

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

A: For sales of goods or taxable services, the time at which a liability to vat arises is the date on which the sales payment is received or the documented evidence of right to collect the sales sum is obtained. This mainly includes the following 6 circumstances:

- a. For sales of goods under the direct payment method, it shall be the date on which the sales sum is received or the documented evidence of the right to collect the sales sum is obtained, and the bills of lading are delivered to purchasers, regardless whether the goods are delivered.
- b. For sales of goods where the sales value is entrusted for collection, including where entrusted to banks for collection, it shall be the date on which the goods are delivered and the procedures for entrusted collection are completed.
- c. For sales of goods on credit or receipt by installments, it shall be the date of collection agreed according to the contracts.
- d. For sales of goods with payment in advance, it shall be the date on which the goods are delivered.
- e. For sales of taxable services, it shall be the date on which the detailed list of the consignment sales is received from the consignee.
- f. For sales of taxable services, it shall be the date on which the services are provided and the payment is received or the documented evidence of the right to collect the payment is obtained.
- g. For importation of goods, it is the date of import declaration.

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