Measures on the Administration of Invoices of the PRC

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Chapter I — General Provisions

Article 1 — These Measures are formulated in accordance with the Law of the People's Republic of China on the Administration of Tax Collection for the purpose of strengthening the administration of invoices and financial supervision, safeguarding state tax revenue, and maintaining economic order.

Article 2 — Units and individuals that print, obtain and use, issue, acquire, keep, and surrender invoices within the territory of the People's Republic of China (hereinafter referred to as "units and individuals that print and use invoices") must comply with these Measures.

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Article 3 — For the purpose of these Measures, "invoice" means the receipt and payment voucher issued and received in the purchase or sale of goods, the provision or receipt of services, and other business activities.

Invoices include paper invoices and electronic invoices. Electronic invoices have the same legal effect as paper invoices. The state actively promotes the use of electronic invoices.

Article 4 — Invoice administration work shall uphold and strengthen the leadership of the Party and serve economic and social development.

The competent tax authority of the State Council shall be uniformly responsible for the administration of invoices nationwide. The tax authorities of provinces, autonomous regions, and municipalities directly under the Central Government shall, in accordance with their duties, properly administer invoices within their respective administrative regions.

The finance, audit, market regulation, public security, and other relevant departments shall, within their respective scope of duties, cooperate with the tax authorities in the administration of invoices.

Article 5 — The specific administration measures for the types, copies, contents, coding rules, data standards, and scope of use of invoices shall be prescribed by the competent tax authority of the State Council.

Article 6 — Any unit or individual may report acts that violate the regulations on invoice administration. The tax authorities shall keep the identity of the reporter confidential and grant rewards as appropriate.

Chapter II — Printing of Invoices

Article 7 — Special VAT invoices shall be printed by enterprises determined by the competent tax authority of the State Council; other invoices shall, in accordance with the provisions of the competent tax authority of the State Council, be printed by enterprises determined by the tax authorities of provinces, autonomous regions, and municipalities directly under the Central Government. The private printing, counterfeiting, or altering of invoices is prohibited.

Article 8 — An enterprise that prints invoices shall meet the following conditions:

(1) it has obtained a printing business permit and a business license;

(2) its equipment and technical level can meet the needs of invoice printing;

(3) it has a sound financial system and strict systems for quality supervision, safety management, and confidentiality.

The tax authorities shall determine the enterprises that print invoices in accordance with the relevant provisions on government procurement.

Article 9 — Invoices shall be printed using the nationally unified special anti-counterfeiting products determined by the competent tax authority of the State Council. The illegal manufacture of special anti-counterfeiting products for invoices is prohibited.

Article 10 — Invoices shall be overprinted with the nationally unified invoice supervision seal. The form of the nationally unified invoice supervision seal and the requirements for invoice layout printing shall be prescribed by the competent tax authority of the State Council. The invoice supervision seal shall be made by the tax authorities of provinces, autonomous regions, and municipalities directly under the Central Government. Counterfeiting the invoice supervision seal is prohibited.

Invoices shall be subject to a system of periodic edition replacement.

Article 11 — An enterprise that prints invoices shall establish an invoice printing administration system and custody measures in accordance with the unified provisions of the tax authorities.

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The use and management of the invoice supervision seal and the special anti-counterfeiting products for invoices shall be subject to a system of designated-person responsibility.

Article 12 — An enterprise that prints invoices must print invoices in accordance with the form and quantity determined by the tax authorities.

Article 13 — Invoices shall be printed in the Chinese language. Invoices in ethnic autonomous areas may additionally be printed with one locally used common ethnic language. Where there is an actual need, invoices may also be printed simultaneously in Chinese and a foreign language.

Article 14 — Invoices used by units and individuals within each province, autonomous region, or municipality directly under the Central Government shall, except for special VAT invoices, be printed within that province, autonomous region, or municipality directly under the Central Government; where it is truly necessary to print invoices in another province, autonomous region, or municipality directly under the Central Government, the enterprise printing the invoices shall be determined after the tax authority of the province, autonomous region, or municipality directly under the Central Government where the invoices are to be printed consults and obtains the consent of the tax authority of the province, autonomous region, or municipality directly under the Central Government where the printing is to take place.

The printing of invoices outside the territory of China is prohibited.

Chapter III — Obtaining and Using Invoices

Article 15 — Units and individuals that need to obtain and use invoices shall, by presenting their establishment registration certificate or tax registration certificate, together with the identity certificate of the handling person, complete the formalities for obtaining and using invoices with the competent tax authority. Those obtaining and using paper invoices shall also provide a specimen of the special invoice seal made in accordance with the form prescribed by the competent tax authority of the State Council. The competent tax authority shall, based on the business scope, scale, and risk level of the units and individuals obtaining and using invoices, confirm the types and quantity of invoices to be obtained and used, and the manner of obtaining and using them, within five working days.

When obtaining and using invoices, units and individuals shall report the use of invoices in accordance with the provisions of the tax authorities, and the tax authorities shall conduct inspection in accordance with the provisions.

Article 16 — Units and individuals that need to use invoices temporarily may, by presenting written proof of the purchase or sale of goods, the provision or receipt of services, or other business activities, together with the identity certificate of the handling person, directly apply to the tax authority at the place of business for invoices to be issued on their behalf. Where tax is payable in accordance with tax laws and administrative regulations, the tax authority shall first collect the tax and then issue the invoice. Based on the needs of invoice administration, the tax authority may, in accordance with the provisions of the competent tax authority of the State Council, entrust other units to issue invoices on behalf of taxpayers.

The illegal issuance of invoices on behalf of others is prohibited.

Article 17 — Units or individuals that temporarily engage in business activities outside the province, autonomous region, or municipality directly under the Central Government where they are located shall, by presenting the certificate of the tax authority at their location, obtain and use invoices of the place of business from the tax authority at the place of business.

The measures for temporarily obtaining and using invoices when engaging in business activities across cities or counties within the same province, autonomous region, or municipality directly under the Central Government shall be prescribed by the tax authority of the province, autonomous region, or municipality directly under the Central Government.

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Chapter IV — Issuance and Custody of Invoices

Article 18 — Where a unit or individual selling goods, providing services, or engaging in other business activities collects payment in external business transactions, the payee shall issue an invoice to the payer; under special circumstances, the payer shall issue an invoice to the payee.

Article 19 — All units and individuals engaged in production or business activities shall, when purchasing goods, receiving services, or making payments in other business activities, obtain invoices from the payee. When obtaining invoices, they shall not request changes to the description of goods or the amount.

Article 20 — Invoices that do not conform to the provisions shall not be used as financial reimbursement vouchers, and any unit or individual has the right to refuse to accept them.

Article 21 — Invoices shall be issued truthfully, in one go across all copies, in accordance with the prescribed time limit, sequence, and columns; paper invoices shall be stamped with the special invoice seal when issued.

No unit or individual may commit any of the following acts of issuing false invoices:

(1) issuing invoices for others or for oneself that do not conform to the actual business;

(2) having others issue invoices for oneself that do not conform to the actual business;

(3) introducing others to issue invoices that do not conform to the actual business.

Article 22 — Units and individuals that install tax-control devices shall use the tax-control devices to issue invoices in accordance with the provisions and submit the data of invoices issued to the competent tax authority on schedule.

Those that use non-tax-control electronic devices to issue invoices shall report the explanatory materials of the software programs used by the non-tax-control electronic devices to the competent tax authority for the record, and keep and submit the data of invoices issued in accordance with the provisions.

Units and individuals that develop electronic invoice information systems for their own use or provide electronic invoice services for others shall comply with the provisions of the competent tax authority of the State Council.

Article 23 — No unit or individual may use invoices in violation of the provisions on invoice administration, and shall not commit any of the following acts:

(1) lending, transferring, or introducing others to transfer invoices, the invoice supervision seal, or the special anti-counterfeiting products for invoices;

(2) receiving, issuing, keeping, carrying, mailing, or transporting invoices that they know or should know to be privately printed, counterfeited, altered, illegally obtained, or abolished;

(3) using invoices by tearing them out of a book;

(4) expanding the scope of use of invoices;

(5) using other vouchers in place of invoices;

(6) stealing, intercepting, tampering with, selling, or divulging invoice data.

The tax authorities shall provide convenient channels for verifying the authenticity of invoices.

Article 24 — Except for special circumstances prescribed by the competent tax authority of the State Council, paper invoices shall be limited to issuance within the province, autonomous region, or municipality directly under the Central Government by the units and individuals that obtained and used them.

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The tax authority of a province, autonomous region, or municipality directly under the Central Government may prescribe measures for issuing paper invoices across cities or counties.

Article 25 — Except for special circumstances prescribed by the competent tax authority of the State Council, no unit or individual may carry, mail, or transport blank invoices beyond the prescribed area of use.

Carrying, mailing, or transporting blank invoices into or out of the country is prohibited.

Article 26 — Units and individuals that issue invoices shall establish a registration system for the use of invoices, cooperate with the tax authorities in identity verification, and periodically report the use of invoices to the competent tax authority.

Article 27 — Units and individuals that issue invoices shall, while completing the formalities for change or cancellation of tax registration, complete the formalities for change and surrender of invoices.

Article 28 — Units and individuals that issue invoices shall keep and preserve invoices in accordance with the relevant provisions of the state and shall not destroy them without authorization. The stub copies of issued invoices shall be kept for five years.

Chapter V — Inspection of Invoices

Article 29 — In the administration of invoices, the tax authorities shall have the right to conduct the following inspections:

(1) inspecting the printing, obtaining and use, issuance, acquisition, keeping, and surrender of invoices;

(2) taking out invoices for inspection;

(3) consulting and copying vouchers and materials related to invoices;

(4) inquiring of the parties about questions and circumstances related to invoices;

(5) when investigating and handling invoice cases, recording, audio-recording, video-recording, photographing, and copying circumstances and materials related to the cases.

Article 30 — Units and individuals that print and use invoices must accept inspections by the tax authorities in accordance with the law, truthfully report the circumstances, and provide the relevant materials, and shall not refuse or conceal.

When conducting inspections, tax personnel shall produce the tax inspection certificate.

Article 31 — When the tax authorities need to take out issued invoices for inspection, they shall issue an invoice exchange certificate to the units and individuals under inspection. The invoice exchange certificate shall have the same effect as the invoices taken out for inspection. The units and individuals whose invoices are taken out for inspection shall not refuse to accept the certificate.

When the tax authorities need to take out blank invoices for inspection, they shall issue a receipt; where no problem is found upon inspection, the invoices shall be returned in a timely manner.

Article 32 — Where units and individuals have doubts during tax examination about invoices or vouchers related to taxation obtained from outside the territory of China, the tax authorities may require them to provide confirmation certificates from an overseas notary institution or a certified public accountant, which may be used as vouchers for bookkeeping and accounting only after examination and approval by the tax authorities.

Chapter VI — Penalty Provisions

Article 33 — Where any of the following circumstances exists in violation of these Measures, the tax authorities shall order correction and may impose a fine of not more than 10,000 yuan; where there are

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illegal gains, they shall be confiscated:

(1) failing to issue invoices where invoices should be issued, or failing to issue invoices truthfully, in one go across all copies, in accordance with the prescribed time limit, sequence, and columns, or failing to stamp the special invoice seal;

(2) using tax-control devices to issue invoices but failing to submit the data of invoices issued to the competent tax authority on schedule;

(3) using non-tax-control electronic devices to issue invoices but failing to report the explanatory materials of the software programs used by the non-tax-control electronic devices to the competent tax authority for the record, or failing to keep and submit the data of invoices issued in accordance with the provisions;

(4) using invoices by tearing them out of a book;

(5) expanding the scope of use of invoices;

(6) using other vouchers in place of invoices;

(7) issuing invoices beyond the prescribed area;

(8) failing to surrender invoices in accordance with the provisions;

(9) failing to keep and preserve invoices in accordance with the provisions.

Article 34 — Where blank invoices are carried, mailed, or transported beyond the prescribed area of use, or blank invoices are carried, mailed, or transported into or out of the country, the tax authorities shall order correction and may impose a fine of not more than 10,000 yuan; where the circumstances are serious, a fine of not less than 10,000 yuan and not more than 30,000 yuan shall be imposed; where there are illegal gains, they shall be confiscated.

Losing invoices or destroying invoices without authorization shall be punished in accordance with the preceding paragraph.

Article 35 — Where invoices are falsely issued in violation of these Measures, the tax authorities shall confiscate the illegal gains; where the amount falsely issued is not more than 10,000 yuan, a fine of not more than 50,000 yuan may be imposed in addition; where the amount falsely issued exceeds 10,000 yuan, a fine of not less than 50,000 yuan and not more than 500,000 yuan shall be imposed in addition; where a crime is constituted, criminal liability shall be pursued in accordance with the law.

Illegally issuing invoices on behalf of others shall be punished in accordance with the preceding paragraph.

Article 36 — Where invoices are privately printed, counterfeited, or altered, special anti-counterfeiting products for invoices are illegally manufactured, the invoice supervision seal is counterfeited, or invoice data is stolen, intercepted, tampered with, sold, or divulged, the tax authorities shall confiscate the illegal gains, confiscate and destroy the instruments used in the offense and the illegal articles, and impose in addition a fine of not less than 10,000 yuan and not more than 50,000 yuan; where the circumstances are serious, a fine of not less than 50,000 yuan and not more than 500,000 yuan shall be imposed in addition; where a crime is constituted, criminal liability shall be pursued in accordance with the law.

Where the Law of the People's Republic of China on the Administration of Tax Collection contains provisions on the punishment prescribed in the preceding paragraph, those provisions shall apply.

Article 37 — Where any of the following circumstances exists, the tax authorities shall impose a fine of not less than 10,000 yuan and not more than 50,000 yuan; where the circumstances are serious, a fine of not less than 50,000 yuan and not more than 500,000 yuan shall be imposed; where there are illegal gains, they shall be confiscated:

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(1) lending, transferring, or introducing others to transfer invoices, the invoice supervision seal, or the special anti-counterfeiting products for invoices;

(2) receiving, issuing, keeping, carrying, mailing, or transporting invoices that they know or should know to be privately printed, counterfeited, altered, illegally obtained, or abolished.

Article 38 — Where a unit or individual violates the provisions on invoice administration on two or more occasions, or the circumstances are serious, the tax authorities may make a public announcement.

Article 39 — Where a violation of the regulations on invoice administration causes another unit or individual to fail to pay or underpay tax, or to fraudulently obtain tax, the tax authorities shall confiscate the illegal gains and may impose in addition a fine of not more than one time the tax that was not paid, underpaid, or fraudulently obtained.

Article 40 — Where a party is dissatisfied with the penalty decision of the tax authorities, it may apply for administrative reconsideration or institute administrative proceedings in a people's court in accordance with the law.

Article 41 — Where tax personnel, taking advantage of their authority, deliberately create difficulties for units and individuals that print and use invoices, or commit acts in violation of the regulations on invoice administration, they shall be given sanctions in accordance with the relevant provisions of the state; where a crime is constituted, criminal liability shall be pursued in accordance with the law.

Chapter VII — Supplementary Provisions

Article 42 — The competent tax authority of the State Council may, based on the special modes of operation and business needs of relevant industries, formulate, in conjunction with the relevant competent authorities of the State Council, invoice administration measures for those industries.

The competent tax authority of the State Council may, based on the special needs of the administration of special VAT invoices, formulate specific administration measures for special VAT invoices.

Article 43 — These Measures shall enter into force on the date of promulgation. The Interim Measures for the Administration of Invoices Nationwide promulgated by the Ministry of Finance in 1986 and the Interim Provisions on the Administration of Invoices of Foreign-Invested Enterprises and Foreign Enterprises promulgated by the former State Taxation Administration in 1991 shall be repealed simultaneously.

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