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ORDINANCE ON NATURAL RESOURCES TAX

(Excerpts)

CHAPTER I

NATURAL RESOURCES SUBJECT TO TAX

Article 1

All natural resources are under the public ownership and under the exclusive management of the State. All organisations and individuals, Vietnamese or foreign, involved in the exploitation of resources shall pay natural resources tax in accordance with the provisions of this Law.

Enterprises with foreign investment capital and business joint ventures entering into contracts before the day when this Ordinance comes into force, which exploit and pay for resources in accordance with the provisions set out in article 29 of the Law on Foreign Investment in Vietnam, shall continue to pay in the same manner and shall not pay resources tax as set out in this Law.

Article 2

Natural resources subject to tax as specified in this Law shall include:

1. Minerals, metallic and non-metallic, including stone, sand, soil and gravel used as raw materials in industrial processes and small-scale handicrafts and industries.
2. Forest resources: timber firewood and others.
3. Fish and all other marine resources.

Article 3

Vietnamese organisations and individuals shall not pay natural resources tax in the following cases:

1. Exploitation of forest resources where re-forestation costs have been paid by a Vietnamese organisation in accordance with the regulations issued by the Council of Ministers.
2. Exploitation of water resources which are not used for hydro-electric power generation purposes.

Article 4

Where the Vietnamese party participating in joint ventures contributes the legally-required capital in the form of natural resources in accordance with the provisions set out in article 7 of the Law on Foreign Investment in Vietnam the joint venture shall not pay natural resources tax as set out in this Ordinance as regards those resources contributed by the Vietnamese side according to the contract between the parties.

CHAPTER II

BASIS FOR TAX CALCULATION AND TAX TABLE

Article 5

Natural resources tax shall be calculated on the basis of the volume of output, the price charged per unit of production and the tax rate calculated according to the value of the particular resource exploited.

Article 6

Tax Table

Order number	Resource category	Tax rate (%)
1	Metallic minerals	2-10
	Exception: gold	2-15
2	Non-metallic minerals	1-12
	Exception: - precious stones	3-15
	- oil and gas	6-20
3	Forest resources	10-40
4	Fish and other marine resources	3-10
5	Other resources	1-10

Based on this table the Council of Ministers shall determine the specific tax rates for each category of resources.

Article 7

The price used as the basis for calculating the natural resources tax shall be determined as follows:

1. With regard to resources exploited by Vietnamese organisations or individuals, the real selling price of the unprocessed resources.
2. With regard to resources exploited by foreign organizations or individuals, the real selling price of the unprocessed resources to be determined by the Council of Ministers in conformity with world market prices at one time.

3. Where the unprocessed resources have no selling price as set out in paragraphs 1 and 2 of this article; the price used as the basis for calculation shall depend on the price of the refined product and on the amount of the unprocessed resources in each product.

CHAPTER III

DECLARATION AND PAYMENT OF NATURAL RESOURCES TAX

Article 8

Organisations and individuals involved in exploiting natural resources shall have the responsibility:

1. To fully and honestly declare to the taxation administration according to the forms issued by the Ministry of Finance no later than five days after starting operations, division, merge or dissolution.
2. To strictly observe the regulations governing book-keeping and accounting.
3. To supply documents, books and accounting records to the Taxation Office on request.
4. To pay tax on time and in full.

Article 9

Resources tax shall be paid according to the schedule drawn up by the taxation administration.

Article 10

The taxation administration shall be following rights and obligations:

1. To direct, assist and oversee all business establishments in the strict observance of regulations governing book-keeping and accounting, and of the procedures regarding declaration and payment of natural resources tax.
2. To inspect and regulate commercial activities of business establishments in order to calculate the tax to be levied.
3. To calculate and notify the amount of tax to be paid to the State treasury of bank.

Upon receipt of tax payments, the Taxation Office must provide the organisations or individuals concerned with a receipt or certification that the required amount of tax has been paid in accordance with the regulations issued by the Ministry of Finance.

4. To send out reports, impose administrative penalties within its area of jurisdiction, or institute investigations of criminal liability in cases of violation of the tax provisions.

5. To investigate and resolve complaints regarding natural resources tax.

Article 11

The taxation administration shall have the right to determine the amount to be paid in respect of resources subject to natural resources tax, in the following cases:

1. Failure to declare, or having declared not in accordance with State regulations.

2. Failure to furnish within the time-limit allowed for declarations regarding tax.

3. Failure to strictly observe the regulations governing book-keeping and accounting.

4. Refusal to furnish accounting books and accounts upon request by the taxation administration or not furnishing sufficient documents needed for the calculation of tax.

CHAPTER IV

TAX RELIEF

Article 12

Vietnamese organisations and individuals involved in exploiting natural resources shall be entitled to tax relief in the following cases:

1. Within the first three years of operation in which business activities are greatly affected by difficulties.

2. During clear-up operations in an area where natural resources exploitation has ceased.

Tax relief shall not exceed 50% of the amount of tax due.

The Council of Ministers shall issue regulations regarding the awarding of tax relief.

CHAPTER VIII

CONCLUDING PROVISION

All prior provisions in conflict with this Ordinance shall be repealed.