

➤ **Q: What activities are deemed as sales of goods? And what tax is levied?**

A: The following activities conducted by enterprises, units or individuals are deemed as sales of goods and are subject to the same VAT as sales of goods:

- a. Pass goods to other for sale on behalf;
- b. Sell goods on commission basis;
- c. Deliver goods from one establishment to the other for the purpose of sales if the two establishments are accounted on consolidated basis (except that the two related establishments are located in the same county or city);
- d. Use the goods self-manufactured or processed by contract as nontaxable items, collective welfare or private consumption;
- e. Use the goods self-manufactured processed by contract or purchased as investment by providing the goods to other enterprises, units or individual businesspersons, by distributing the goods to shareholders, investors, or by donating to others with no charge.



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