

1<sup>st</sup> August, 2013

## IMPORTANT NOTICE TO ALL CUSTOMERS

### China Value Added Tax (VAT) Introduction - Airfreight

Dear All

Kindly note the Chinese government will introduce a new export tax for all air shipments departing on, or after, the 1<sup>st</sup> of August.

In accordance with the new circular 37 (Cai Shui [2013] No. 37) on "Tax Policy of VAT Pilot Program on Transportation & Modern Services Sectors", issued jointly by the Ministry of Finance (MOF) and the State Administration of Taxation (SAT) of the People's Republic of China on 24<sup>th</sup> May 2013, the related Value Added Tax (VAT) policy will be expanded nationwide with effect from 1 August 2013, having a direct impact on the taxation of invoices for export and import related services.

All Transportation and Handling Charges accordingly associated will also fall under the new legislation, with Freight and Handling portions considered part of the revenue process.

In compliance with the above mentioned policy, ADM would like to advise you that all quotes and invoices for Airfreight originating from China will now include the additional 6% VAT applied to the Freight and related Origin charges. This will be shown as a separate line accordingly on quotes and invoices.

ADM anticipate that there may be adjustments and reviews to the VAT tax system in China. As these reviews occur we will notify you of any applicable updated changes or interpretations.

Should you have any questions please do not hesitate to contact your account representative.

Yours faithfully,  
**ADM GLOBAL PTY. LTD.,**

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