should be improved, and a good legal development foundation should be laid for the development of financial innovation. Secondly, it is necessary to clearly understand the overview of the tax law and relevant rules, so as to reduce the interference to the financial market, promote financial trade to fully enjoy the convenience brought by the existing tax law environment, and clarify the relationship between the financial innovation related rules of the free trade zone and the national standard financial rules. And according to the current financial status of free trade and legal provisions of a qualitative adjustment, financial innovation, in order to promote the healthy development of free trade zone, for China's economic development to lay a foundation.

2.2 Establish and improve financial tax laws and regulations

Imperfect financial tax law rules are common faults in the development of China's trade zones. Although the regulations have been improved correspondingly after continuous development and progress, there are still some problems. Therefore, in order to promote the development of the economic free trade zone, it is necessary to carry out financial innovation within the scope of existing laws, improve the existing financial system of the free trade zone, promote the perfect integration of the system and national regulations, and then form a systematic and complete tax law system and perfect legal system. According to the property of financial products in the market, the basic standards and relevant rules of income tax are established in detail to adapt to the current financial development, so as to promote the convenience of financial development and the development of financial innovation. Financial innovation business in the FTZ should be considered. The fund urges its business reorganization, finance, investment and other businesses to carry out standardized management, standardize the business operation of grass-roots taxpayers, and avoid simple and easy to repeat tax risks. In view of the restructuring, investment and financing and other key content will often involve multiple related departments, so it also requires relevant personnel and departments to first understand the detailed business process and possible problems when formulating detailed financial plans. And immediately ask the tax staff, who can participate in the early process of financial business, so as to lay a foundation for better financial circulation in the later period.

2.3 Reduce the tax burden on financial innovation in the FTZ

The "VAT reform" has been implemented at the national level, and the tax reduction effect on financial institutions is very obvious. China can also follow the example of other countries and cancel the additional tax on financial institutions in the free trade zone to reduce their tax burden, prevent double taxation and reduce the operating efficiency of financial institutions. On the other hand, tax revenues can be reduced by narrowing the tax base. The FTZS could follow Australia's example of lowering tax rates or even implementing zero interest rates for cross-border financial innovation. On the premise of not harming national tax interests, the tax burden of financial institutions on financial innovation in the free trade Zone should be reduced as far as possible.

2.4 Strengthen tax oversight over free trade zones

Under the background of "Internet plus" financial innovation in the free trade zone, it is of great significance to strengthen the combination of tax and Internet and realize the digitalization of tax. Financial regulatory authorities and tax authorities should strengthen contact, improve the way of tax collection and management, update the mode of accounting treatment, and minimize tax evasion and evasion. The use of new Internet technology to promote financial innovation process, the implementation of software systematic regulatory accounting. As cross-border financial innovation continues to intensify, tax authorities must also strengthen connectivity with overseas authorities and learn from the regulatory experience of other countries' free trade zones. Improving the quality of tax personnel can also improve the efficiency of tax collection and administration in the free trade zone. Relevant departments can strengthen the training of tax personnel, emphasize the combination of knowledge and skills, be familiar with the tax types and rates of various financial innovation tools, and improve the efficiency of tax work in the Internet era.

Conclusion

In the current era of development, the financial innovation of China's free trade zone plays an

important role in improving the national economy and promoting economic development. Therefore, tax related provisions should follow the current development trend of the financial market, so as to improve it through innovative ways, and use information software and technology to promote the development of financial innovation, so as to lay a foundation for improving China's national strength and people's economic level.

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