

**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
	CFR/CIF	6.83%	Shipper	Shipper	N/A
Air Freight to China	EXW	6.83%	Consignee	Consignee	Consignee
	FCA	6.83%	N/A	Consignee	Consignee
	CFR/CIF	6.83%	N/A	N/A	Consignee
Ocean Freight from China	EXW/FCA	6.83%	Consignee	N/A	N/A
	FOB/FA5	6.83%	Shipper	N/A	N/A
	CFR/CIF/CFP	6.83%	Shipper	Shipper	N/A
Ocean Freight to China	EXW/FCA	6.83%	Consignee	Consignee	Consignee
	FOB/FA5	6.83%	N/A	Consignee	Consignee
	CFR/CIF/CFP	6.83%	N/A	N/A	Consignee
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 deductible locally.

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31 Mar, 2020

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**News**

30 May, 2018

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