

IIT Must be Paid for Virtual Currency Trading

Chinese version If individuals up-sell the virtual currency that they purchase from the game players through the internet, individual income tax (IIT) shall be collected on the incomes generated from such sale as per the standard of taxing "income derived from property transfer".

The aforementioned provisions were made by the Reply on Issues Concerning the Collection of Individual Income Tax on Incomes Derived from Trading Virtual Currency via Internet by Individuals, which was recently released by China's State Administration of Taxation (SAT). The Reply also stipulated that original property value of the individuals' virtual currency trading shall be the price and the relevant taxation that they pay for the purchase of virtual currency.

Besides, if the aforementioned individuals fail to provide the relevant original value documents with their properties, the competent taxation authorities must check the original value.

(Source: State Administration of Taxation)

Close