

ISSUANCE OF VAT SPECIAL INVOICE FOR CUSTOMS DECLARATION AGENCY SERVICES IN CHINA

January 9, 2026

Dear Valued Customer,

APL Logistics wishes to inform you of an important regulatory update regarding the issuance of VAT special invoices for customs declaration agency services in China.

Background and Key Changes

Based on the latest Chinese VAT Law and its implementing regulations, effective January 1, 2026, the tax authorities have clarified that customs declaration agency services are not classified as cargo transportation agency services and therefore do not qualify for the zero VAT rate. Effective from the sailing date of January 19, 2026, APL Logistics will issue VAT special invoices for customs declaration agency services, applying a 6% VAT rate.

Summary of Regulatory Developments

- **1993-12-13:** Provisional Regulations on Business Tax issued by the State Council (Order No. 134), forming the original framework prior to VAT reform.
- **2012–2013:** VAT reform pilot programs commenced, replacing business tax with VAT for selected sectors. International transportation services remained tax-exempt.
- **2016:** Implementation measures for VAT reform defined cargo transportation agency services (eligible for zero tax rate) and clarified that customs declaration agency services are not eligible for the zero-tax rate.
- **2026-01-01:** The VAT Law of the People's Republic of China and its implementation regulations took effect, reaffirming a general service tax rate of 6%. The Implementation Regulations also reaffirmed the service scope and confirmed that both international and cross-border transportation services remain eligible for the zero-tax rate.

Key Adjustments

- The VAT change for customs declaration services currently applies to invoices issued to domestic companies in China. For the time being, billing and payments for overseas customers will remain unchanged.
- CFS charges and domestic trucking fees to warehouses or ports have not been explicitly excluded from international cargo transportation agency services under existing regulations and therefore continue to qualify for the zero VAT rate.

APL Logistics will continue to monitor updates from tax authorities and industry practices. Should any further changes arise, we will provide timely updates.

If you have any questions, please contact your APL Logistics representative.

Sincerely,
APL Logistics