

➤ **Q: How to claim for vat refund for exported goods?**

A: Taxpayers exporting goods with the applicable 0% tax rate shall, upon completion of export procedures with the customs office, apply to the competent tax department on monthly basis for vat refund on the goods exported by providing with the export declaration documents and other documents. At present, there are 5 vat refund rates:

- a. 17% for the exportation of machinery and equipment, electric appliance and electric products, transportation tools, apparatus and meters, yarn, cotton cloth and its products, garments, and electroly-copper.
- b. 15% for the exportation of agricultural machinery, other raw materials for textiles and products, clocks, shoes, ceramics, steel and products, cement, aluminium, lead, zinc, organic chemical materials, inorganic chemical materials, coating, pigment, rubber products, toy and sport articles, plastic products, traveling articles and luggage and bags.
- c. 5% for the exportation of the agricultural products.
- d. 13% for the exportation of other goods.
- e. 6% for the exportation of the exportation of goods listed in the “China High and New Technology Commodity Exportation Catalogue” worked out by the Science and Technology Ministry of China and the Ministry of Foreign Trade and Economic Cooperation of China, if the refund rate does not reach the level of the tax rate, the refund rate may be the same as the tax rate upon examination and approval by the State Administration of Taxation.

Unless otherwise regulated, the exportation of the goods produced and exported by various production enterprises or exported by foreign trade enterprises under the authorization of the production enterprises (hereinafter referred to as production enterprise exportation) shall be subject to the method of tax exemption, credit and refund. The tax exemption stands for the exemption of vat on the production enterprise exportation of goods at the stage of production and sales. The tax credit means that the exempt or refundable input tax of the production enterprise exportation goods paid on the consumed raw materials and parts is used to credit the vat payable on their domestic sales of goods. The tax refund refers to that the balance of the creditable input tax in excess of the vat payable in the current month shall be refunded.

The amount of tax under the method of tax exemption, credit and refund shall be computed on the basis of the prescribed refund rates and FOB prices of the exported goods and exchange rate.

The treatment of contracting for overseas repairing by production enterprises, the machinery and electric products by utilizing loans of international financial organizations, foreign governments by means of international bidding and the domestic enterprises winning the bid

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or subcontracted to the domestic enterprises after foreign enterprises win the bid shall be considered in reference to the above rules.



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