



China Tax Alert

Trusture Business Service Company Limited

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Shanghai • China

Cai Shui [2012] No.71 Extension of VAT Pilot Program to Eight Provinces and Cities

Following the implementation of the Value-added Tax (the “VAT”) pilot program in Shanghai from 1 January 2012, the Ministry of Finance State and Administration of Taxation (the “SAT”) jointly published the Cai Shui [2012] No.71 (the “Circular 71”) on 31 July 2012 regarding the extension of VAT pilot program to eight provinces and cities as follows:

Provinces and Cities	Date of Implementation
Beijing	1 September 2012
Jiangsu	1 October 2012
Anhui	1 October 2012
Tianjin	1 November 2012
Hubei	1 November 2012
Zhejiang (including Ningbo)	1 November 2012
Guangzhou (including Shenzhen)	1 November 2012
Fujian (including Xiamen)	1 November 2012

Subsequent to Circular 71, the SAT announced Bulletin [2012] No.42 and No.43 to clarify the issues concerning tax imposition and declaration.

We recommend that companies or branches, which are previously business tax payers, registered in the eight provinces and cities should check whether the business activities are subject to the scope of VAT pilot program. The accountants should study the tax regulations regarding the VAT pilot program and relevant tax filing procedure in order to transit to a VAT tax payer smoothly.

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Jurisdiction

China

Issue / Topic

Value-added Tax

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