

## Key Points for Export Tax Refund Documentation Preparation

### I. Goods Purchase Documents

1. Goods Purchase Orders
  - POs with unclear signing locations, incomplete names or addresses of parties, vague descriptions of subject matter, unspecified quantity, quality, price, performance period, performance location, or performance methods are considered non-compliant.
  - Stamp duties should be fully declared and paid for Purchase orders.
2. Payment vouchers to suppliers
3. Input VAT Invoices
4. Goods transfer documents
5. Transport Documents for Procured Goods (Domestic Logistics)
  - If suppliers deliver goods, contracts must include clear clauses (detailed delivery addresses), and provide license plate numbers and loading photos.
  - If third-party logistics are used, provide logistics documents from carriers, freight payment vouchers, and invoices with remarks indicating place of origin, destination and license plate number.
  - If self-pickup is used, provide the driver's license, vehicle registration certificate, and documents related to fuel and toll fees.
  - For FOB trade terms where the foreign buyer bears domestic freight, contracts must explicitly state this, and documents must be provided as per third-party logistics requirements.

### II. Goods Sales Documents

1. Export Sales Contract
  - Contracts with unclear signing processes, incomplete names or addresses of parties, vague descriptions of subject matter, unspecified quantity, quality, price, performance period, performance location, or performance methods are non-compliant.
  - Contracts without substantive liability clauses for product quality disputes, contracts exporting to Hong Kong, Macau, or Taiwan showing simplified Chinese terms, contracts where suppliers are responsible for post-export product quality compensation, or contracts where foreign buyers bear domestic logistics costs without explicit clauses are non-compliant.
2. Cross-Border E-Commerce Transactions
  - If export enterprises have affiliated companies registered in Hong Kong operating e-commerce stores (e.g., Amazon, independent websites) and goods are directly shipped to end foreign buyers or overseas warehouses, submit screenshots of e-commerce store order pages and original foreign exchange receipt documents from the Hong Kong affiliated company. The trade country on the customs declaration must be listed as "Hong Kong."
3. Foreign Exchange Settlement Documents
  - The payer information on foreign exchange settlement documents must match the foreign buyer, the settlement location must match the foreign buyer's country (region), and the English product name on the settlement document must match the product name on the customs declaration.
4. Export Goods Transport Documents
  - Includes ocean B/L, air waybills, railway bills, road transport bills, cargo carrier documents, postal receipts, and freight payment vouchers or documents. For full container load (FCL) exports, provide carrier B/L; for less than container load (LCL) exports, provide carrier B/L and forwarder B/L.

5. Cargo Insurance and Export Credit Insurance
6. Other Normal Business Records

- Such as emails confirming orders with foreign buyers, historical documents for booking shipments with freight forwarders or customs brokers, and records of order tracking and follow-up.

### III. Customs Export Documents

#### 1. Export Customs Declaration Form

- Must be filled out strictly in accordance with the *Customs Declaration Form Filing Standards for Import and Export Goods of the People's Republic of China*. The place of origin on the declaration must match the factory location, the weight must match the actual export weight, and key information such as trade country, destination country, and port of discharge must be accurately filled without errors.
- Enterprises exporting to special customs supervision areas must provide a record list of inbound and outbound goods.

#### 2. Contracts for Entrusted Customs Declaration and Agency Customs Declaration Fee Invoices

- According to Cai Shui [2016] No. 36, agency customs declaration fees are subject to a 6% tax rate and must not be confused with international freight forwarding invoices. They must be invoiced separately at a 6% rate. Required for all trade terms (e.g., FOB, EXW), regardless of whether freight forwarders are entrusted for customs declaration. Lack of agency customs declaration fee invoices is considered non-compliant and may trigger extended inspections of all previously tax-refunded customs declarations.

#### 3. Shipping Order (Dock or Depot Receipt; for air freight, provide International Air Cargo Consignment Note), invoices for booking fees, CY storage fees, dock handling fees, and port construction fees.

#### 4. Container Loading Photos (with clear interior container numbers)

#### 5. Contracts with Freight Forwarding Companies, *Goods Export Transport Entrustment Form*, Bank Statements, and Invoices

- If settled periodically, submit the most recent contract, bank statements, invoices, and settlement details. Invoices from freight forwarders must clearly distinguish between domestic and international freight forwarding services, with remarks indicating departure and destination locations.

#### 6. Regulatory Documents Required for Customs Financial and Tax Procedures

- Includes the *Application for Inspection and Quarantine of Exit Goods of the People's Republic of China* and the *Health Certificate for Exit and Entry Inspection and Quarantine*. Both must be provided! (This applies only to exports such as animals, plants, and their products, food, beverages and alcohol, certain minerals and chemicals, cosmetics, fireworks and lighters, wood and wood products (including wooden furniture), and other products requiring inspection reports as per customs requirements.)

### IV. Relevant Policy: State Taxation Administration Announcement [2022] No. 9, Article II, "Optimizing the Management of Export Tax Refund (Exemption) Record Documents"

#### 1. Taxpayers must, within 15 days after declaring export tax refund (exemption), properly retain the following record documents and prepare a catalog of export tax refund (exemption) record documents in the order of declaration, noting the storage method for tax authority inspection:

- Purchase and sales contracts of the export enterprise (including export contracts, comprehensive foreign trade service contracts, purchase contracts of foreign trade enterprises, and purchase contracts for non-self-produced goods exported by production enterprises).
- Transport documents for export goods (including B/L, air waybills, railway bills, cargo carrier documents, postal receipts, domestic transport invoices paid by the export enterprise, and international freight forwarding service fee invoices paid by the export enterprise).

- Documents entrusting other units to handle customs declarations (including entrustment customs declaration agreements and agency customs declaration service fee invoices issued by the entrusted customs declaration unit).
  - If taxpayers cannot obtain the above documents, they may use other materials with similar content or function for record-keeping. Unless otherwise specified, record documents must be stored and maintained by the export enterprise and not destroyed without authorization. The retention period is 5 years.
  - Taxpayers engaged in zero-rated cross-border taxable activities are not subject to record document management.
2. Taxpayers may choose to retain and store the above record documents in paper, imaging, or digital form. Those choosing paper form must also note the storage location of the record documents in the catalog.
  3. When tax authorities inspect record documents as required, if taxpayers convert imaged or digital record documents into paper form for inspection, they must affix the enterprise seal and sign a declaration of consistency with the original data on the paper documents.

#### V. Risks of Non-Compliant Record Documentation

1. Export goods without compliant record documentation (except where the trade method inherently lacks such documents) cannot be declared for tax refund (exemption) and are subject to tax exemption policies (input VAT cannot be credited). If tax refund (exemption) has already been declared, a negative declaration must be submitted to offset the original declaration.
2. Goods with false record documentation are ineligible for VAT refund (exemption) or exemption policies and are subject to VAT levy as domestic sales.
3. Export enterprises and other entities engaging in the following behaviors may be ordered to make corrections within a specified period and fined up to RMB 2,000; if the circumstances are serious, fines range from RMB 2,000 to RMB 10,000:
  - Failure to set up, use, or maintain accounting books, vouchers, or documents related to export tax refund (exemption).
  - Failure to bind, store, or maintain record documents as required.
4. Export enterprises and other entities refusing tax authority inspections or refusing to provide accounting books, vouchers, documents, or record materials related to export tax refund (exemption), or providing false record documents, may be ordered to make corrections and fined up to RMB 10,000; if the circumstances are serious, fines range from RMB 10,000 to RMB 50,000.
5. Category I, II, or III export enterprises that refuse to provide accounting books, original vouchers, declaration materials, or record documents related to export tax refund (exemption) will be downgraded to Category IV. Category I or II export enterprises that fail to cooperate with tax authorities in export tax refund (exemption) management or fail to collect, bind, or store export tax refund (exemption) vouchers and record documents as required will be downgraded to Category III.