

**THE GOVERNMENT OF  
VIETNAM**

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No. 27/2023/ND-CP

**THE SOCIALIST REPUBLIC OF VIETNAM**  
**Independence - Freedom - Happiness**

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*Hanoi, May 31, 2023*

## **DECREE**

### **ENVIRONMENTAL PROTECTION FEES ON MINERAL EXTRACTION**

*Pursuant to the Law on Government Organization dated June 19, 2015; the Law on amendments to some Articles of the Law on Government Organization and Law on Local Government Organization dated November 22, 2019;*

*Pursuant to the Petroleum Law dated June 07, 1993; the Law on amendments to some Articles of the Petroleum Law in 2000, 2008 and 2018;*

*Pursuant to the Mineral Law dated November 17, 2010;*

*Pursuant to the Law on State Budget dated June 25, 2015;*

*Pursuant to the Law on Fees and Charges dated November 25, 2015;*

*Pursuant to the Law on Tax administration dated June 13, 2019;*

*Pursuant to the Law on Environmental Protection dated November 17, 2020;*

*At the request of the Minister of Finance of Vietnam;*

*The Government promulgates a Decree on environmental protection fees on mineral extraction*

## **Chapter I**

### **GENERAL PROVISIONS**

#### **Article 1. Scope and regulated entities**

1. This Decree provides for entities subject to environmental protection fees, payers, collectors, cases exempt from fees, fees, calculation method, declaration, payment and use of environmental protection fees on mineral extraction.
2. This Decree applies to entities performing mineral extraction activities according to regulations of law on mineral, entities extracting crude oil, natural gas and coal gas

according to regulations of petroleum law, other state agencies and entities involved in management and collection of environmental protection fees on mineral extraction.

## **Article 2. Entities subject to environmental protection fees**

Extraction of crude oil, natural gas and coal gas; metallic minerals and non-metallic minerals specified in the Table of environmental protection fee rate for mineral extraction issued together with this Decree shall incur environmental protection fees for mineral extraction

## **Article 3. Collectors**

Collectors of environmental protection fees on mineral extraction are tax authorities according to regulations of law on tax administration.

## **Article 4. Payers**

Payers of environmental protection fees on mineral extraction according to this Decree include:

1. Entities extracting minerals according to regulations of law on minerals.
2. Vietnamese or foreign entities licensed to extract crude oil, natural gas and coal gas according to petroleum contracts or provide petroleum services in accordance with the petroleum law.
3. If an entity licensed to extract small and scattered minerals for sale to an entity that acts as the focal point for purchase and the entity that acts as the focal point for purchase make a written commitment to approval for the declaration and payment of fees on behalf of the mineral-extracting entity, the entity that acts as the focal point for purchase shall pay environmental protection fees.

## **Article 5. Cases exempt from environmental protection fees**

1. Extracting minerals as common building materials in the land area under the land use right of households and individuals for construction of works of households and individuals in that area.
2. Extracting soil and stone with a view to leveling and constructing security and military works, preventing and controlling natural disasters, and making recovery from natural disasters. If the extracted soil and stone are used to level or construct security and military works or prevent and mitigate the effects of natural disasters, and for other purposes, the entity shall be responsible for determining the volume of soil and stone that are exempt from environmental protection fees; and the quantity of soil and stone used for other purposes that are subject to environmental protection fees on mineral extraction.

3. Using excavated soil and stone from the process of extraction for environmental remediation and improvement in the extraction area according to the environmental remediation and improvement plan approved by the competent authority.

The quantity of excavated soil and stone that are exempt from environmental protection fees shall be determined according to:

a) Acceptance record of quantity of each extraction stage, including: soil preparation, loading, transport, stone waste as prescribed at Point b, Clause 2, Article 41 of Decree No. 158/2016/ND-CP dated 29 November 2016 of the Government on the implementation of a number of Articles of the Mineral Law

b) Environmental remediation and improvement plan approved by the competent authority as prescribed at Clause 3 Article 67 of Law on Environmental Protection.

c) Application for mine closure approved by the competent authority according to regulations of law on minerals.

## **Chapter II**

### **FEES, CALCULATION METHOD, DECLARATION, TRANSFER, AND USE OF ENVIRONMENTAL PROTECTION FEES ON MINERAL EXTRACTION**

#### **Article 6. Fees**

1. Environmental protection fee on the extraction of crude oil: 100.000 VND/ton. That on the extraction of natural gas or coal gas: 50 VND/ m<sup>3</sup>. In particular, the environmental protection fee on natural gas obtained in the process of extraction of crude oil (associated gas): 35 VND/ m<sup>3</sup>.

2. Environmental protection fees on mineral extraction (including case where entities conduct production and business other than mineral extraction but acquire minerals) are regulated in the Fee Schedule enclosed to this Decree.

3. The environmental protection fee on the full extraction of a type of mineral according to regulations of law on minerals is equal to 60% of that on the extraction of such type of mineral laid down in the Fee Schedule enclosed to this Decree.

4. According to rules for determination of fees specified in Law on Fees and Charges, the Fee Schedule enclosed to this Decree, and reference of fees of local authorities in provinces, each People's Council of province/central- affiliated city (hereinafter referred to as "Provincial-level People's Council") shall decide fee-calculating entities, environmental protection fees on the extraction of each type of mineral to apply in that province in conformity with actual situations in each specified period.

#### **Article 7. Calculation method**

1. The environmental protection fee on mineral extraction payable within a period shall be calculated by the following formula:

$$F = [(Q1 \times f1) + (Q2 \times f2)] \times K.$$

Where:

F: the environmental protection fee payable in the period (month);

Q1: the volume of soil/stone excavated in the calculation period (m<sup>3</sup>).

The volume of soil/stone excavated in the calculation period (Q1) shall be determined by regulations in Clause 2, Article 41 and Clause 4, Article 42 of Decree No. 158/2016/ND-CP.

f1: the fee imposed on the volume of excavated soil/ stone: 200 VND/m<sup>3</sup>;

Q2: the total volume of crude minerals extracted in the period (tons or m<sup>3</sup>);

(Q2) shall be determined by regulations in Article 42 of Decree No. 158/2016/ND-CP

f2: the environmental protection fee on each type of extracted mineral (VND/ton or VND/m<sup>3</sup>);

K: the fee calculation coefficient by extraction technique, in which:

Open-cast mining (including hydraulic mining such as mining of titan, sand or gravel from riverbeds, hydroelectric reservoirs, irrigation, estuaries): K = 1,1.

Underground mining and other mining techniques (extraction of crude oil, natural gas, natural mineral water and other cases): K = 1.

2. Regarding minerals containing many mineral substances that are useful, the formula specified in Clause 1 of this Article shall be applied.

The fee payable of each type of minerals in the total volume of crude minerals containing many mineral substances that are useful equals (=) The rate of each type of crude minerals in the total volume of crude minerals containing many mineral substances that are useful multiplied by (x) Total volume of crude minerals containing many mineral substances that are useful, extracted the period (Q2) multiplied by (x) the environmental protection fee on each type of extracted mineral (f2).

$$\begin{array}{l} \text{Rate of each type of crude} \\ \text{minerals in the total volume} \\ \text{of crude minerals} \end{array} = \frac{\text{Average content of each type of minerals in extracted} \\ \text{crude ore}}{\text{Total average content of minerals in extracted crude}}$$

ore

According to the average content of each type of minerals in the crude ore and the total average content of minerals in the crude ore in the dossier on mineral reserves or the periodic report on the result of mineral extraction of the entity in accordance with the mineral law, the Department of Natural Resources and Environment shall take charge and cooperate with the Department of Taxation and related agencies in submitting the decision on the rate of each type of crude minerals in the total volume of crude minerals containing many minerals substances that are useful (hereinafter referred to as "the rate") for calculation of the environmental protection fee in accordance with the actual situation of the province to the People's Committee of province. To be specific:

a) Regarding minerals that are entitled to be extracted for the first time, according to the dossier on mineral reserves, the rate shall be provided before the entity conducts mineral extraction to serve as the basis for declaration of environmental protection fees by the payer.

In the next year, according to the data in the periodic report on the result of mineral extraction activities, the rate to be provided shall be appropriate to the actual situation in order to serve as a basis for declaration and payment of environmental protection fees by the payer for next time.

b) Regarding minerals that are being extracted, according to the data in the periodic report on the result of mineral extraction of the preceding year, the rate to be provided shall be appropriate to the actual situation in order to serve as a basis for declaration and payment of environmental protection fees by the payer for next time

3. In case of recovery of coal mixed with excavated soil and stone, the environmental protection fee payable shall comply with the formula specified in Clause 1 of this Article.

If it is required to screen, select, classify and enrich coal mixed with soil and stone before it is sold, the Department of Natural Resources and Environment shall, according to actual conditions of extraction and processing technology in the province, take charge and cooperate with the Department of Taxation and relevant agencies in submitting the decision on the conversion rate from the volume of finished minerals to the volume of crude minerals as the basis for calculation of environmental protection fees in accordance with the actual situation of the province to the provincial People's Committee.

4. Regarding full extraction of minerals specified in Clause 3 Article 6 of this Decree.

a) The determination of fees payable shall comply with regulations of Clauses 1 and 2 of this Article.

b) If it is required to screen, select, classify and enrich extracted minerals before they are sold, the Department of Natural Resources and Environment shall, according to actual conditions of extraction and processing technology in the province, take charge and cooperate with the Department of Taxation and relevant agencies in submitting the

decision on the conversion rate from the volume of finished minerals to the volume of crude minerals as the basis for calculation of environmental protection fees in accordance with the actual situation of the province to the provincial People's Committee.

5. Regarding the case specified in Clause 3, Article 4 of this Decree, the fee payable equals (=) the quantity of purchased minerals multiplied by (x) the environmental protection fee on each type of extracted mineral.

### **Article 8. Declaration, payment, management and use of fees**

1. The declaration and payment of environmental protection fees on mineral extraction shall comply with regulations of the law on tax administration.
2. Environmental protection fees on mineral extraction (excluding crude oil, natural gas and coal gas) shall be revenues of local government budget, managed and used in accordance with regulations of the Law on State Budget.
3. Environmental protection fees on extraction of crude oil, natural gas and coal gas) shall be revenues of central government budget, managed and used in accordance with regulations of the Law on State Budget.

## **Chapter III**

### **IMPLEMENTATION CLAUSE**

#### **Article 9. Implementation**

1. The People's Committee of province shall:
  - a) Request the provincial-level People's Council at the latest meeting to promulgate a Resolution on fee-calculating entities, environmental protection fees on mineral extraction to apply in that province in conformity with regulations in Clause 4 Article 6 hereof.
  - b) Instruct the provincial Department of Natural Resources & Environment to provide information and/or documents about entities licensed to extract minerals in that province to the tax authority, and cooperate with tax authority in monitoring payers in compliance with regulations of this Decree.
2. The local tax authority shall:
  - a) Manage the collection and payment of environmental protection fees in accordance with the law on tax administration.
  - b) Retain and use figures and documents provided by entities participating in mineral extraction and other entities in accordance with regulations.

c) Cooperate with the provincial Department of Environment and Natural Resources to collect environment protection fees on mineral extraction in accordance with regulations hereof and regulations of the Law on tax management.

d) By April 30 of each year, according to the annual fee finalization dossier (calendar) according to regulations of the law on tax administration, the tax authority where the payer submits the fee declaration dossier shall be responsible for transfer detailed information on the volume of excavated soil and stone and the volume of extracted crude minerals whose environmental protection fees on mineral extraction have been declared and paid according to each license to extract minerals in the province to the provincial Department of Environment and Natural Resources.

In case of fee finalization in non-calendar year, termination of mineral extraction contract, termination of mineral collection and purchase, change in ownership, transformation of type of enterprises, merger, consolidation or division, dissolution, bankruptcy, termination of production and business, the tax authority shall transfer information to the provincial Department of Environment and Natural Resources within 45 days from the deadline for submission of the fee finalization dossier according to regulations of law on tax administration.

dd) By April 30 of each year, the Department of Taxation shall be responsible for summarizing and publishing environmental protection fees on mineral extraction that payers have paid in the previous year on the website of the Department of Taxation and of the People's Committee of the province.

3. The Department of Natural Resources and Environment shall be responsible for comparison between the quantity of excavated soil and stone and the volume of crude minerals extracted according to each License declared by the fee payer with data available at the Department of Natural Resources and Environment; If the volume declared by the fee payer is found to be false or shows signs of law violations, the Department of Natural Resources and Environment shall take professional measures to determine the volume of excavated soil and stone and extracted crude minerals.

Within 30 working days from the date of receipt of information provided by the tax authority, if the fee payer provides false information in the declaration of the volume of excavated soil and stone and extracted crude minerals, the Department of Natural Resources and Environment shall be responsible for transferring information to the tax authority for handling in accordance with the Law on Tax Administration.

#### **Article 10. Effect**

1. This Decree comes into force as from July 15, 2023 and replaces Decree No. 164/2016/ND-CP dated December 24, 2016 of the Government on environmental protection fees on mineral extraction.

2. From the effective date of this Decree, if the People's Council of the province has not yet regulated a new fee, the fee shall continue to be applied according to applicable regulations of the Provincial People's Council; If the People's Committee of the province has not yet regulated the rate of each type of crude minerals in the total volume of crude minerals containing many mineral substances that are useful, the rate shall continue to be applied according to applicable regulations of the People's Committee of the province. No later than the date in which the People's Council of the province promulgates a Resolution on fee-calculating entities and environmental protection fees on mineral extraction, the People's Committee of the province shall provide the rate of each type of crude minerals in the total volume of crude minerals containing many mineral substances that are useful for application in the province.

3. During the implementation of this Decree, if a relevant document that is referred to in this Circular is amended or replaced, the later one shall prevail./.

### **Article 11. Responsibility for implementation**

Ministries, Heads of ministerial agencies and Governmental agencies, the Presidents of People's Committees of provinces and central-affiliated cities and relevant organizations and individuals shall be responsible for implementation of this Decree./.

**ON BEHALF OF THE GOVERNMENT  
PP. THE PRIME MINISTER  
DEPUTY PRIME MINISTER**

**Le Minh Khai**

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