

GUIDE

CHINA'S EXPORT FEES AND REFUNDS

The Financial Regulations Guide for Foreign Companies in China

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We recommend learning about China's organized export fee and as well as other [financial services in China](#). The following article details tax rebates, custom duties, and more.

China's Export Fees and Refunds

Export tax rebate

Tax return in China can include export tax. This applies to goods paid by exporters during the production and distribution.

VAT rebate

Generally speaking, VAT on export is exempt in China, and if indirect taxes are paid by exporters, they are eligible for a tax rebate. Indeed, most exported goods are exempt from VAT, yet, in some categories the amount of refunded tax would be less than the tax paid.

It is worth mentioning that VAT exemption and China VAT refund policies apply to general taxpayers only (companies that generate an annual revenue greater than 1 million RMB).

Since March 2020, as China showed first signals of economic recovery and Chinese authorities increased the rate of VAT refund in China for 1464 products for the benefit of exporters.

According to the new regulation:

- Nearly 75% of the total 1464 items are subject to 13% export VAT rebate among others, stainless steel, sanitary ware, etc.
- The rest 25% of items are subject to 9% export VAT rebate.

Consumption tax rebate

Exported goods are also exempt from consumption tax. Normally, for export goods that are VAT exempt, the consumption tax is exempt too. Also, consumption tax is exempt for exported goods that were previously imported into China.

It should be reminded that this regulation applies to exported goods only for goods that are sold domestically.

The tax rebate procedure

In order to enjoy tax rebate policies, exporters should provide Chinese authorities with several documents:

- [Business license in China](#)
- Export approval documentation

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Also, please remember that similarly to other national policies, both tax production and trade enterprises, and compliance requirements vary across industries.

Custom duties – exportation

Custom duties are also levied on exported items, but are rarer in China. If imposed on a limited number of resources and semi manufactures products (total).

Calculation:

The basis of either the import or the export duty is the

	IMPORT INTO CHINA	EXPORT FROM CHINA
DPV calculation	Determined by the Customs based on the transaction price of such goods, and shall include the freight and relevant costs and the insurance fees for the goods before unloading at the entry place within the People's Republic of China	Includes the price of goods, freight and relevant insurance fees for loading at the export place within the People's Republic of China
Tax calculation (in RMB)	Ad valorem basis: Duty payable = DPV x Tariff rate Quantity-based: Duty payable = Quantity of imported goods x Amount of duty per unit Compound formula: Duty payable = (DPV x Tariff rate) + (Quantity of imported goods x Amount of duty per unit)	The amount of duty payable is the sum of the amount of duty payable included therein
Case study	Pressure vessel HS code: 8419.20**.*.*.* MNF Tariff: 4% VAT: 13% Duty payable= DPV X exchange rate X 4% VAT is refundable once commodity is sold= DPV X ex. Rate X (1+4%) X 13%	Audio/video camera Hs code: 8543.70 MNF Tariff: 0% VAT: 13% Duty payable: nil VAT of the part of domestic products included in the circulation of the refundable, once exported

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Accounting in China

WFOE's financial duties Once the WFOE registration process is completed, and the company has a business...



Invoicing in China

When in Rome, be as a Roman, and in China be as a Chinese. When it...



WFOE's Bank A

Every entity with a China is legally obli account....

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