Measures for the Administration of Withholding and Remittance of Value-Added Tax by Domestic Entities on Natural Persons

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Unofficial English translation prepared for reference only. The official Chinese text prevails.

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Article 1 — Where a natural person within the territory (hereinafter referred to as a "natural person") provides research and development services, software services, design services, consulting services, radio, film and television program (work) production services, cultural services, or education services (hereinafter collectively referred to as "qualifying taxable transactions"), the domestic entity that pays the consideration shall be the withholding agent and shall withhold and remit value-added tax in accordance with these Measures.

The specific scope of qualifying taxable transactions shall be implemented in accordance with the Announcement of the Ministry of Finance and the State Taxation Administration on Matters Relating to the Specific Scope of Value-Added Tax (MOF and STA Announcement No. 9 of 2026). Where the relevant policies are subsequently adjusted, the adjusted policies shall apply.

A "domestic entity that pays the consideration" means the domestic entity that is the purchaser in the taxable transaction. "Consideration" includes all consideration corresponding to economic benefits in monetary and non-monetary forms.

Article 2 — Where a natural person undertakes a qualifying taxable transaction, the withholding agent shall calculate the value-added tax to be withheld using the following formula:

Value-added tax to be withheld = sales amount × prescribed levy rate

Where a natural person satisfies the conditions for applying preferential value-added tax policies, the natural person shall inform the withholding agent and truthfully provide the relevant information and materials, and the withholding agent shall calculate the value-added tax to be withheld in accordance with the relevant provisions.

Article 3 — Where a natural person undertakes qualifying taxable transactions with a single withholding agent and the sales amount for the transaction (or day) reaches the threshold for per-transaction taxation, the withholding agent shall withhold value-added tax at the time the consideration is paid. Where the natural person has already paid tax, the withholding agent is not required to withhold and remit value-added tax.

Article 4 — When withholding value-added tax, the withholding agent shall simultaneously withhold the additional taxes and fees in accordance with the provisions.

Article 5 — The tax computation period for the withholding agent's remittance of tax shall be one month. The withholding agent shall file the withholding declaration with the competent tax authority and pay the tax within 15 days from the first day of the month following the month in which the taxable transaction occurred.

For a taxable transaction on which value-added tax has been withheld in accordance with these Measures, where the natural person applies for the issuance of an invoice on the natural person's behalf, no tax need be paid again; where the natural person has not applied for the issuance of an invoice, the withholding agent may send an invoicing reminder to the natural person, and after the natural person confirms, the natural person shall apply to the competent tax authority for the issuance of an invoice on the natural person's

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behalf.

Article 6 — Where a natural person undertakes qualifying taxable transactions with a single withholding agent and the sales amount for the transaction (or day) does not reach the per-transaction value-added tax threshold, or the transaction qualifies for a value-added tax exemption policy, or no value-added tax needs to be withheld under Article 3 of these Measures, the withholding agent shall file the declaration with the competent tax authority in accordance with Article 5 of these Measures.

Article 7 — Where, for a taxable transaction on which value-added tax has been withheld in accordance with these Measures, the value-added tax to be withheld changes due to a sales discount, suspension, or return, the withholding agent shall correct the withholding declaration for the period in which the tax was withheld.

Article 8 — Where a natural person requests the withholding agent to provide information such as the tax withheld and the withholding declaration records, the withholding agent shall provide such information.

Article 9 — The withholding agent shall calculate the tax and handle the withholding declaration based on the information provided by the natural person and shall not alter the information provided by the natural person without authorization.

Where the withholding agent discovers that the information provided by a natural person is inconsistent with the actual situation and the natural person refuses to make corrections, the withholding agent shall report the matter to the competent tax authority, which shall handle it in a timely manner.

Where a natural person discovers that the personal information, consideration paid, tax withheld, or other information in the withholding agent's withholding declaration is inconsistent with the actual situation, the natural person shall have the right to require the withholding agent to correct it. Where the withholding agent refuses to make corrections, the natural person shall report the matter to the competent tax authority of the withholding agent, which shall handle it in a timely manner.

Article 10 — The withholding agent shall, in accordance with the provisions, keep the books for the withholding and remittance of tax, the lawful vouchers for the withholding and remittance of tax, as well as the natural persons' identity information, taxable transaction information, settlement and payment records, and information and materials on eligibility for preferential value-added tax policies.

Article 11 — The withholding agent shall keep confidential the natural persons' identity information, information and materials on eligibility for preferential value-added tax policies, and the like.

Article 12 — Where a withholding agent performs its withholding and remittance obligations in accordance with these Measures but the natural person refuses to cooperate, the withholding agent shall promptly report the matter to the competent tax authority.

Article 13 — Where a withholding agent fails to withhold tax that should have been withheld, fails to handle the withholding declaration in accordance with the provisions, fails to pay or underpays tax already withheld, borrows or fraudulently uses another person's identity, or commits any other such circumstance, the competent tax authority shall handle the matter in accordance with the Law of the People's Republic of China on the Administration of Tax Collection and other relevant laws and administrative regulations.

Article 14 — Where a natural person who is a practitioner on an internet platform undertakes qualifying taxable transactions through the internet platform, and the internet platform enterprise handles the value-added tax filing on behalf of the practitioner in accordance with the provisions on the platform enterprise's handling of agency filing for practitioners on the platform, these Measures shall not apply.

Article 15 — These Measures shall take effect on November 1, 2026. For qualifying taxable transactions undertaken by natural persons during the period from January 1, 2026 to October 31, 2026, the natural persons shall file tax returns and pay tax on their own in accordance with Article 44 of the Implementing Regulations of the Value-Added Tax Law of the People's Republic of China.

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