

## China Insight – Chinese Tax Regulation Update



Circular Number	Issuance Date	Effective Date	Topic	What is new?
Announcement [2025] No. 22 jointly released by the State Administration of Taxation ("SAT"), the Ministry of Industry and Information Technology and the National Office of Cyberspace Information	2025-09-28	2025-09-28	Administrative punishment on Internet Platform Enterprises ("IPEs") for tax-related information reporting	<p>To implement the <i>Provisions on Tax-Related Information Reporting by IPEs</i> ("Provisions") and regulate administrative punishments for violations, this Announcement provides the following clarifications:</p> <p><b>1. No punishment for timely correction</b></p> <p>IPEs that correct violations within the deadline set by the tax authorities will not be penalized.</p> <p><b>2. Circumstances deemed "serious violations"</b></p> <p>If violations are not corrected within the prescribed period, the following will be considered serious violations:</p> <ul style="list-style-type: none"> <li>Two or more failures within a year to submit, provide or accurately report the tax-related information;</li> <li>Two or more instances of concealing or falsifying tax-related information;</li> <li>Inducing or assisting operators / workers to manipulate the income nature, split the income or otherwise affect the authenticity of reporting;</li> <li>Fabricating or tampering the tax-related information of operators / workers or assisting such acts.</li> </ul>

				<ul style="list-style-type: none"> <li>• Refusing to provide information through violence, threats or organized resistance.</li> <li>• Other serious circumstances stipulated under Article 10 of the <i>Provisions</i>.</li> </ul> <p><b>3. Penalty measures during suspension of business</b></p> <ul style="list-style-type: none"> <li>• During suspension, the tax authority may restrict the IPE's invoice issuance and issue alerts on its receipt of invoices.</li> <li>• The suspension decision will be disclosed to the public.</li> </ul>
Announcement [2025] No. 24 jointly released by the SAT and the Supreme People's Court	2025-11-27	2025-11-27	Collection and administration of taxes and fees in bankruptcy proceedings	<p>The Announcement clarifies the administration of liabilities of taxes and fees in the course of the company's bankruptcy proceedings. In particular, the following key points are itemized and clarified:</p> <p><b>1. Clarification of the credit rights for declaration by the tax authorities</b></p> <p>The tax authorities, as the creditors of the taxes and fees, should declare the credit rights in terms of the debtors' liabilities of all the taxes payable, late payment interest payable, penalties payable, social insurance contribution payable and the associated late payment interest as well as other uncollected non-tax fiscal revenues and the associated late payment interest that should be levied by the tax authorities.</p> <p><b>2. Liabilities of taxes and fees for declaration of credit rights</b></p> <p>The liabilities of taxes and fees due as of the date when the application for bankruptcy is accepted by the court shall be counted for declaration. In case the company had non-compliant behavior relating to taxes and fees before the acceptance of application for bankruptcy, the tax authorities shall make the administrative decision for punishment before the deadline for declaration of credit rights and make the declaration accordingly – otherwise supplementary declaration of credit rights shall be made no later than the first-time voting for the drafts of property allocation plan,</p>

				<p>restructuring plan and reconciliation agreement.</p> <p><b>3. Due date of the outstanding liabilities of taxes and fees</b></p> <p>In case the liabilities of taxes and fees arise before the acceptance of application for bankruptcy, these liabilities shall be considered due on the date of acceptance of application for bankruptcy. The company shall then file the taxes and fees payable and the tax authorities shall declare the credit rights accordingly before the deadline for the declaration.</p> <p><b>4. Priority of repayment of the liabilities of taxes and fees</b></p> <p>The taxes and fees arising from the disposal of properties of the debtor are bankruptcy expenses. The taxes and fees arising from the continual operation are common benefit debts. Both liabilities shall be repaid from the debtor's properties at any time.</p>
Announcement [2025] No. 11 jointly released by the Ministry of Finance and the SAT	2025-10-29	2025-11-01 (valid through 2027-12-31)	VAT policies on standard gold traded through the exchanges	<p>The Announcements update the VAT rules applicable to standard gold transactions through the Shanghai Gold Exchange and the Shanghai Futures Exchange. Key points include the following:</p> <p><b>1. General VAT treatments of trading standard gold through the exchanges</b></p> <ul style="list-style-type: none"> <li>• Sales of standard gold through the exchanges are exempt from VAT.</li> <li>• If no physical delivery occurs, the exchange is exempt from VAT. VAT payment applies to the exchanges only when physical delivery / warehouse withdrawal takes place.</li> </ul> <p><b>2. VAT treatments in the case of physical delivery</b></p> <p>→ <b>Situation I – Gold bought by the member buyers for investment purposes</b></p> <ul style="list-style-type: none"> <li>• The exchanges are granted with the "Refund-upon-Levy" treatment for VAT purposes and allowed for issuing special VAT invoices to the member buyers.</li> </ul>

				<ul style="list-style-type: none"> <li>• If the member buyer resells the gold or processes the gold into products for investment purposes and sells the processed products, it must pay VAT, but can only issue normal VAT invoices to the customer. However, if the member buyer sells the statutory gold coins (except panda bullion coins which remain VAT-exempted) processed from the standard gold bought from the exchanges, the member buyer is allowed to issue special VAT invoices to the customer.</li> </ul> <p>→ <b>Situation II – Gold bought by the member buyers for non-investment purposes</b></p> <ul style="list-style-type: none"> <li>• The exchanges are exempt from VAT and can only issue normal VAT invoices to the member buyers.</li> <li>• If the member buyer is a general VAT payer, it can claim input VAT credit based on the deduction rate of 6%.</li> <li>• If the member buyer processes the gold into products for non-investment purposes and sells the processed products, it must pay VAT and can issue special VAT invoices to the customer.</li> </ul> <p>→ <b>Situation III – Gold bought by non-member clients</b></p> <ul style="list-style-type: none"> <li>• The exchanges are exempt from VAT and can only issue normal VAT invoices to the clients.</li> <li>• If the client is a general VAT payer, it can claim input VAT credit based on the deduction rate of 6%.</li> <li>• Subsequent resale or sales of processed products by the client are subject to VAT and the client can issue special VAT invoices to the customer.</li> </ul> <p><b>3. Change of purpose after physical delivery / warehouse withdrawal</b></p> <ul style="list-style-type: none"> <li>• The member buyers must report the change of purposes to the</li> </ul>
--	--	--	--	---

				<p>exchanges before the change occurs and the application for the change of purposes can be made only once within six months after the invoices are received from the exchanges.</p> <ul style="list-style-type: none"> <li>• In the case where the purpose is changed from "investment" to "non-investment", (1) the exchange shall issue red-ink special VAT invoices for rectification and re-issue normal VAT invoices, but the refunded VAT does not need to be returned to the tax authorities; and (2) the member buyer shall transfer out the credited input VAT and recognize the input VAT based on the deduction rate of 6%.</li> <li>• In the case where the purpose is changed from "non-investment" to "investment", the exchange shall issue red-ink normal VAT invoices for rectification and re-issue special VAT invoices and the VAT Refund-upon-Levy policy shall apply; and (2) the member buyer shall transfer out the credited input VAT and recognize the input VAT based on VAT amount shown on the re-issued special VAT invoices.</li> </ul>
--	--	--	--	---

---

In case you have questions or for further information, please contact the author of this newsletter:




---

This information is provided for general information purposes only and does not constitute legal or professional advice. Copyright by CMS, China.

"CMS, China" should be understood to mean the representative offices in the PRC of CMS Hasche Sigle and CMS Cameron McKenna Nabarro Olswang LLP, working together. As a foreign registered law firm in the PRC, we are not licensed to practice PRC law. This applies to all foreign law firms in the PRC. CMS, China is a member of CMS, the organization of law firms. For more information, please visit [cms.law](http://cms.law).

[Disclaimer Privacy Statement](#)

CMS Hasche Sigle Shanghai  
Representative Office (Germany)  
910 Park Avenue Central (PAC)  
688 Changde Road, Jing'an District  
Shanghai 200040, China

CMS Cameron McKenna LLP Beijing  
Representative Office (UK)  
Room 1405, West Tower, World Financial Centre  
No.1 Middle East Third Ring Road  
Beijing 100020, China