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I. SAT Issues New Measures on VAT and Consumption Tax Refund (Exemption) for Export Business

On 30 January 2026, the State Taxation Administration of the PRC (the “SAT”) issued the Announcement on the Issuance of the Measures for the Administration of VAT and Consumption Tax Refund (Exemption) for Export Business (the “**Measures**”). The Measures are primarily relevant for export-oriented enterprises, including manufacturing and foreign trade companies, as they introduce updated compliance requirements and procedural rules for VAT and consumption tax refund administration.

In terms of record-filing, taxpayers are required to complete the relevant filing procedures in accordance with applicable rules and to timely update filings upon any material changes. With respect to declaration and processing, the Measures differentiate between manufacturing enterprises and foreign trade enterprises, specifying documentation requirements based on different business models, and providing tailored rules for specific scenarios, including processing trade, refunds for used equipment, and transactions in special regulatory zones.

Taxpayers are also required to properly retain supporting documents, including sales and purchase contracts, transportation documents, and customs declaration materials, for a unified retention period of ten years. Furthermore, export proceeds must, in principle, be collected by 30 April of the year following the customs declaration of export.

Key improvements include the consolidation of multiple filing forms into a single unified form (“one-form filing”) and the expansion of electronic issuance of refund-related certificates.

In conclusion, for most enterprises, the implementation of the Measures is unlikely to materially affect existing filing practices. Nevertheless, businesses should pay close attention to key compliance requirements, particularly in relation to record-filing management, document retention, and foreign exchange collection deadlines.

II. The Commercial Mediation Regulations

The Commercial Mediation Regulations (the “**Regulations**”) were promulgated on December 31, 2025, and will take effect on May 1, 2026. The Regulations are particularly relevant for enterprises, including foreign-invested companies, as they introduce a formalized legal framework for commercial mediation and may affect dispute resolution strategies in China. In this publication, we provide a brief overview of the Regulations.

Establishment: Commercial mediation organizations must be non-profit, with minimum assets of RMB 300,000 and at least 5 mediators. Establishment requires provincial-level judicial approval. Foreign mediation organizations could establish offices in pilot free trade zones, but specific rules are pending. **Mediator Qualifications:** Mediators must meet one of: (i) pass the legal professional exam with 3 years’ mediation experience; (ii) 3 years as lawyer, arbitrator, notary, judge or prosecutor; (iii) intermediate professional title or equivalent competence; or (iv) 3 years’ pre-Regulations mediation experience with a bachelor’s degree. Foreign mediators could serve but must register. **Procedure:** Mediation is voluntary, confidential, and conducted in private. Settlement agreements are legally binding and could be judicially confirmed for enforcement. However, procedural details like timelines and mediator withdrawal remain unspecified. **Supervision:** Local judicial authorities supervise. Unauthorized mediation incurs fines of RMB 100,000–300,000. Mediator misconduct could result in fines of RMB 10,000–100,000 or suspension.

In conclusion, the Regulations provide a useful new tool for foreign-invested enterprises, but practical benefits will depend on how courts implement judicial confirmation and how foreign mediator access is clarified. Companies should approach mediation strategically and remain vigilant against participating in arrangements that could be mischaracterized as false mediation.

III. Administrative Measures for Special Anti-Money Laundering Preventive Measures Published by Eight Departments

On 13 January 2026, the People's Bank of China ("PBC"), together with seven other authorities, issued the Measures for the Administration of Anti-Money Laundering Special Preventive Measures (the "Measures"), which took effect on 16 February 2026. The Measures provide a framework for implementing anti-money laundering special preventive measures under PRC law, focusing on money laundering, terrorist financing, and financing of the proliferation of weapons of mass destruction.

Under the Measures, all entities and individuals in China must take special preventive measures against persons or organizations included on specified lists, including terrorist lists, UN-targeted financial sanctions list, and lists determined by the PBC or relevant authorities as posing material money laundering risks. Such measures include ceasing to provide financial and other services, funds, or assets to listed persons and related parties, and restricting the transfer of relevant funds or assets, without prior notice. The Measures also address confidentiality obligations, protection of bona fide third parties, and review or delisting procedures. For financial institutions, the Measures impose operational requirements, including establishing internal control systems, monitoring lists, screening business relationships and transactions, and promptly taking and reporting measures. Similar obligations also apply to designated non-financial institutions.

In practice, the main compliance pressure will come from timely list screening, internal escalation, and reporting, especially for institutions with cross-border exposure.

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