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China's VAT reliefs against COVID-19 impacts

Contact

Martin Ng,
Managing Partner,
WTS China
(martin.ng@wts.cn)

Conrad Lin,
Manager,
WTS China
(conrad.lin@wts.cn)

Website

<http://www.wts.cn>

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China's State Administration for Taxation (SAT) has provided a series of VAT relief measures to help companies to combat the adverse impacts of COVID-19 outbreak.

Measures	Details
VAT refund and exemption	a) Input VAT not fully utilized by government-selected companies producing key medical items (e.g. medicines, masks, protective gowns, sanitizers, thermometers, and foodstuff, etc.) can be refunded.
	b) Donation of items to charity bodies to combat COVID-19, servicing sectors such as delivery, catering, accommodation, sundry personal services (e.g. hairdressing, laundry), and public transporting are exempted from VAT.
	c) Import of key medical items (testing kits, sanitizers, ambulances, medical vehicles, etc.) are granted import duty and VAT exemption.
	d) Export VAT refund cycle is further shortened via a fully online procedure, to allow quick cash refund to taxpayers.
Key dates For a): Effective since 1 January 2020; For b): Effective since 1 January 2020; For c): Applicable period is from 1 January 2020 to 31 March 2020.	
VAT rate cuts	a) Small businesses in Hubei province are granted a VAT rate cut from 3% to 0%.
	b) Small businesses outside Hubei province are granted a VAT rate cut from 3% to 1%.
Applicable period: From 1 March 2020 to 31 May 2020	
VAT filing extended	a) The usual filing deadline (the 15th of each month) is extended to 23th in March and 24th in April. b) Hubei province can offer further extension when necessary. c) Companies outside Hubei province in liquidity difficulty can apply for further extension too.