

Research on Tax Service of Trade Cooperation between Inner Mongolia Autonomous Region and Mongolia under the Background of "China-Mongolia-Russia Economic Corridor"

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Abstract: Relying on its own geographical advantages, Inner Mongolia has become a border autonomous region vigorously developed by China, and actively carried out all-round cooperation with neighboring countries such as Mongolia and Russia. In the process of the joint construction of Economic Corridor of China, Mongolia and Russia, the rapid economic growth of Inner Mongolia has broken the sense of national border with Mongolia and Russia, and promote their good cooperative relationship. It has brought new opportunities and challenges to the economic and trade cooperation, energy development, and infrastructure construction of China, Mongolia and Russia. However, due to differences in taxation legal systems between countries, enterprises in Inner Mongolia have more tax-related risks in their trade transactions.

1. Introduction

In September 2014, President Xi Jinping first proposed the initiative of Economic Corridor of China, Mongolia and Russia, which was strongly affirmed by Mongolia and Russia who immediately took a series of practical actions. With the implementation of the Belt and Road strategy, the level of cooperation and economic development between China, Mongolia and Russia has enhanced, the strategic cooperative partnership between the three countries has become closer, the friendship between regions has been deepening, and trade exchanges have become closer and closer. From the perspective of economy, ecology and society, Economic Corridor of China, Mongolia and Russia is the most feasible and fastest way to boost the economy. According to incomplete statistics, the value of Inner Mongolia's foreign trade imports and exports in 2021 will be 31.27 billion RMB to Mongolia; the value of imports and exports to Russia is 17.26 billion RMB. Under the influence of Economic Corridor, the value of imports and exports has been greatly improved compared with the past. On the one hand, it is conducive to the economic exchanges between the three countries and promotes the development of the regional economy and related industries along the route; on the other hand, it promotes the construction of the Eurasian Economic Union. and the implementation of the Belt and Road initiative, improve the global transportation

network, and contribute to the realization of economic globalization.

2. Problems in Tax of Export Trade among China, Russia and Mongolia

2.1 Imperfect Tax Policy of Frontier Export Trade

Looking at the national map, we can find that China's border trade can be divided into two parts: the north and the south. In the process of import and export trade between the north and the south, there will be differences in the demand for goods due to the differences in geographical location, climate and environment between the north and the south. For example, Inner Mongolia exports steel, electromechanical equipment and basic organic chemicals, while Yunnan exports agricultural products such as flowers, wild fungi and vegetables ^[1]. And differences in import and export products will also lead to differences in consumption tax and value-added tax, which requires that import and export trade taxes should be specific and differentiated.

2.2 Imperfect Preferential Policies

The purpose of China's tax preferential rules is to enable border residents and residents of neighboring countries to exchange what they need and make life convenient. During the epidemic, the Ministry of Finance and the State Taxation Administration also issued some preferential tax policies to support enterprises, such as half income tax collection, tax rebate preference for value-added tax retention and credit at the end of the period, and social security deferred payment policy, which has all reduced the burden of enterprises. However, due to the complicated and diverse policy implementation procedures, a lot of restrictions, and the relative lack of taxpayers' financial knowledge, there is an embarrassing situation that no one should respond to the preferential policy. Few enterprises actually operate the policy, and the operability is not strong, so the policy has not played a role in reducing the burden of enterprises.

2.3 Difficulties in Tax Collection, Tax Evasion and Arrears

According to China's regulations on value-added tax, farmers are exempt from value-added tax for their own products. However, since most of the border residents are agricultural producers, they also produce and sell their own products. If they produce agricultural products similar to import and export products, it will bring some confusion to the sales of border residents and bring difficulties to the national tax collection and management department ^[2]. Residents in border cities will have a slightly weaker awareness of tax law than inland residents. In the practice of carrying out mutual trade, border residents are easily exploited by unscrupulous merchants who make huge profits from border residents and let them act as porters and evade taxes.

3. Rectification of Tax Issues

3.1 To Formulate Reasonable Tax Policy and Comprehensive Opening and Development

With the opening of Chinese national border, China's taxation, political and legal departments have always kept pace with the times and strived to build a Belt and Road cooperation platform for taxation services, so as to constantly update and expand the influence of China's tax, and maximize the promotion of international tax relations. *The Inner Mongolia Autonomous Region Tax Guarantee Measures* has a total of 26 articles, which is the first policy and measures on tax guarantee issued by the Inner Mongolia. The reason why relevant laws are promulgated is that only

a reasonable and healthy tax policy can ensure the harmonious development of economic and trade to the greatest extent, and a fair and just tax preference system enables China and other countries to achieve sustainable economic development. For example, in the import process, consumption tax can be classified and paid as value-added tax according to the methods of ad valorem collection and compound collection. For instance, taxable consumer goods produced and used by taxpayers for continuous production are not subject to consumption tax, and deductions are allowed for consumer goods in some cases to avoid double payment of value-added tax.

3.2 To Adopt Reasonable Tax Measures and Take Tax Supervision in Place

The phenomenon of tax evasion is widespread in China, which affects the development of our economy and trade. In China's remote border cities, taxation is required to be fair and just, and the law is understood ^[3]. In order to adapt to the market environment and economic development of China's border trade, it is required to achieve scientific taxation, and improve and strengthen the reform of tax accounting from the actual economic tax sources, further enhance the important role of computers in the field of taxation, and severely crack down on the phenomenon of tax evasion and tax arrears.

3.3 To Publicize the Tax Policy to Foreign Enterprises

According to the actual situation, it can be found that there are great differences between China and Mongolia in terms of national conditions. In the process of economic and trade cooperation, more attention should be paid to the understanding of relevant tax policies. "Going Global" countries should understand Mongolia's tax policies as comprehensively as possible, and carry out corresponding trade cooperation on the basis of full understanding of Mongolia's laws on tax ^[4]. With the continuous promotion of the Belt and Road initiative, the Mongolian Internal Revenue Service and local taxation bureaus have released and publicized corresponding laws on tax, which promotes economic and trade cooperation between Mongolia and China. For "Bringing in" countries, China needs to provide effective tax consulting for these enterprises, so that these enterprises can fully comply with China's tax management measures to carry out corresponding tax services during the trading process in China.

3.4 To Improve Management and Service Level of "Going Global" Enterprises

In the process of providing tax services to "Going Global" enterprises, professionals should be arranged to communicate and coordinate with others from Internal Revenue Service and local taxation bureaus, complete the establishment of overseas information of "Going Global" enterprises in a relatively short time, and update the information in a timely manner, so as to ensure the timeliness and effectiveness of these information ^[5]. At the same time, Internal Revenue Service and local taxation bureaus should establish corresponding cooperation mechanisms with banks, businesses and foreign exchange in a timely manner, timely understand the situation of tax of "Going Global" enterprises, identify difficulties and pain points in tax, and timely remind the links with risks. In addition, in order to ensure that enterprises going to Mongolia have preferential treatment in tax in Mongolia, it is necessary to provide accurate and professional advance pricing arrangements, and issue Certificate of Chinese Fiscal Resident for enterprises going to Mongolia.

4. Deep Integration into the International Trade Market

As the largest developing country, China has now become a new focus of global governance

with the gradual improvement of comprehensive national strength, global influence and international status. As a responsible country, China must actively undertake its due obligations and responsibilities, strive to promote economic globalization, and create high-quality development of the world economy. As we all know, the Belt and Road strategy proposed by President Xi Jinping is correct and necessary. In terms of trade in goods, countries should strengthen multilateral cooperation, take advantage of the unique geographical advantages and unique market environment of each country, and create the value of $1+1>2$ in the process of cooperation, so as to realize economic globalization and the sustainable economic development of all countries [6].

Economic Corridor is of great significance to the economic and trade of border residents of China, Mongolia and Russia. It also means that the governments of the three countries can actively coordinate in relevant aspects, play the functions of regulation and overall planning, create a market-oriented and convenient trade environment, and guide enterprises to communicate with each other to avoid the phenomenon of enterprises disrupting the market, and fundamentally curb all factors that are not conducive to the development of the market. In addition, in terms of overseas investment, relevant departments need to strengthen the popularization of tax laws related to the market environment, and actively provide relevant services for enterprises. Because the good development of the market economy is conducive to improving the living conditions of the border residents of China, Mongolia and Russia, and raising the economic level of each country [7]. On the one hand, it is for the win-win cooperation between China, Mongolia and Russia; on the other hand, it also plans more possibilities for the further coordinated economic development of the three neighboring countries, and also provides a broader platform for cross-border cooperation between the three countries.

5. Conclusion

In the context of the Belt and Road initiative, the success China has achieved in its cooperation with Mongolia and Russia is obvious to all in the international arena. The Economic Corridor not only stimulates China's import and export trade, but also promotes friendly neighborly relations between China and neighboring countries. In the future, China's border cities will also be the focus of later economic development, actively promote good cooperation with neighboring countries, enhance tripartite mutual trust, promote mutually beneficial and win-win cooperation, achieve complementary advantages and common development, and promote the process of regional cooperation in Northeast Asia.

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