

➤ **Q: What are the rules for determining when the liability to consumption tax arises?**

A: The taxpayers of consumption tax are normally the producers of the taxable consumer goods, and pay the consumption tax at the stage of sales. Except for the platinum jewellery on which consumption tax is collected at the stage of production, the consumption tax on other gold and silver jewellery is paid at the stage of retails.

For taxpayers selling taxable consumer goods, the time at which the liability to pay tax arises can, according to the different settlement methods, be one of the followings:

- a) For credit sales and installment payments, the time shall be the day of payment collection as agreed in the sales contracts.
- b) For receipt of payment in advance, the time shall be the day of delivery of the taxable consumer goods.
- c) For entrusted collection of payment and collection for payment entrusted with banks, the time shall be the day of delivery of the taxable consumer goods and completion of entrusted procedures as well.
- d) For other methods of settlement, the times shall be the day of receipt of the payment or receipt of the vouchers for entitlement to the sales payment.

For self-produced and self-use taxable consumer goods, the time when the liability to pay tax arises shall be the day of transfer for use.

For contracting processing of taxable consumer goods, the time when the liability to pay tax arises shall be the day of taking the goods by the taxpayers.

For taxable consumer goods imported by taxpayers, the time when the liability to pay arises is the day of customs declaration for importation.

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