

3100152130 上海增值税专用发票 No 23525630 3100152130 23525630 开票日期: 2015年11月19日

税总局 (2015) 7 号 上海外销有限公司

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货物或应税劳务、服务名称 规格型号 单位 数量 单价 金额 税率 税额

服务费6%					13500.00	6%	810.00
合计					¥13500.00		¥810.00

价税合计(大写) 壹万肆仟叁佰壹拾圆整 (小写) 14310.00

名称: 名翰商务咨询(上海)有限公司
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310106662406093 发票专用章

China "Golden Tax" System FAQ for B2B Businesses

MANAGING CHINA VAT INVOICES IN YOUR ERP SYSTEM

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Why do I need to know about the “Golden Tax” system?

If you are doing business in China, you need to be familiar with “Golden Tax”, the system used by the Chinese government to monitor and control the tax paid on any transaction.

This means that any business providing goods or services that are subject to China’s value-added tax are legally required to issue VAT invoices, known as “**fapiao**” (发票) using the Chinese government-certified “**Golden Tax System**” (GTS). This system consists of software, electronic printing and specialized numbered invoicing paper designed to prevent counterfeiting.

Companies with entities in China therefore need to apply for permission from the Tax Authority to issue VAT invoices (fapiao) using the Golden Tax System, and must also purchase the software and devices that are authorized to print fapiao.



How are Golden Tax VAT Invoices (Fapiao) used by businesses in China?

Seller:

- B2B Businesses are legally required to issue VAT fapiao for every good or service that they sell in China. (note that businesses are required to issue the fapiao relevant to their industry e.g. "service", "food & beverage", etc.)
- Businesses selling a good or service keep a copy of a fapiao for bookkeeping and auditing purposes

Buyer

Companies:

- B2B buyer companies use VAT fapiao to apply for deductions on corporate tax related to company expenditures
- Bookkeeping + auditing purposes

Individuals:

- Individuals need to submit VAT fapiao to successfully apply for certain types of expense reimbursements from their employer, (though not all expenses require a VAT invoice; some, such as taxi fares, can be expensed with a different type of invoice)

What information needs to be included on the Fapiao?

- Two red chops - one from the tax authority and one from the finance department of the issuing company
- The characters “发票” in header
- Unique Fapiao Number (发票号码)
- Must be printed on specialised paper issued by Tax Department
- All items in the invoice must be completed consistently with the terms of what was actually supplied.
- The company that purchased the good or service must also be written on the invoice.
- Letters in the VAT invoice must be legible and completed properly.
- The invoice must be issued at the time the VAT liability arises.
- Invoices can only be issued in Chinese Yuan/Renmimbi (“CNY” or “RMB”), not in any other currency.
- All fapiao are printed in 3 copies:
 - Bookkeeping copy – the bookkeeping voucher for the issuer;
 - Deduction copy – the tax deduction voucher for the customer who made the purchase; and
 - Invoice copy – the bookkeeping voucher for the customer who made the purchase

NB: All prices include business tax. Fapiao does not impact pricing in legitimate businesses.

What does a Fapiao look like?

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Chop from tax authority

Fapiao number

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货物或应税劳务、服务名称 服务费6%	规格型号	单位	数量	单价	金额 13500.00	税率 6%	税额 810.00
Service item				Amount in Chinese numerals (capital case)			
合计				¥13500.00		¥810.00	
价税合计(大写)		壹万肆仟叁佰壹拾圆整		(小写) 14310.00			
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收款人:		复核:		开票人: admin		销售方: (章)	

How does printing Fapiao impact the bookkeeping workload of my finance team?

- If your company is issuing a large number of fapiaos for goods and services sold every day (50+), this can create a heavy workload for your finance team when it is time to record this data in your accounting system. It may be necessary to automatically synchronize the invoice data in your Golden Tax system with your ERP or accounting system. This can help you achieve the following benefits:
 - **Eliminate the risk of human error**
 - **Time costs savings by reducing the manual workload of your finance team**
 - **Facilitation of company audits and real time, accurate finance reports**
- If your company only issues a small number of fapiaos on a daily basis (>50), it may be more cost effective for your finance team to enter the data manually until the volume of your business transactions requires an automated solution.



What options do I have for synchronising data in my Golden Tax System with my ERP system?

There are several locally developed software applications for China finance management that integrate with China's Golden Tax System. However, companies that already have a global enterprise data management system are often unwilling to purchase another local accounting system and run it in parallel with their existing solution.

The ideal solution for most companies is a solution that integrates the Golden Tax System with their existing ERP application, to automate data transfer from one system to the other. Integrations with your existing ERP application can achieve the following benefits:

- You can avoid the extra costs of purchasing a finance application just for China operations
- Avoid data duplication and discrepancies caused by maintaining 2 separate systems
- Ensure "single version of the truth" by conveniently managing your critical financial data on a single system.

**Local Chinese
finance
application**

**Integration
solution with
your existing
ERP**

Reduced cost

**Single version
of the truth**

**Integration as
standard**

**More
convenient data
management**