

➤ **Q: Where do chain enterprises pay vat?**

A: For cross-region chain enterprises, i.e., all stores of the chain enterprises are wholly invested or controlled by the head store and operated under the management of the head store, the vat may be reported and paid by the head store on consolidated basis to the competent tax office where the head store is located, if all computers are connected according to rules, all commodities are purchased and supplied on unified basis, the accounting is unified and operation and management are standardized, and if they meet the following conditions as well:

- a. Approved by the SAT offices and the financial department at the provincial level if all chain enterprises are located within one province autonomous region, city directly under the State Council or separately listed city.
- b. Approved by the SAT offices and financial departments at the county (or city) level if all chain enterprises are located in one county (or city)

For the voluntary chain enterprises, i.e., the stores of the chain that are independent legal entities and the ownership of the assets of which is not changed and for the franchised chain enterprises, i.e., the stores of the chain that have signed contracts with the head store for the use of the trademark, stores and operational technology of the head store and the sales of the commodities developed by the head store, the vat shall be reported and paid respectively by the stores of independent accounting to the local competent tax offices.

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