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News

#### **New VAT in China**

07 Oct, 2013 | Share <



As you might already know, China has issued new VAT policies on freight related services to and from China.

In the chart below you can read how the changes will reflect on you having shipments to and from China.

In accordance with the Circular 37 (Cai Shui [2013] No. 37) issued by the Ministry of Finance (MOF) and the State Administration of Taxation (SAT) of PRC on May 24, 2013, the relevant VAT policies will be expanded nationwide in China applying on the entire logistics industry effective from August 1, 2013.

Scan Global Logistics has introduced the Chinese VAT in accordance with the below chart.

Product	Incoterms 2010	China VAT	Local costs in country of origin; China VAT payable by	Freight costs; China VAT payable by	Local costs in destination country; China VAT payable by	
Air Freight from China	EXW	6,83%	Consignee*	Consignee*	N/A	
	FCA	6,83%	Shipper	Consignee*	N/A	
	CIP/CFR	6,83%	Shipper	Shipper	N/A	
	DAT/DAP/DDP	6,83%	Shipper	Shipper	Shipper	
Air Freight to China	EXW	6,83%	Consignee	Consignee	Consignee	
	FCA	6,83%	N/A	Consignee	Consignee	
	CIP/CFR	6,83%	N/A	N/A	Consignee	
	DAT/DAP/DDP	6,83%	N/A	N/A	Shipper	
Ocean Freight from China	EXW/FCA	6,83%	Consignee	N/A	N/A	
	FOB/FAS	6,83%	Shipper	N/A	N/A	
	CFR/CIF/CIP/CPT	6,83%	Shipper	Shipper	N/A	
	DAT/DAP/DDP	6,83%	Shipper	Shipper	Shipper	
Ocean Freight to China	EXW/FCA	6,83%	Consignee	Consignee	Consignee	
	FOB/FAS	6,83%	N/A	Consignee	Consignee	
	CFR/CIF/CIP/CPT	6,83%	N/A	N/A	Consignee	
	DAT/DAP/DDP	6,83%	N/A	N/A	Shipper	
Warehouse and Vendor Management Services in China	N/A	6,83%	To be invoiced regardless payer's origin			
Domestic Air Freight in China	N/A	6,83%	To be invoiced regardless payer's origin			
Domestic haulage in China	N/A	6,83%	To be invoiced regardless payer's origin			

\*Since August 1, 2013, SGL has invoiced 6,83% VAT on all Air Freight shipments, which are not payable in China; see the chart above. The reason for this is changes in the tax legislation as well as the fact that the VAT is not deductable locally.

#### **Latest news from China**



Case

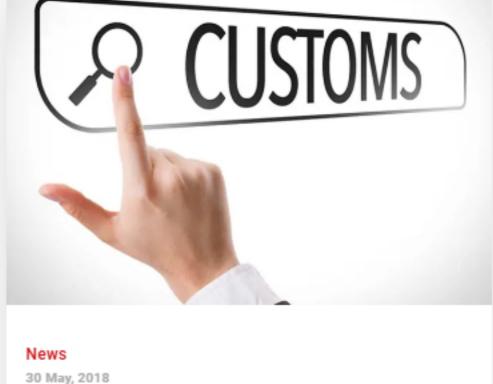
New airbridge between China and Australia

In recent weeks Scan Global Logistics has transported millions of N95 masks, medical products and Personal Protective Equipment (PPE) China to Australia, establishing a regular airbridge...



News 31 Mar, 2020

We are introducing our first dedicated block train from China to Europe



New rules for shipments in and out of China

China Customs is implementing China Customs Advance Manifest (CCAM) regulation effective June 1, 2018.

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