

➤ **Q: Where to pay VAT?**

A: The place for the payment of vat is as the following 4 circumstances:

- a. Business with a fixed establishment should report and pay vat to the local competent tax offices where the establishment is located. Where the head office and branches are not situated in the same county (or city), they should report and pay vat separately to their respective local competent tax offices. The head office may, upon the approval of the State Administration of Taxation or its authorized tax department, report and pay vat on a consolidated basis to the local competent tax office where the head office is located.
- b. Businesses with a fixed establishment selling goods in other county (or city) should apply for the issuance of the tax administration certificate for outbound business activities from the local competent tax offices where the establishment is located. Then they should report and pay vat to the local competent tax offices where the establishment is located. When necessary to issue vat special invoices to the purchasers, the taxpayers should come back to the place where the establishment is located for that. For businesses selling goods and taxable services in other county (or city) without the tax administration certificates issued by the local competent tax offices where the establishment is located, they should report and pay vat to the local competent tax offices where the sales activities take place. The vat shall be computed on the basis of 4% levying rate. If the taxpayers fail to report and pay vat to the local competent tax offices of the sales activities, the local competent tax offices of the establishment shall collect the vat due.
- c. Businesses without a fixed base selling goods or taxable services shall report and pay vat to the local competent tax offices where the sales activities take place. If they sell goods or taxable services in other county(or city) and fail to report and pay vat to the competent tax offices of the sales activities, the competent tax offices where the businesses are located or residing shall collect the tax from the.
- d. For importation of goods, the importer or his agent should report and pay vat to the Customs offices where the imports are declared.

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