

Official Notice on Adjustment of VAT Category for Express Delivery Services in Mainland China

According to Announcement No. 5 (2025) jointly issued by the Ministry of Finance and the State Taxation Administration, titled “*Announcement on Clarifying VAT Policies for Express Delivery Services and Other Matters*”, it is stipulated that revenue earned by courier companies from providing such express delivery services shall be subject to Value-Added Tax (“VAT”) under the category of "Pickup and Delivery Services".

In compliance with this regulation, UPS (i.e., UPS Parcel Delivery (Guangdong) Co., Ltd.) and its local branches will soon be issuing VAT invoices under the category of "Pickup and Delivery Services" to customers procuring import/export express delivery services from UPS.

A 6% VAT on collection and delivery services shall only apply to import shipments, including but not limited to the following charges:

- Express delivery service fees and surcharges for import freight collect shipments.
- For low-value import shipments (i.e., Category C shipments), customs duties and taxes advanced by UPS as well as surcharges; for general import shipments (i.e., Category D shipments), surcharges only.

This VAT will be calculated at 6% of the total amount of the above charges.

Should you require any clarification or have any question, please feel free to contact your UPS sales manager or UPS customer service hotline at 800-820-8388/400-820-8388.