

Tax Collection and Administration Concerning Tax Report

1) General rules

- a. Tax report is a statutory system for the taxpayers, withholding agents to hand in the written tax related report to the tax department by law. Taxpayers should truthfully report to the competent tax department for tax payment and submit the tax returns, financial statements and other tax payment materials (such as financial, accounting statements and commentaries, tax-related contracts, agreements and vouchers, the electronic report materials of tax control facilities, the tax administration certificates for doing business in other jurisdictions, the relevant proof issued by the notary institutions) required by the competent tax department according to the time limit and contents of the reports as specified by laws and administrative rules and regulations or within the time limit set by the tax department according to laws and administrative rules and regulations.
- b. The withholding agents should truthfully submit to the competent tax department the tax withholding or tax collection reports, the legal documents for the withholding and other relevant materials (such as the economic contracts related to the withholding) required by the competent tax department according to the time limit and report contents as prescribed by laws and administrative rules and regulations or within the time limit set by the competent tax department according to the laws and administrative rules and regulations.
- c. The taxpayers and withholding agents may lodge tax returns or withholding reports by directly going to the tax offices. Upon approval by the tax department, the taxpayers, withholding agents may do that by mail, data tax (referring to the phone tones, electronic data exchange and network transmission) or other forms (like entrusting the agents for that).

Where the taxpayers, withholding agents file the tax return in electronic data form, the reporting date shall be the time when the tax authorities receive the electronic data by computer network. The time limit for submitting the paper returns shall be determined by the tax authorities.

When filing the tax returns by mail, the taxpayers should use the uniform envelope for tax reporting and the postal receipt of the post office shall be taken as the reporting document with the date of posing as the actual reporting time.

- d. The taxpayers paying the tax by fixed amount and at periodic basis may adopt the simple reporting way, the way of integrating the tax periods.

The simple reporting way refers to that it'll be deemed as tax reporting when the taxpayers paying the tax by the fixed amount and at periodic basis are paying the taxes within the time limit specified by laws, administrative regulations are regulations and rules or by the tax authorities in accordance with the laws, administrative regulations and rules.

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The way of integrating the tax periods means that the taxpayers paying the tax by fixed amount and at periodic basis may, upon approval by the tax department, take the form of integrating the tax periods into quarter, half year, one year for paying the taxes, the specifically time period of which sale be determined by the tax department at provincial level in consideration of the local conditions.

- e. The taxpayers should also submit the tax report by rules even though having no tax payable in the tax period.

The taxpayers enjoying the tax reductions, exemptions should also submit the tax report by rules during the tax holidays.

- f. The main contents of the tax report or withholding report induce: type of tax, taxable item or withholding item, tax base , deductible items and standard, applicable tax rate or tax per unit, tax relatable and the amount, tax reductions and exemptions, tax payable or tax to be withheld, tax year, tax arrears, tax deferral, late payment interest and etc.
- g. In case of needing to extend the time limit due to difficulties (such as force majeure, special reasons for financial accounting treatment) for submitting tax report or withholding reports on time, the taxpayers, or the withhold agents should apply in written form to the competent tax department for time extension within the prescribed time limit. After verification by the competent tax department, the report concerned may be submitted within the extended time limit (normally within 3 months) verified by the competent tax department.

For the extension approved as above, they should, within the tax payment period, prepay the tax by the amount actually paid in last period or by the amount assessed by the tax department, and they should go through the tax settlement within the extension approved.

- h. the time limit may be extended for the taxpayers and withholding agents unable to submit the tax report or withholding report in time due to force majeure. However, they should report to the competent tax department immediately after the force majeure disappears. The competent tax department should investigate the fact and approve it.

2) Rules for Customs Duty

- a. Within 14 days from the date declaring the entry of the transporting tools, the duty payers of imported goods should declare to the Customs of the entry of the goods. The duty payers of exported goods should declare to the Customs of the exit of the goods after the goods are delivered to the Customs control zones and 24 hours before loading of the goods except otherwise permitted by the Customs especially.

Before the actual entry or exit of the goods, the duty payers may apply to the Customs by rules for pre-verification of the classification, price or origin of the import or export goods. After verification, the Customs should notify in writing the duty payers and accept that when the goods are actually coming in or going out.

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- b. The duty payers should truthfully declare to the Customs and provide the materials for determination of the dutiable price, classification of the goods, origin and for taking the anti-dumping measures, anti-subsidy measures or guaranty measures. When necessary, the Customs may request the duty payers to make supplement report or the duty payers may take the initiative to request for providing more materials.
- c. The duty payers should categorize the goods of import or export and sort them into the matching classification numbers in line with the catalogue rules and the general rules of classification, type notes, chapter notes, subsection notes and other commentaries of the import and export classification rules. The customs should examine the commodity classification of the goods by law and may request the duty payers to provide the relevant materials needed.
- d. The Customs should, in conformity with the rules laws, administrative regulations and the rules of the Customs, examine the name, specification, classification number, origin, price, transactional terms, quantity of the goods of import and export declared by the duty payers.

For determining the classification, dutiable price and origin of the goods of imports or exports, the Customs may check, test or inspect the goods or check up the relevant enterprises and take the result as the basis for the classification.

When finding errors with the declared classification number of the goods of import or export upon examination, the Customs should re-determine the number in conformity with the relevant rules of classification.

When finding the inconsistency of the price of the goods declared by the duty payers with the transactional term or having difficulty to determine the transactional price upon examination, the Customs should separately assess that in accordance with the rules of determining the dutiable price of the goods of import or export.

When finding errors with the origin of the goods declared by the duty payers upon examination, the Customs should determine that inline with the rules of origin by means of checking on the document of origin provided by the duty payers, checking on the goods actually or examining other relevant documents.

When finding that the duty reduction and exemption application submitted by the duty payers or the contents of application are not in conformity with the relevant rules upon examination, the Customs should compute and collect the duty by rules.

When finding that the duty payers are involved in false declaration, untruthful declaration in violation of the Customs rules, the case should be handed over to the investigation division or the anti-contraband division of the Customs for treatment.

e. In order to examine the truthfulness and accuracy of the declared price, the Customs The copyright and/or other intellectual property rights of China Business Engine including related text, images, charts, sound, animation, and videos, and their arrangement on the China Business Engine website, are protected by copyright and other protective laws.

may check up, copy the import or export contract, invoices, record, exchange settle documents, vouchers, business correspondence, sound and video recording and other materials reflecting the relation and trade activities of the buyers and sellers.

When having doubt on the declared price and large amount of duty involved, the Customs may, upon approval by the director of the direct Customs or the director of the branch Customs office authorized, inquire the fund flow of the duty payers in the banks or other financial institutions where the duty payers open accounts by the Customs uniform notice for assistant account check and by the ID of the relevant staff, and inform the banking monitor institutions of the results.

- f. When having doubt over the declared price, the Customs should notify in writing the duty payers of the reasons and request them to hand in explanation and the relevant materials.

Where the duty payers fail to explain and provide the relevant materials or the Customs still have the reason for the doubt over the truthfulness and accuracy of the declared price, the Customs may refuse to accept the declared price and assess the dutiable price by rules.

- g. After the Customs determine the dutiable price of the import or export goods, the duty payers may request in writing the Customs to give written explanation on how the Customs have determined the dutiable price. The Customs should give the explanation in writing to the duty payers.

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