

China Insight – Chinese Tax Regulation Update



Dear Sir or Madam,

Please find enclosed our update on the latest developments on Chinese Tax Law.

Kind regards,

CMS, China

Circular Number	Issuance Date	Effective Date	Topic	What is new?
SAT Announcement [2021] No. 18	2021-06-22	2021-01-01	VAT refund of R&D institutions' procurement of domestically produced equipment	<p>The Announcement has revised and clarified the VAT refund policies of R&D institutions' procurement of domestically produced equipment. The key points that are worth attention of this Announcement mainly include the following:</p> <ul style="list-style-type: none"> The criteria of the qualified R&D institutions are stipulated in Announcement [2019] No. 91 jointly released by the Ministry of Finance, the Ministry of Commerce and the State Administration of Taxation ("SAT"). The qualified R&D institutions shall submit the evidence proving that the institutions meet the relevant criteria and the standard recordal form for the first-time filing for the VAT refund. The filing period for the VAT refund is from the first day of the month following the invoice date of procurement of domestically produced equipment to the 30th of April of the following year. In the case where the ownership of the underlying equipment is transferred or the equipment is used for other purposes, the R&D institution shall make up the refunded VAT based on the portion of the equipment's residual value accounting for its original value.
Announcement [2021] No. 19 jointly released by the State	2021-06-29	2021-06-29	Tax recordal for the outbound non-goods trade payments	The Announcement has amended and simplified the tax recordal procedures of the outbound non-goods trade payments. The key points that are worth attention of this Announcement mainly include the

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following:

- The outbound payment tax recordal needs to be made only once before the first-time payment if multiple outbound payments are required for the same contract.
- PRC re-investment of incomes generated from the foreign investors' investment in the PRC is not subject to outbound payment tax recordal.
- The outbound payment tax recordal form can be obtained and filled online through the electronic tax bureau in the future.

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