

THE GOVERNMENT

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No. 134/2016/ND-CP

Hanoi, September 01, 2016

DECREE

GUIDELINES FOR THE LAW ON EXPORT AND IMPORT DUTIES

Pursuant to the Law on Government organization dated June 19, 2015;

Pursuant to the Law on Export and import duties dated April 06, 2016;

Pursuant to the Law on Customs dated June 23, 2014;

Pursuant to the Law on Investment dated November 26, 2014;

Pursuant to the Law on Tax administration dated November 29, 2016;

Pursuant to the Law on amendments to the Law on Tax administration dated November 20, 2012;

Pursuant to the Law on amendments to the Law on Value-added tax, the Law on special excise duty and the Law on Tax administration dated April 06, 2016;

At the request of the Minister of Finance;

The Government promulgates a Decree to provide guidelines for the Law on Export and import duties.

Chapter I

GENERAL PROVISIONS

Article 1. Scope and regulated entities

1. This Decree provides for dutiable articles; application of export and import duties; deadlines for paying duties on exports and imports; exemption, reduction, refund of export and import duties.

2. This Decree applies to:

a) Taxpayers defined by the Law on Export and import duties;

- b) Customs authorities and customs officials;
- c) Organizations and individuals whose rights and obligations are relevant to exports and imports;
- d) Organizations involved in implementation of the Law on Export and import duties.

Article 2. Dutiable articles

1. Goods exported and imported through Vietnam's border and checkpoints.
2. Goods exported from the domestic market into export processing enterprises, export processing zones, tax-suspension warehouses, bonded warehouses and other free trade zones defined in Clause 1 Article 4 of the Law on Export and import duties; goods imported from export processing enterprises, export processing zones, tax-suspension warehouses, bonded warehouses and other free trade zones defined in Clause 1 Article 4 of the Law on Export and import duties into the domestic market.
3. Provisions of the Government's Decree No. 08/2015/ND-CP dated January 21, 2015 shall apply to the exports delivered to domestic processors specified in Clause 3 Article 2 of the Law on Export and import duties.
4. Goods of an export processing enterprise which exercises its rights to export, import or distribution specified in Clause 3 Article 2 of the Law on Export and import duties are goods exported or imported by the export processing enterprise to exercise such rights in accordance with trading and investment laws.

Article 3. Application of export and import duties

1. Export and import duties shall be applied in accordance with Article 5, Article 6 and Article 7 of the Law on Export and import duties.
2. Where concessional rate of duty on an article specified in a concessional tariff schedule is lower than the special concessional rate specified in a special concessional tariff schedule, the former shall apply.

Where tax is paid according to a special concessional rate which is higher than a concessional rate on the same article, overpaid tax shall be dealt with in accordance with tax administration laws.

Article 4. Deadline for paying tax, duty payment guarantee and tax deposit

1. Deadlines for paying tax specified in Article 9 of the Law on Export and import duties are applied to dutiable exports and imports prescribed by tax laws.
2. Export and import duty payment guarantee is either a separate or joint guarantee.

- a) Separate guarantee means guarantee of full payment of duty on an export/import declaration offered by a credit institution which operates under the Law on credit institutions;
 - b) Joint guarantee means guarantee of full payment of duty on more than one export/import declaration opened at one or more Sub-department of Customs offered by a credit institution which operates under the Law on credit institutions; Guaranteed amount of duty under a joint guarantee shall vary according to the amount of paid duty;
 - c) Where a credit institution (the guarantor) offers a separate guarantee or joint guarantee but the taxpayer has failed to pay duty and late payment interest (if any), the credit institution shall fully pay the duty and late payment interest owed by the taxpayer according to information on the customs information processing system or notification given by the customs authority;
 - d) Contents of a guarantee letter, submission, verification, monitoring and processing of guarantee letters shall comply with tax administration laws.
3. If case of depositing import duty on temporarily imported goods before the deadline for re-export, which might be extended, the taxpayer shall transfer an amount of money equal to the import duty on such temporarily imported goods to the customs authority's deposit account at a State Treasury.

The deposit shall be returned in accordance with regulations of tax administration laws on return of overpaid taxes, late payment interest and fines.

4. Where temporarily imported goods are not re-exported by the deadline, the customs authority shall transfer the deposit to state budget. If there is a guarantee, the credit institution (the guarantor) shall transfer an amount equal to the import duty to state budget according to information on the customs information processing system or notification given by the customs authority.

Chapter II

EXEMPTION, REDUCTION, REFUND OF DUTIES

Article 5. Grant of duty exemption to goods of foreign entities enjoying diplomatic immunity and privileges

1. Goods of goods of foreign entities enjoying diplomatic immunity and privileges are prescribed in Clause 1 Article 16 of the Law on Export and import duties. To be specific:

a) Diplomatic missions and consular offices may import and temporarily import goods free of duty within the categories and allowance specified in Appendix I enclosed herewith. Diplomatic officials and consuls may import and temporarily import goods free of duty within the categories and allowance specified in Appendix II enclosed herewith. Other employees of diplomatic missions and consular offices may import or temporarily import goods free of duty within the categories and allowance specified in Appendix III enclosed herewith.

b) Representative offices of UN System organizations and officials thereof may import or temporarily import goods free of duty within the categories and allowance specified in Appendix I and Appendix II enclosed herewith.

c) Representative offices of non-UN System organizations and members thereof are exempt from import duties under international treaties to which Vietnam is a signatory.

d) Representative offices of non-governmental organizations and members thereof are exempt from import duties under agreements between them and Vietnam's Government.

2. The entities specified in Point a and Point b Clause 1 of this Article may import the alcohol, beer and tobacco articles specified in Appendix I enclosed herewith free of duty beyond the duty-free allowance to serve diplomatic activities. Duty-free allowance for alcohol, beer and tobacco shall be confirmed by the Ministry of Foreign Affairs.

3. Apart from the articles specified in Appendix I through III enclosed herewith, the entities mentioned in Point a and Point b of this Clause may import other goods free of duty to serve their works under principle of reciprocity or international practice. Categories and allowance for duty-free goods shall be confirmed by the Ministry of Foreign Affairs.

4. Where an international treaty or agreement between Vietnam's government and a foreign non-governmental organization does not specify the categories and allowance for duty-free goods, the Ministry of Finance and the Ministry of Foreign Affairs shall submit a proposal to the Prime Minister for approval.

The categories and allowance for duty-free goods mentioned in this Clause must not exceed those specified in Appendix I through III enclosed herewith.

5. A car or motorcycle may be temporarily imported to replace another temporarily imported one within the allowance established by any of the authorities specified in Point a and Point b of this Article is only permitted after procedures for re-export, destruction or transfer of such vehicle have been completed.

A person mentioned in Point a or Point b Clause 1 of this Article may only temporarily import a car or motorcycle free of duty to replace another temporarily imported one within the allowance after the temporarily imported vehicle has been re-exported or destroyed.

6. Application for duty exemption:

a) A customs dossier prescribed by customs laws, except for duty-free goods purchased at duty-free shops;

b) The duty-free allowance book specified in Clause 7 of this Article: 01 certified true copy, unless it has been updated on National Single-window Information Portal;

c) Documents proving completion of re-export, destruction or transfer of the goods mentioned in Clause 4 of this Article: 01 certified true copy;

d) A confirmation of the Ministry of Foreign Affairs in case of import of goods mentioned in Clause 2 or Clause 3 of this Article: 01 certified true copy;

dd) A confirmation given by the Prime Minister in case of import of goods mentioned in Clause 4 of this Article: 01 certified true copy.

7. Procedures for granting duty exemption are specified in Article 31 of this Decree.

The customs authority where customs procedures are followed shall monitor duty-free allowances electronically. If duty-free allowances are not monitored electronically, the taxpayer shall submit a photocopy and present the original duty-free allowance book for comparison.

8. Procedures for issuing a duty-free allowance book:

a) Application for issuance of duty-free allowance book to an organization:

01 original copy of Form No. 01 in Appendix VII enclosed herewith.

01 certified true copy of the written notification of establishment of the representative office in Vietnam in case of applying for the first duty-free allowance book.

b) Application for issuance of duty-free allowance book to a natural person:

01 certified true copy of Form No. 02 in Appendix VII enclosed herewith.

01 certified true copy of the ID card issued by the Ministry of Foreign Affairs (for persons mentioned in Point a and Point b Clause 1 of this Article).

01 certified true copy of the work permit or an equivalent document issued by a competent authority if the applicant is a member of an international organization or non-governmental organization (for persons mentioned in Point d Clause 1 of this Article).

c) Power to issue duty-free allowance books:

Directorate of State Protocol – The Ministry of Foreign Affairs or an agency authorized by the Ministry of Foreign Affairs shall issue duty-free allowance books to the entities mentioned in Point a and Point b Clause 1 of this Article 1 within 05 working days from the day on which adequate documents are received.

Customs Departments of provinces where the organizations mentioned in Clause 1 of this Article are located shall issue duty-free allowance books to the entities mentioned in Point c and Point d Clause 1 of this Article within 05 working days from the day on which adequate documents are received.

The Ministry of Foreign Affairs shall monitor and issue duty-free allowance book to the entities granted diplomatic immunity and privileges mentioned in Point c Clause 1 of this Article if they have been issued with duty-free allowance books by the Ministry of Foreign Affairs before the effective date of this Decree.

The authorities mentioned in this Point shall update General Department of Customs with information in duty-free allowance books via National Single-window Information Portal after each duty-free allowance book is issued.

Article 6. Duty-free allowances for luggage

1. Each time a person immigrates under a passport or a passport substitute (except for laissez-passers) issued by a Vietnamese authority or foreign authority, he/she shall be granted duty-free allowance for his/her luggage, whether it is accompanied luggage or sent before or after his/her arrival:

a) 1.5 liters of alcohol of $\geq 20\%$ ABV or 2.0 liters of alcohol of $< 20\%$ ABV or 3.0 liters of other alcoholic drinks or beer.

If the traveler carries a bottle or can of alcohol whose volume exceeds the limit by not more than 01 liter, the whole bottle will be duty-free. If the volume exceeds the limit by more than 01 liter, the exceed amount shall be dutiable;

b) 200 cigarettes or 250 gram of shredded tobacco or 20 cigars;

c) Reasonable quantity and categories of personal belongings;

d) Other items other than those mentioned in Point a through c of this c (not on the List of goods banned from import, suspended from import or subject to conditional import) whose total customs value does not exceed VND 10,000,000;

Where the aforementioned allowance is exceeded, the traveler may decide which items are within the allowance and which are not.

2. Aircraft operators, attendants on international flights; train operators and attendants on international trains; officers and crewmembers on sea-going vessels; Vietnamese workers and drivers working in countries that shares land borders with Vietnam shall be granted the duty-free allowances mentioned in Point a, Point b and Point d of this Clause every 90 days instead of every time they enter Vietnam. The duty-free allowances mentioned in Point a and Point b Clause 1 of this Article do not apply to people aged under 18.

3. Each time a person emigrates under a passport or a passport substitute issued by a Vietnamese authority or foreign authority, his/her luggage shall be exempt from export duties without limit, whether it is accompanied luggage or sent before or after his/her departure, provided it is not on the List of goods banned from export, suspended from export or subject to conditional export.

4. The application for duty exemption is the customs dossier defined by customs law.
5. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 7. Exemption of duties on belongings

1. The following organizations and individuals shall have their belongings defined in Clause 20 Article 4 of the Law on Customs Goods exempt from export and import duties as prescribed in Clause 2 Article 16 of the Law on Export and import duties:

- a) Foreigners, Vietnamese citizens who reside overseas and work in Vietnam for at least 12 months;
- b) Vietnamese organizations and citizens that operate or work overseas for at least 12 months and then return to Vietnam;
- c) Vietnamese citizens who reside overseas and have applied for permanent residence registration in Vietnam for the first import of belongings.

2. Only 01 item/piece/set of each type of personal belongings of an organization or individual (used or new, excluding cars and motorcycles) shall be exempt from import duties.

Exemption of duties on belongings of an organization whose operating cost is covered by state budget exceeding the duty-free allowance shall be decided by the Ministry of Finance on a case-by-case basis.

3. Application for duty exemption:

- a) A customs dossier defined by customs law;
- b) 01 certified true copy of the work permit or an equivalent document issued by a competent authority if the applicant is foreigner or a Vietnamese citizen who resides overseas and works in Vietnam for at least 12 months;
- c) 01 certified true copy of a document proving termination of the overseas operation or work if the applicant is a Vietnamese organization or citizen that operates or works overseas for at least 12 months and return to Vietnam afterwards;
- d) 01 certified true copy of the passport bearing the seal of the immigration authority at the checkpoint, whether in the passport or a loose leaf visa, or another equivalent unexpired document bearing the seal of the immigration authority at the checkpoint if the applicant is a Vietnamese citizen who resides overseas and has applied for permanent residence registration in Vietnam;

dd) 01 notarized or certified true copy of the family register issued by a police authority which specifies the overseas address if the applicant is a Vietnamese citizen who resides overseas and has applied for permanent residence registration in Vietnam;

e) 01 original copy of the decision on exemption of duties issued by the Minister of Finance if the amount of personal belongings exceeds the duty-free allowance.

4. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 8. Exemption of duties on gifts

1. Gifts exempt from duties specified in Clause 2 Article 16 of the Law on Export and import duties are those that are not enumerated on the List of goods banned from import, banned from export, suspended from export, suspended from import and not enumerated on the List of goods subject to special excise tax (excluding those serving national defense and security purposes) as prescribed by law.

2. Duty-free allowance:

a) Gifts given by a foreign organization or individual to a Vietnamese organization or individual; gifts given by a Vietnamese organization or individual to a foreign organization or individual whose customs value does not exceed VND 2,000,000 or whose custom value exceeds VND 2,000,000 but duty on which is under VND 200,000 shall be exempt from duties up to 04 times per year.

b) Gifts given by a foreign organization or individual to a Vietnamese organization whose operating cost is covered by state budget as prescribed by state budget laws; gifts given for humanitarian or charitable purposes whose customs value does not exceed VND 30,000,000 shall be exempt from duties up to 04 times per year.

Where duty-free allowance is exceeded by an organization whose operating cost is covered by state budget, duty exemption shall be decided by the Ministry of Finance on a case-by-case basis.

c) Gifts given by a foreign organization or individual to a Vietnamese individual that are drugs or medical equipment for people having fatal diseases specified in Appendix IV hereof whose customs value does not exceed VND 10,000,000 shall be exempt from duties up to 4 times per year.

3. Application for duty exemption:

a) A customs dossier defined by customs law;

b) A donation agreement if the gift recipient is an organization: 01 certified true copy bearing the seal of such organization.

The recipient who is a natural person shall declare the gifts and information about the overseas giver on the customs declaration, and take responsibility for the truthfulness and adequacy of such information;

c) 01 original copy of the decision on exemption of duties issued by the Minister of Finance if the gifts exceed the duty-free allowance;

d) 01 original copy of the written permission issued by the superior authority for receipt and use of the duty-free goods or a document proving that the organization's operating cost is covered by state budget (if the recipient is an organization whose operating cost is covered by state budget);

dd) 01 original copy of the document issued by the President of the People's Committee of the province if the gift is given for humanitarian or charitable purposes.

4. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 9. Exemption of duties on goods traded among border residents

1. Goods traded among border residents that are on the List of goods that are meant to serve their business or consumption published by the Ministry of Industry and Trade shall be exempt from duties within the allowances specified in Appendix V hereof according to Clause 3 Article 16 of the Law on Export and import duties.

Goods purchased or transport within the duty-free allowance but are not meant to serve border residents' business or consumption shall be dutiable.

2. Exports and imports of traders who are nationals of bordering countries and permitted to do business at border markets are dutiable.

3. Application for duty exemption:

a) A customs dossier defined by customs law;

b) Original copy of the laissez-passer or ID card.

4. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 10. Exemption of duties on goods imported for further processing and processed exports

1. Goods imported for further processing and processed exports under processing contracts exempt from export and import duties specified in Clause 6 Article 16 of the Law on Export and import duties comprise:

a) Raw materials, semi-finished products, supplies (including those for manufacture of packages of exports), imported components that are incorporated into the exports or used during the

processing of exports not incorporated into the exports, including those imported by the processor to execute the processing contract;

b) Goods imported as samples that are not traded or used;

c) Machinery and equipment imported for processing under a processing contract;

d) Imported finished products that are attached on processed products or packed with processed products as a whole for export according to the processing contract or appendices thereof and are considered raw materials or supplies imported for processing;

dd) Components and parts imported for repair of processed exports under warranty according to the processing contract or appendices thereof and are considered raw materials or supplies imported for processing;

e) Goods imported for further processing but are permitted to be destroyed in Vietnam and have been destroyed in reality.

Goods imported for further processing and used as gifts shall be exempt from duties in accordance with Article 8 of this Decree.

When the processing contract expires, it is not required to re-export goods imported for processing. Imported goods that are not re-exported shall be dutiable;

g) Processed exports.

Where processed exports are made of dutiable domestic raw materials or supplies, export duties shall be charged on the value of raw materials or supplies incorporated into the products at the duty rates applied to such raw materials or supplies when the products are exported.

2. Basis for determination of eligibility for duty exemption:

a) Availability of a processing contract specified in Decree No. 187/2013/ND-CP.

The taxpayer shall write the number and date of the processing contract and the hirer on the customs declaration;

b) The taxpayer or processor hired by the taxpayer has a facility in Vietnam where goods are processed or exports are manufactured and the customs authority is notified of such facility and the processing contract in accordance with customs laws.

c) Imported raw materials, supplies and components are used for processing or manufacture of the exported products.

The value or quantity of imported raw materials, supplies and components exempt from duty is the actual value or quantity of raw materials, supplies and components used for manufacture of

the processed products that are exported in reality and is determined when making a statement of raw materials, supplies and components imported for processing exports in accordance with customs laws.

The taxpayer shall truthfully declare the value or quantity of raw materials, supplies and components that are used for manufacture of the processed products that are imported in reality and granted duty exemption while following customs procedures.

3. Import duties shall be charged upon machinery, equipment, raw materials, supplies, components and processed products on which processing charges are paid by the foreign party.

4. Refuses, scrap, redundant raw materials and supplies imported for processing under a processing contract shall be exempt from import duties when they are sold domestically provided they do not exceed 3% of the quantity of each type. VAT, special excise tax and environmental protection tax (if any) shall be paid to the customs authority.

5. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 11. Exemption of duties on goods exported for processing and processed imports

1. Goods exported for processing and processed imports under processing contracts exempt from export and import duties specified in Clause 6 Article 16 of the Law on Export and import duties comprise:

a) Raw materials, supplies and components for export.

Export duties shall be charged on the value or quantity of raw materials, supplies and components corresponding to the quantity of processed products that are not re-imported at the duty rates applied to such raw materials, supplies and components.

Where goods exported for processing are natural resources, minerals or products in which the value of natural resources or minerals plus (+) energy cost makes up at least 51% of the product price and the goods are subject to export duties, duty exemption shall not be granted.

Products in which the value of natural resources or minerals plus (+) energy cost makes up less than 51% of the product price shall be determined in accordance with Decree No. 100/2016/ND-CP dated July 01, 2016 on guidelines for the Law on amendments to the Law on Value-added tax, the Law on special excise duty, the Law on Tax administration and instructional documents thereof;

b) Goods exported as samples that are not traded or used;

c) Machinery and equipment exported for processing under a processing contract;

d) When products that are processed overseas are imported into Vietnam, import duties on the value of raw materials, supplies and components incorporated into the processed products shall

be exempt; the remaining value of the products shall be dutiable at the import duty rates applied to processed imports.

2. Basis for determination of eligibility for duty exemption:

- a) The taxpayer has a processing contract specified in Decree No. 187/2013/ND-CP.
- b) Exported raw materials, supplies and components are used for processing or manufacture of the imported products.

The value or quantity of raw materials, supplies and components exempt from duty is the actual value or quantity of raw materials, supplies and components used for manufacture of the processed products that are imported in reality and is determined when making a statement of raw materials, supplies and components imported for processing exports in accordance with customs laws.

The taxpayer shall truthfully declare the value or quantity of raw materials, supplies and components that are used for manufacture of the processed products that are imported in reality and is granted duty exemption while following customs procedures.

3. Procedures for granting duty exemption are specified in Article 31 of this Decree.

The taxpayer shall write on the customs declaration the number and date of the processing contract, number and date of the notification to the customs authority of exported products in which the value of natural resources or minerals plus (+) energy cost makes up less than 51% of the product price.

Article 12. Exemption of duties on goods imported for manufacture of domestic exports

1. Raw materials, supplies, components, semi-finished products and finished products import for manufacture of domestic exports exempt from import duties specified in Clause 7 Article 16 of the Law on Export and import duties comprise:

- a) Raw materials, supplies (including those for manufacture of packages of exports), components, semi-finished products imported incorporated into the exports or used during the manufacture of exports without being incorporated into the exports;
- b) Imported finished products that are attached on exports or packed with exports as a whole;
- c) Components and parts imported for repair of exports under warranty;
- d) Goods imported as samples that are not traded or used.

2. Basis for determination of eligibility for duty exemption:

a) The manufacturer of exports has a factory where exports are manufactured in Vietnam; owns or has the right to use machinery and equipment at the factory which is suitable for the raw materials, supplies and components imported for manufacture of exports and has notified the customs authority of the factory;

b) The imported raw materials, supplies and components are used for manufacture of the exported products.

The value or quantity of imported raw materials, supplies and components exempt from duty is the actual value or quantity of raw materials, supplies and components used for manufacture of the products that are exported in reality and is determined when making a statement of raw materials, supplies and components imported for manufacture of exports in accordance with customs laws.

The taxpayer shall truthfully declare the value or quantity of raw materials, supplies and components that are used for manufacture of products that are imported in reality and granted duty exemption while following customs procedures.

3. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 13. Exemption of duties on temporarily imported goods and temporarily exported goods

1. Goods that are temporarily imported and re-exported or temporarily exported and re-imported within a certain period of time shall be exempt from duties as prescribed in Clause 9 Article 16 of the Law on Export and import duties.

2. Goods that are temporarily imported or temporarily exported for repair or replacement as specified in Point c Clause 9 Article 16 of the Law on Export and import duties must not change the shape, functions and basic features of the temporarily imported goods and must not be used to create other goods.

In case of goods replacement under warranty, the replacing item must have the same shape, functions and basic features of the replaced item.

3. Reusable equipment that are temporarily imported and re-exported or temporarily exported and re-imported to carry exports and imports comprise:

a) Empty containers, with or without hooks;

b) Flex tanks inside containers for storage of liquids;

c) Other reusable equipment for storage of exports and imports.

4. Procedures for granting duty exemption are specified in Article 31 of this Decree.

In case of temporary import of goods, the taxpayer shall submit a guarantee letter issued by a credit institution or a document proving payment of deposit into the deposit account of the customs authority at a State Treasury if the guarantee letter has not been updated on the customs electronic data processing system.

Provisions of Article 4 of this Decree shall apply to provision of guarantee or depositing of import duties on temporarily imported goods.

Article 14. Exemption of duties on imported fixed assets of entities eligible for investment incentives

1. Imported fixed assets of an entity eligible for investment incentives are exempt from import duties as prescribed in Clause 11 Article 16 of the Law on Export and import duties.

2. Regarding an investment project a part of which is eligible for investment incentives, import fixed assets that are exclusively used for such part are exempt from import duties.

3. Regarding an investment project located in an administrative division provided with investment incentives but the project is not eligible, goods that are imported as fixed assets serving manufacturing activities of the project shall be exempt from import duties.

4. The Ministry of Planning and Investment shall establish criteria for identification of supplies that cannot be domestically manufactured.

The Ministry of Science and Technology shall establish criteria for identification of specialized vehicles used in technological line directly serving manufacturing activities of investment projects.

5. Procedures for granting duty exemption are specified in Article 30 and Article 31 of this Decree.

Article 15. 5-year exemption from import duties on raw materials, supplies and components

1. Raw materials, supplies and components that cannot be domestically manufactured and are imported to serve manufacturing activities of investment projects in the fields eligible for special investment incentives or located in extremely disadvantaged areas specified by investment laws, hi-tech enterprises, science and technology enterprises and science and technology organizations are exempt from import duties for 05 years from the manufacture commencement date as prescribed in Clause 13 Article 16 of the Law on Export and import duties.

The manufacture commencement date is the day on which the manufacture process is officially commenced, excluding the experimental manufacture period. The taxpayer shall declare the manufacture commencement date and notify the customs authority where application for duty exemption is received before following customs procedures.

When the 5-year period expires, the taxpayer shall fully pay duties on the amount of imported raw materials, supplies and components that were exempt from import duties but are not used.

2. Products in which the value of natural resources or minerals plus (+) energy cost makes up less than 51% of the product price shall be determined in accordance with Decree No. 100/2016/ND-CP dated July 01, 2016 on guidelines for the Law on amendments to the Law on Value-added tax, the Law on special excise duty, the Law on Tax administration and instructional documents thereof.

3. The basis for identification of fields and business lines eligible for special investment incentives and extremely disadvantaged areas is specified in the Law on Investment and the Government's Decree No. 118/2015/ND-CP.

The Ministry of Planning and Investment shall establish criteria for identification of raw materials, supplies and components that cannot be domestically manufactured.

4. Procedures for granting duty exemption are specified in Article 30 and Article 31 of this Decree.

Article 16. Exemption of duties on imports serving petroleum activities

1. Imports serving petroleum activities are exempt from import duties as prescribed in Clause 15 Article 16 of the Law on Export and import duties.

2. The Ministry of Science and Technology shall establish criteria for identification of specialized vehicles exclusively used for petroleum activities.

3. The Ministry of Planning and Investment shall establish criteria for identification of goods that cannot be domestically manufactured.

4. Procedures for granting duty exemption are specified in Article 30 and Article 31 of this Decree.

Article 17. Exemption of duties on imports serving ship building and sea-going vessels for export

1. Shipbuilding projects and facilities on the list of preferential fields and business lines as prescribed in investment laws are exempt from export and import duties according to Clause 16 Article 16 of the Law on Export and import duties.

2. The Ministry of Science and Technology shall establish criteria for identification of vehicles in the technological line directly serving shipbuilding activities.

3. The Ministry of Planning and Investment shall establish criteria for identification of goods that cannot be domestically manufactured.

4. Procedures for granting duty exemption are specified in Article 30 and Article 31 of this Decree.

Article 18. Exemption of duties on plant varieties, animal breeds, fertilizers and plant protection substances

1. Plant varieties, animal breeds, fertilizers and plant protection substances that cannot be domestically manufactured and have to be imported to serve agriculture, forestry and aquaculture are exempt from import duties as prescribed in Clause 12 Article 16 of the Law on Export and import duties.

2. The Ministry of Planning and Investment shall establish criteria for identification of goods that cannot be domestically manufactured.

3. The Ministry of Agriculture and Rural Development shall establish criteria for identification of goods on the List of plant varieties, animal breeds, fertilizers and plant protection substances that have to be imported.

4. Procedures for granting duty exemption are specified in Article 30 and Article 31 of this Decree.

Article 19. Exemption of duties on imports serving scientific research and technological development

1. Imports serving scientific research, technological development, development of technology incubation, science and technology enterprise incubation and technological innovation are exempt from import duties as prescribed in Clause 21 Article 16 of the Law on Export and import duties.

2. The Ministry of Planning and Investment shall establish criteria for identification of goods that cannot be domestically manufactured.

The Ministry of Science and Technology shall establish criteria for identification of specialized machinery, equipment, parts and supplies serving scientific research, technological development, development of technology incubation, science and technology enterprise incubation and technological innovation.

3. The Ministry of Science and Technology shall establish criteria for identification of scientific documents serving scientific research, technological development, development of technology incubation, science and technology enterprise incubation and technological innovation.

4. Application for duty exemption:

Apart from the documents specified in Article 31 of this Decree, the taxpayer might be required to submit one of the following documents:

- a) A certified true copy of the decision on execution of a scientific research or technological development program, project or mission and a list of necessary imports issued by a competent authority in accordance with the Law on science and technology;
 - b) 01 certified true copy of the document certifying the list of goods for development of technological incubation or science and technology enterprise incubation issued by the People's Committee of the province or supervisory Ministry where the technological incubation or science and technology enterprise incubation project is located;
 - c) 01 certified true copy of the document certifying the list of goods serving technological innovation issued by the Ministry of Science and Technology or an agency authorized by the Ministry of Science and Technology.
5. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 20. Exemption of duties on imports serving national defense and security purposes

1. Imports exclusively serving national defense and security purposes and vehicles among which cannot be domestically manufactured are exempt from import duties as prescribed in Clause 22 Article 16 of the Law on Export and import duties.
2. Basis for determination of eligibility for duty exemption:
 - a) The goods is part of the annual plan for importing goods exclusively serving national defense and security purposes approved by the Prime Minister or by the Minister of Public Security or by the Minister of National Defense on the Prime Minister's authority.
 - b) The specialized vehicles cannot be domestically manufactured as defined by Ministry of Planning and Investment.
3. An application for duty exemption consists of:
 - a) Form 03a in Appendix VII enclosed herewith (if duty exemption is granted before customs procedures are completed) or Form 03b in Appendix VII enclosed herewith (if duty exemption is applied for after customs procedures is completed) prepared by the Ministry of National Defense or the Ministry of Public Security or a unit authorized by the Ministry of National Defense or the Ministry of Public Security.
 - b) 01 certified true copy of the sale contract;
 - c) 01 certified true copy of the import mandate contract or goods supply contract according to the certification of successful bidder or direct contracting decision which specifies that the prices are exclusive of import duties (in case of import mandate or bidding).
4. Procedures for granting duty exemption:

a) If duty exemption is applied for before customs procedures are completed, the Ministry of National Defense or the Ministry of Public Security or a unit authorized by the Ministry of National Defense or the Ministry of Public Security shall submit the application for duty exemption to the General Department of Customs at least 05 working days before registration of the customs declaration.

Within 03 working days from the day on which the application is received, the General Department of Customs shall issue a notice whether duty exemption is granted or request supplementation of the application.

The Sub-department of Customs where customs procedures are followed shall grant customs clearance according to the notice sent by the General Department of Customs.

b) If duty exemption is granted after customs procedures are completed:

The Ministry of Public Security or the Ministry of National Defense or a unit authorized by the Ministry of Public Security or the Ministry of National Defense shall submit the application for duty exemption to the General Department of Customs. The application shall be submitted within 30 working days from the date of customs clearance or release of goods.

Within 03 working days from the day on which the application is received, the General Department of Customs shall issue a notice whether duty exemption is granted or request supplementation of the application.

The Sub-department of Customs where customs procedures are followed shall record the duty exempted according to the notice sent by the General Department of Customs.

Article 21. Exemption of duties on imports serving education

1. Imports exclusively serving education that cannot be domestically manufactured are exempt from import duties as prescribed in Clause 20 Article 16 of the Law on Export and import duties.
2. The Ministry of Planning and Investment shall establish criteria for identification of goods that cannot be domestically manufactured.
3. The Board of Directors shall establish criteria for identification of imports exclusively serving education.
4. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 22. Exemption of duties on goods manufactured, processed, recycled or assembled in a free trade zone

1. Goods manufactured, processed, recycled or assembled in a free trade zone without using imported raw materials or components are exempt from import duties when they are imported

into the domestic market as prescribed in Clause 8 Article 16 of the Law on Export and import duties.

2. Where goods manufactured, processed, recycled or assembled in a free trade zone using imported raw materials or components, they shall be dutiable when imported into the domestic market according to the duty rates and their dutiable values.

3. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 23. Exemption of duties on imported raw materials, supplies and components for manufacture or assembly of medical equipment

1. Raw materials, supplies and components that cannot be domestically manufactured and are imported for manufacture or assembly of medical equipment of an investment project given priority are exempt from import duties for 05 years from the manufacture commencement date as prescribed in Clause 14 Article 16 of the Law on Export and import duties.

The List of medical equipment given priority is specified in Appendix VI enclosed herewith.

2. The manufacture commencement date which is the beginning date of the 5-year period is the day on which the manufacture process is officially commenced (excluding experimental manufacture period).

The taxpayer shall declare the manufacture commencement date and notify the customs authority where application for duty exemption is received before following customs procedures.

3. The Ministry of Planning and Investment shall establish criteria for identification of goods that cannot be domestically manufactured.

4. Procedures for granting duty exemption are specified in Article 30 and Article 31 of this Decree.

Article 24. Exemption of duties on raw materials, supplies and components imported for manufacture or information technology products, digital contents or software

1. Raw materials, supplies and components imported for manufacture or information technology products, digital contents or software are exempt from import duties as prescribed in Clause 18 Article 16 of the Law on Export and import duties.

2. The Ministry of Planning and Investment shall establish criteria for identification of goods that cannot be domestically manufactured.

3. Procedures for granting duty exemption are specified in Article 30 and Article 31 of this Decree.

Article 25. Exemption of duties on goods imported for environmental protection purposes

1. Goods imported for environmental protection purposes are exempt from import duties as prescribed in Clause 19 Article 16 of the Law on Export and import duties.
2. The Ministry of Planning and Investment shall establish criteria for identification of goods that cannot be domestically manufactured.
3. The Ministry of Natural Resources and Environment shall establish criteria for identification of specialized machinery, equipment, vehicles, tools and supplies imported for collection, transport, treatment of wastewater, garbage, exhaust gases, environment survey and analysis, production of renewable energy; pollution control, environmental emergency responses; exports derived from the process of waste recycling and treatment.
4. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 26. Exemption of duties on imports serving money printing and minting

1. Machinery, equipment, raw materials, supplies, components and parts imported for money printing and minting are exempt from import duties as prescribed in Clause 17 Article 16 of the Law on Export and import duties.

The duty-free goods mentioned in Clause 1 of this Article must be imported by organizations designated by the State bank.

2. The State bank shall establish criteria for identification of machinery, equipment, raw materials, supplies, components and parts imported for money printing and minting.
3. Application for duty exemption:
 - a) A customs dossier defined by customs law;
 - b) 01 certified true copy of the State bank's written permission for import of machinery, equipment, raw materials, supplies, components or parts for money printing and minting.
4. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 27. Exemption of duties on goods imported for non-trading purposes

The following goods are exempt from import duties:

1. Samples, pictures of samples, videos of samples, models as substitutes for samples whose customs value does not exceed VND 50,000 or that have been modified in a way that they are no longer tradable or usable and can only be used as samples.
2. Printed advertisements specified in Chapter 49 of Vietnam's List of exported or imported goods: fliers, commercial catalogues, annual publications, advertisement documents, tourism posters that are used for advertising, announcing or advertising goods or services and provided

free of charge shall be exempt from import duties as prescribed in Clause 10 Article 16 of the Law on Export and import duties, provided each shipment only consists of 01 type of printed documents and the total weight of which does not exceed 01 kg. If a shipment consists of more than one type of printed documents, only one copy of a type is permitted or their total weight must not exceed 01 kg.

3. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 28. Exemption of duties on goods exported or imported for social welfare, recovery from a disaster, epidemic or other special incidents

1. Goods exported or imported to serve social welfare works, recovery from a disaster, epidemic or other special incidents that are exempt from duties as prescribed in Clause 23 Article 16 of the Law on Export and import duties comprise:

a) Goods that cannot be domestically manufactured and have to be imported to be used for a project which is part of a social welfare program of the Government are exempt from import duties.

b) Goods that cannot be domestically manufactured and are imported to serve recovery from a disaster or epidemic are exempt from import duties.

c) The Prime Minister shall decide exemption of duties on exports and imports in other special incidents on a case-by-case basis.

2. The Ministry of Planning and Investment shall establish criteria for identification of goods that cannot be domestically manufactured.

3. An application for exemption of duties on imports serving recovery from a disaster or epidemic consists of:

a) A written request for duty exemption prepared by the People's Committee of the province or a Ministry or an equivalent authority which specifies the damage caused by the disaster or epidemic;

b) A list of imports serving recovery from the disaster or epidemic according to Form 04 in Appendix VII enclosed herewith;

c) 01 certified true copy of the decision on outbreak declaration issued by a competent authority as prescribed by the Law on Prevention and treatment of infectious diseases if goods are imported in response to an epidemic.

4. An application for exemption of duties on imports serving social welfare works consists of:

a) A written request for duty exemption prepared by the People's Committee of the province, a Ministry or an equivalent authority;

b) A list of imports serving social welfare works according to Form 04 in Appendix VII enclosed herewith.

5. Procedures for granting duty exemption:

a) In consideration of the written request for duty exemption, the Ministry of Finance, within 15 days, shall process the application and submit the List of duty-free goods to the Prime Minister for approval.

b) Pursuant to the Prime Minister's directive, the Sub-department of Customs where export or import procedures are followed shall grant exemption of export or import duties.

6. An application for exemption of duties on goods imported as emergency aid in the event of a disaster or epidemic consists of:

a) A customs dossier specified in Article 24 of the Law on Customs;

b) A written confirmation that the goods are imported as emergency aid issued by the People's Committee of the province or a Ministry or an equivalent authority. The confirmation must specify the damage caused by the disaster or epidemic;

c) A list of goods imported as emergency aid;

d) 01 photocopy of the decision on outbreak declaration issued by a competent authority as prescribed by the Law on Prevention and treatment of infectious diseases if goods are imported in response to an epidemic.

In consideration of the application for duty exemption, the customs authority where customs procedures are followed shall decide whether to grant duty exemption.

Article 29. Exemption of duties on exports or imports under an international treaty, goods of low values and goods sent by express delivery service

1. Exports and imports exempt from export and import duties under international treaty to which Vietnam is a signatory:

The basis for determination of eligibility for exemption of export or import duties is the quantity, categories and values of the goods specified in the international treaty.

Where an international treaty does not specify the duty-free categories or quantities, the Ministry of Finance shall reach an agreement with the Ministry of Foreign Affairs on the duty-free categories or quantities and submit a report to the Prime Minister for approval.

2. Imports sent by express delivery service whose customs value is not exceeding VND 1,000,000 or duty on which is less than VND 100,000 are exempt from import duties.

Where the customs value of goods exceeds VND 1,000,000 or the duty payable exceeds VND 100,000, the entire shipment shall be dutiable.

3. A shipment whose customs value is less than VND 500,000 or the total export or duty on which is less than VND 50,000 shall be exempt from export and import duties.

Provisions of this Clause do not apply to gifts, goods traded among border residents and goods sent by express delivery service.

4. Application for duty exemption:

A customs dossier defined by customs law;

For goods exported or imported under an international treaty, the taxpayer shall submit the following documents in addition to the customs dossier:

- a) 01 photocopy of the international treaty when submitting the application for the first time (the original copy shall be presented for comparison);
- b) 01 certified true copy of the import mandate contract or goods supply contract according to the certification of successful bidder or direct contracting decision which specifies that the prices are exclusive of import duties (in case of import mandate or bidding).

5. Procedures for granting duty exemption are specified in Article 31 of this Decree.

Article 30. Registration of duty-free list

1. The cases in which a List of goods to be imported free of duty (hereinafter referred to as “duty-free list”) must be registered are specified in Article 14, Article 15, Article 16, Article 17, Article 18, Article 23 and Article 24 of this Decree.

2. Rules for compilation of a duty-free list:

- a) The organization or individual that uses the goods such as project owner, business owner; shipbuilding facility owner, petroleum operator (hereinafter referred to as “project owner”) shall submit the duty-free list. If main contractor or subcontractor or a finance lease company imports the duty-free goods instead of the project owner, such contractor or finance lease company shall use the duty-free list registered with the customs authority by the project owner;
- b) The goods must be those exempt from duties specified in Clause 11, Clause 12, Clause 13, Clause 14, Clause 15, Clause 16 or Clause 18 Article 16 of the Law on Export and import duties and suitable for the business lines, objectives, scale, capacity of the project that uses the duty-free goods;
- c) A duty-free list shall be compiled for the whole project or each stage, work item, compound or technological line of the project according to the project documents.

3. An application for registration of the duty-free list consists of:

a) A notification of the duty-free list which specifies the basis for identification of duty-free goods according to Form 05 in Appendix VII enclosed herewith;

b) The duty-free list sent via the electronic data processing system of the customs. In case of disruption of the system or submission of a physical duty-free list, 02 original copy of the duty-free list according to Form 06 in Appendix VII enclosed herewith and 01 original copy of the monitoring sheet according to Form 07 in Appendix VII enclosed herewith shall be submitted;

c) 01 certified true copy of the investment registration certificate, certificate of enterprise registration or an equivalent document, except for the cases in which duty exemption is granted specified in Clause 15 Article 16 of the Law on Export and import duties;

d) 01 certified true copy of the economic-technical thesis or technical documents or project description;

dd) 01 certified true copy of the Certificate of high-tech enterprise or science and technology enterprise or science and technology organization issued by a competent authority if the applicant is a high-tech enterprise or science and technology enterprise or science and technology organization;

e) 01 certified true copy of the Certificate of eligibility for manufacture of medical equipment or an equivalent document in the case of duty exemption specified in Clause 14 Article 16 of the Law on Export and import duties;

g) 01 certified true copy of the petroleum contracts or decision on assignment of petroleum tasks issued by the authority entitled to approve the annual program and budget in the case of duty exemption specified in Clause 15 Article 16 of the Law on Export and import duties.

h) 01 certified true copy of the shipbuilding contract or ship export contract in the case of duty exemption specified in Point b or Point c Clause 16 Article 16 of the Law on Export and import duties;

i) 01 certified true copy of the description of the information technology product, digital content or software production in the case of duty exemption specified in Clause 18 Article 16 of the Law on Export and import duties;

k) 01 certified true copy of the sale contract or goods supply contract according to the bidding result, export or import mandate contract or finance lease contract if the importer and the person that registers the duty-free list are not the same.

4. Time and location of registration:

a) The project owner shall send the application for registration of the duty-free list in accordance with Clause 2 of this Article before the first declaration of duty-free imports is registered;

b) The application shall be submitted to the Customs Department of the province where the project or the applicant's headquarters is located, the supervisory Customs Department of the project if the project is located in more than one province or the Customs Department of the province where the compound or technological line is located if the goods are imported as a compound or technological line.

5. If the duty-free list is incorrect or has to be revised, the project owner shall submit the revised duty-free list together with documents proving the appropriateness of such revisions before goods are imported.

6. Responsibility of the customs:

a) Within 03 working days from the day on which the application is received, the customs authority shall notify the project owner of the receipt of the duty-free list, request the project owner to complete the application if it is incomplete or to clarify information in the application, or reject the application;

b) If revisions to the duty-free list lead to a change to the duty exempted, the customs authority that received the application shall request the customs authority that carry out import procedures to collect the duty that was improperly exempted;

c) The customs authority shall inspect the use of duty-free goods according to the risk management mechanism prescribed by tax administration and customs laws;

d) In case where the project operation is terminated or changed, the customs authority shall request the project owner to revise the duty-free list, stop procedures for duty exemption and pay the exempted duty.

7. The project owner shall:

a) Compile the duty-free list in accordance with Clause 1 of this Article;

b) Register the duty-free list, revise the duty-free list and receive feedbacks from the customs authority via the electronic data processing system (unless it is not available);

c) Provide truthful and adequate information; submit the application for registration of the duty-free list on schedule; take legal responsibility for the truthfulness and adequacy of the application; use the duty-free goods for conformable purposes;

d) Retain documents about identification of duty-free exports or imports and present it to the customs authority or a competent authority during inspection;

dd) Notify the customs authority with which the duty-free list was registered of the use of duty-free goods in the fiscal year within 90 days from the end of the fiscal year.

Article 31. Documents and procedures for duty exemption while following customs procedures

1. The application for duty exemption is the customs dossier defined by the Law on Customs and its instructional documents.

2. Apart from the documents mentioned in Clause 1 of this Article, the taxpayer might be requested to submit one of the following documents on a case-by-case basis:

a) 01 certified true copy of the import or export mandate contract in case of import or export mandate;

b) 01 certified true copy of the certification of successful bidder or direct contracting decision which specifies that the prices are exclusive of import duties if goods are imported by the successful bidder;

c) 01 certified true copy of the contract for supply of goods for a petroleum operator which specifies that the prices are exclusive of import duties if goods are imported for petroleum activities;

d) 01 certified true copy of the finance lease contract in case imported goods are supplied for an entity eligible for tax incentives (the contract must specify that the prices are exclusive of import duties);

dd) 01 certified true copy of the duty-free goods transfer agreement in case where duty-free goods are transferred to another entity which is eligible for duty exemption (the agreement must specify that the prices are exclusive of import duties);

e) A confirmation given the Ministry of Science and Technology of the vehicles specified in Article 14 of this Decree.

g) 01 certified true copy of the physical duty-free list received by the customs authority (the original shall be presented for comparison)

If the duty-free list is submitted electronically and the taxpayer is not required to submit the physical duty-free list, the customs authority shall decide the grant of duty exemption according to the duty-free list on the electronic data processing system.

3. Procedures for granting duty exemption:

a) The taxpayer shall determine and declare the amount of duty-free goods and tax exempted (except duties on goods imported or exported for processing by the hirer) while following customs procedures and take responsibility for such declaration.

b) The customs authority where customs procedures are followed shall examine the declaration and applicable regulations to decide the grant of duty exemption.

If imported goods are not eligible for duty exemption as declared, the taxpayer shall have to pay duties and fines (if any).

c) Electronic data processing system shall deduct the quantity of imports or exports written on the duty-free list.

In case of submission of a physical duty-free list, the customs authority shall update and deduct the quantity of goods exported and imported accordingly.

In case of duty-free import of an entire assembly or production line which has to be divided into more than one shipment, within 15 days from the import of the last shipment of each assembly or line, the importer shall submit a consolidated import declaration to the customs authority in accordance with tax administration laws.

4. Procedures for an organization to obtain exemption of duties on goods that exceed the duty-free allowance specified in Clause 2 Article 7 and Clause 2 Article 8 of this Decree:

a) An application for duty exemption shall be submitted to the General Department of Customs at least 15 working days before customs procedures are initiated;

b) If the application is not satisfactory, within 05 working days from the day on which it is received, the General Department of Customs shall request the applicant to complete it;

c) Within 15 working days from the day on which the satisfactory application is received, the Ministry of Finance shall decide whether to grant duty exemption at the request of the General Department of Customs;

d) The taxpayer and the customs authority where customs procedures are carried out shall follow duty exemption procedures specified in Clause 3 of this Article according to the customs dossier and duty exemption decision issued by the Ministry of Finance.

Article 32. Export and import duty reduction

1. Duties on exports and imports under customs supervision specified in the Law on Customs 2014 and its instructional documents shall be reduced if the goods are damaged or lost because of inevitable causes as prescribed in Clause 1 Article 18 of the Law on Export and import duties.

2. An application for duty reduction consists of:

a) Form 08 in Appendix VII enclosed herewith compiled by the taxpayer;

b) 01 certified true copy of the insurance contract or insurance payout notice issued by the insurer (if any) (a confirmation by the insurer is required if the insurance contract does not specify tax indemnification) or the compensation agreement issued by the shipping company in case the damage is caused by the shipping company (if any);

c) A confirmation of damage issued by a local authority e.g. confirmation of conflagration issued by the local fire department, confirmation of natural disaster or accident issued by the People's Committee of the district.

The confirmation must be issued within 30 days from the occurrence of damage;

d) Confirmation of loss or damage of goods issued by an assessment service provider.

The confirmation must be issued within 30 days from the occurrence of natural disaster, conflagration or accident.

3. Power to grant duty reduction:

a) The taxpayer shall submit an application to the customs official while following customs procedures or within 30 working days from the issuance date of the confirmation of loss or damage of goods;

b) If a satisfactory application is submitted while following customs procedures, the Sub-department of Customs shall process the application, carry out a physical inspection, inspect the eligibility for duty reduction and decide whether to grant duty reduction before customs procedures are completed as prescribed Article 23 of the Law on Customs;

c) If the application for duty reduction is submitted after customs procedures are completed:

If the application is satisfactory, the Customs Department shall compile a dossier, verify the information, inspect the accuracy and adequacy of the application and, within 15 days from the day on which the satisfactory is received, request the Ministry of Finance to issue a decision on duty reduction or inform the taxpayer and provide explanation if the application is rejected. If the application is not satisfactory, the customs authority shall inform the taxpayer within 03 working days from the day on which it is received.

If a physical inspection of goods that have been released from the customs controlled area is necessary basis for duty reduction, a decision on post-clearance inspection shall be delivered to the taxpayer and the tasks specified in this Point shall be carried out within 40 days from the day on which adequate documents are received.

Article 33. Refund of duties on re-imported exports

1. Paid duties on the following exports that have to re-imported shall be refunded and import duties thereon shall be exempt:

a) Goods that have been exported but have to be re-imported into Vietnam;

b) Goods that are sent by an organization or individual in Vietnam to an overseas organization or individual by international postal service or express delivery service, duties on which have been paid but delivery is failed and the goods have to be re-imported.

The taxpayer shall provide truthful information about the exported goods, the number and date of the sale contract (if any) and the buyer's name on the import declaration.

The customs authority shall verify information provided by the taxpayer and specify the result to serve the refund of duties.

2. An application for duty refund consists of:

a) Form 09 in Appendix VII enclosed herewith;

b) 01 certified true copy of the document proving payment for the exports or imports (if paid);

c) 01 certified true copy of the export/import contract and invoices enclosed therein or the export/import mandate contract, as the case may be;

d) If goods have to be re-imported because it is rejected by the foreign buyer or there is no recipient as notified by the shipping company, 01 certified true copy of the foreign buyer's notice or agreement with the foreign buyer on the return of goods or the shipping company's notice of failed delivery which provides explanation and specifies the quantities and categories of the goods returned.

In case of a force majeure event or the taxpayer re-imports goods because of some errors, such document may be omitted. However, the reasons for re-import must be specified in the request for duty refund;

dd) In case of exports or imports mentioned in Point b Clause 1 of this Article, 01 certified true copy of the notice of failed delivery issued by the postal service provider or international express delivery service provider.

3. Procedures for submission, receipt and processing of application for duty refund are prescribed by tax administration laws.

If the goods are eligible for duty refund but duty has not been paid or is cancelled as prescribed in Article 19 of the Law on Export and Import Duties, documents and procedures are the same as those for duty refund.

Article 34. Refund of duties on re-exported imports

1. Paid import duties on the following imports that have to be re-exported shall be refunded and export duties thereon shall be exempt:

a) Imports that have to be re-exported to a foreign country or exported into a free trade zone for consumption therein.

The re-export of goods must be done by the initial importer or a person authorized by the initial importer;

b) Imports that are sent by an overseas organization or individual to an organization or individual in Vietnam by international postal service or express delivery service, duties on which have been paid but delivery is failed and goods have to be re-exported;

c) Imports on which duties have been paid and then goods are sold to foreign vehicles operating international routes through Vietnamese ports or Vietnamese vehicles operating international routes;

d) Imports on which import duties have been paid and that are re-exported while they are retained at checkpoint depot under customs supervision.

The taxpayer shall provide truthful information about the imported goods, the number and date of the sale contract and the buyer's name on the export declaration.

The customs authority shall verify information provided by the taxpayer and specify the result to serve the refund of duties.

2. An application for duty refund consists of:

a) Form 09 in Appendix VII enclosed herewith;

b) 01 certified true copy of the VAT invoice or sale invoice in the cases mentioned in Point a or Point c Clause 1 of this Article;

c) 01 certified true copy of the document proving payment for the exports or imports (if paid);

d) 01 certified true copy of the export/import contract and invoices enclosed therein or the export/import mandate contract, as the case may be;

dd) 01 certified true copy of the agreement on return of the imports to the initial foreign exporter in the case specified in Point a Clause 1 of this Article;

e) In case of imports mentioned in Point b Clause 1 of this Article, 01 certified true copy of the notice of failed delivery issued by the postal service provider or international express delivery service provider;

g) In case of imports mentioned in Point c Clause 1 of this Article, a confirmation of quantity and value of purchased goods for foreign ships issued by the ship provider and documents proving payment to foreign shipping companies.

3. Procedures for submission, receipt and processing of application for duty refund shall comply with tax administration laws.

If the goods are eligible for duty refund but duty has not been paid or is cancelled as prescribed in Article 19 of the Law on Export and Import Duties, documents and procedures are the same as those for duty refund.

Article 35. Refund of duties on machinery, equipment, tools, vehicles temporarily imported and re-exported

1. The taxpayer shall declare the depreciation of goods while they are used and retained in Vietnam as prescribed by accounting laws when applying for duty refund. The depreciation declared is the basis for calculation of the remaining value of goods.

The taxpayer shall provide truthful information about the imported goods, the number and date of the sale contract and the buyer's name on the export declaration.

The customs authority shall verify information provided by the taxpayer and specify the result to serve the refund of duties.

2. An application for duty refund consists of:

- a) Form 09 in Appendix VII enclosed herewith;
- b) 01 certified true copy of the document proving payment for the exports or imports (if paid);
- c) 01 certified true copy of the export/import contract and invoices enclosed therein or the export/import mandate contract, as the case may be;

3. Procedures for submission, receipt and processing of application for duty refund shall comply with tax administration laws.

If the goods are eligible for duty refund but duty has not been paid or is cancelled as prescribed in Article 19 of the Law on Export and Import Duties, documents and procedures are the same as those for duty refund.

Article 36. Refund of duties on goods initially imported for business operation but eventually used for manufacture of domestic exports

1. Paid import duties on goods that are initially imported for business operation but eventually used for manufacture of goods that have been exported into a foreign country or a free trade zone shall be refunded.

2. Import duties on the following imports are refundable:

- a) Raw materials, supplies (including those for manufacture of packages of exports), components, semi-finished products imported incorporated into the exports or used during the manufacture of exports without being incorporated into the exports;
- b) Imported finished products that are attached on exports or packed with exports as a whole;
- c) Components and parts imported for repair of exports under warranty.

3. Basis for determination of eligibility for duty exemption:

- a) The manufacturer of exports has a factory where exports are manufactured in Vietnam; owns or has the right to use machinery and equipment at the factory which is suitable for the raw materials, supplies and components imported for manufacture of exports;
- b) The value or quantity of imported raw materials, supplies and components on which import duties are refundable is the actual value or quantity of raw materials, supplies and components used for the manufacture of the products that are exported in reality;
- c) The exported products are declared as domestic exports;
- d) The manufacturer directly imports goods and exports the products or authorizes another entity to do so.

The taxpayer shall provide truthful information about the exports derived from the imported goods on the customs declaration.

4. Where a type of raw materials, supplies or components is used to manufacture more than one type of products but only one of them is exported, import duties shall be refunded according to the ratio of the quantity of raw materials, supplies or components incorporated into the exported products to the total value of products manufactured.

The total value of products manufactured is the total value of exported products and selling price of products sold domestically. The value of products exported products is exclusive of the value of domestically purchased raw materials, supplies or components that are incorporated into the exported products.

Refundable import duty is calculated as follows:

$$\text{Import duty on products exported in reality} = \frac{\text{Value of exported products}}{\text{Total value of products manufactured}} \times \text{Total import duties on imported raw materials, supplies and components}$$

The value of exported products equals (=) the quantity of exported products multiplied by (x) dutiable value of exported products.

5. An application for duty refund consists of:

- a) Form 09 in Appendix VII enclosed herewith;
- b) 01 certified true copy of the document proving payment for the exports or imports (if paid);
- c) 01 certified true copy of the export/import contract and invoices enclosed therein or the export/import mandate contract, as the case may be;

The taxpayer shall write the number and date of the contract and the buyer's name on the export declaration.

d) A statement of duties on imported raw materials, supplies and components (Form 10 in Appendix VII enclosed herewith).

The refundable import duties on imported raw materials, supplies and components must agree with the quantity of raw materials, supplies and components used for manufacture of the products that are exported in reality;

dd) 01 certified true copy of the processing contract with the foreign hirer if raw materials, supplies and components are imported for manufacture of products that are used for processing exports under a processing contract with a foreign entity;

e) 01 certified true copy of the document proving the existence of a factory in Vietnam, the right to ownership or enjoyment of machinery and equipment therein that are suitable for the raw materials, supplies and components imported for manufacture of exports.

6. Procedures for submission, receipt and processing of application for duty refund shall comply with tax administration laws.

If the goods are eligible for duty refund but duty has not been paid or is cancelled as prescribed in Article 19 of the Law on Export and Import Duties, documents and procedures are the same as those for duty refund.

Article 37. Refund of import duty or export duty in case of no imports or exports; refund of overpaid export or import duty; minimum refundable amount

1. Where import duty or export duty has been paid without imports or exports or the quantity of actual exports or imports is smaller than the quantity on which export or import duty was paid, the amount of paid export or import duty on the goods that are not exported or imported in reality shall be refunded.

2. The minimum refundable amount in the cases specified in Article 35 through 37 of this Decree is VND 50,000.

The customs authority shall reject applications for refund of duty smaller than the aforementioned minimum refundable amount.

3. An application for duty refund consists of form 09 in Appendix VII enclosed herewith.

4. Procedures for submission, receipt and processing of application for duty refund shall comply with tax administration laws.

If the goods are eligible for duty refund but duty has not been paid or is cancelled as prescribed in Article 19 of the Law on Export and Import Duties, documents and procedures are the same as those for duty refund.

Where a taxpayer submits an application for duty cancellation while following customs procedures and is not required to pay duty before inspection, the customs authority shall not collect export or import duty.

Chapter III

IMPLEMENTATION CLAUSE

Article 38. Effect

1. This Decree comes into force from September 01, 2016 and replaces the Government's Decree No. 87/2010/ND-CP dated August 13, 2010.
2. Provisions for exemption of export and import duties in the Prime Minister's Decision No. 31/2015/QD-TTg dated August 04, 2016, the Prime Minister's Decision No. 52/2015/QD-TTg dated October 20, 2015, the Prime Minister's Decision No. 53/2013/QD-TTg dated September 13, 2013 and Article 7 of the Prime Minister's Decision No. 219/2009/QD-TTg are abolished.

Article 39. Transition clause

1. If a project is provided with export or import duty incentive that is more favorable than that specified in the Law on Export and import duties, the incentive being applied shall be applied until expiration of the incentive duration.
2. If a project is provided with export or import duty incentive that is less favorable than that specified in the Law on Export and import duties or has not been provided with export or import duty specified in the Law on Export and import duties 2016, the incentives specified in the Law on Export and import duties shall be applied until expiration of the incentive duration.

Article 40. Responsibility for implementation

1. The Ministry of Planning and Investment shall publish a list of goods that can be manufactured domestically mentioned in Article , 15, 16, 17, 18, 19, 20, 21, 23, 24, 25 and 28 of this Decree.
2. The Ministry of Science and Technology shall publish a list or establish criteria for identification of:
 - a) Specialized vehicles used for petroleum activities;
 - b) Specialized vehicles used in technological line directly serving manufacturing activities of investment projects;

c) Vehicles in the technological line directly serving shipbuilding activities;

d) Scientific documents serving scientific research, technological development, development of technology incubation, science and technology enterprise incubation and technological innovation;

dd) Specialized machinery, equipment, parts and supplies serving scientific research, technological development, development of technology incubation, science and technology enterprise incubation and technological innovation that can be domestically manufactured.

3. The Board of Directors shall publish a list or establish criteria for identification of goods exclusively serving education.

4. The Ministry of Agriculture and Rural Development shall publish a list or establish criteria for determination of plant varieties, animal breeds, fertilizers and plant protection substances that have to be imported.

5. The Ministry of Information and Communications shall publish a list or establish criteria for identification of imported raw materials, supplies and components for manufacture or information technology products, digital contents or software.

6. The Ministry of Natural Resources and Environment shall publish a list or establish criteria for identification of imported machinery, equipment, vehicles, tools and supplies exclusively serving environmental protection and derived from the process of waste recycling and treatment.

7. The Ministry of Public Security and the Ministry of National Defense shall inform the General Department of Customs of annual plans for importing goods exclusively serving national defense and security purposes approved by the Prime Minister or by the Minister of Public Security or by the Minister of National Defense who is authorized by the Prime Minister as well and any change to the plan.

8. The State bank shall publish a list of machinery, equipment, raw materials, supplies, components and parts imported for money printing and mincing and appoint importers thereof.

9. The Ministry of Foreign Affairs shall inform the Ministry of Finance of tax incentives under international treaties and agreements between Vietnam's government and foreign non-governmental organizations.

10. Ministers, Heads of ministerial agencies, Heads of Governmental agencies, Presidents of the People's Committees of provinces, relevant organizations and individuals are responsible for the implementation of this Decree./.

**ON BEHALF OF THE GOVERNMENT
THE PRIME MINISTER**

Nguyen Xuan Phuc

APPENDIX I

LIST OF COMMODITIES AND ALLOWANCE FOR COMMODITIES SERVING WORK AND LIFE OF DIPLOMATIC MISSIONS, CONSULAR OFFICES AND REPRESENTATIVE OFFICES OF FOREIGN ORGANIZATIONS IN VIETNAM

(Enclosed with the Government's Decree No. 134/2016/ND-CP dated September 01, 2016)

No.	Commodity	Allowance for an organization whose personnel does not 5 persons	Allowance for every 3 more persons	Notes
1	Cars	03 vehicles	01 vehicle	Left hand drive, used or new
2	Motorcycles	02 vehicles	01 vehicle	New
3	Alcohols	50 liters	30 liters	Each quarter
4	Beer	100 liters	60 liters	Each quarter
5	Cigarettes	10 cartons	6 cartons	Each quarter, 1 carton has 10 packs, each pack has 20 cigarettes

Note: Used cars must be conformable with effective regulations of law on import of used cars.

APPENDIX II

LIST OF COMMODITIES AND ALLOWANCE FOR COMMODITIES SERVING WORK AND LIFE OF MEMBERS OF DIPLOMATIC MISSIONS, CONSULAR OFFICES AND REPRESENTATIVE OFFICES OF FOREIGN ORGANIZATIONS IN VIETNAM

(Enclosed with the Government's Decree No. 134/2016/ND-CP dated September 01, 2016)

No.	Commodity	Allowance for the head of a diplomatic mission	Allowance for the head of a consular office or representative	Allowance for a diplomatic official, a consul or an official of an	Notes
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			office of a international organization	international organization	
1	Cars	02 vehicles	01 vehicle	01 vehicle	Left hand drive, used or new
2	Motorcycles	01 vehicles	01 vehicle	01 vehicle	New
3	Alcohols	100 liters	70 liters	50 liters	Each quarter
4	Beer	300 liters	270 liters	200 liters	Each quarter
5	Cigarettes	30 cartons	30 cartons	20 cartons	Each quarter, 1 carton has 10 packs, each pack has 20 cigarettes

Notes:

1. Used cars must be conformable with effective regulations of law on import of used cars.
2. Cars and motorcycles may only be imported if the person has worked in the diplomatic mission, consular office or representative office of a foreign organization in Vietnam which is granted diplomatic immunity and privileges for at least 18 months from the day on which the ID card is issued by the Ministry of Foreign Affairs and the remaining work duration in Vietnam is at least 12 months according to the ID card issued by the Ministry of Foreign Affairs.

APPENDIX III

LIST OF COMMODITIES AND ALLOWANCE FOR COMMODITIES SERVING WORK AND LIFE OF OTHER EMPLOYEES OF DIPLOMATIC MISSIONS, CONSULAR OFFICES AND REPRESENTATIVE OFFICES OF FOREIGN ORGANIZATIONS IN VIETNAM
(Enclosed with the Government's Decree No. 134/2016/ND-CP dated September 01, 2016)

No.	Commodity	Allowance	Notes
1	Cars	01 vehicle	Left hand drive, used or new
2	Motorcycles	01 vehicle	New
3	Alcohols	40 liters	For the first import
4	Beer	400 liters	For the first import
5	Cigarettes	20 cartons	For the first import; 1 carton has 10 packs, each pack has 20 cigarettes

Notes:

1. Used cars must be conformable with effective regulations of law on import of used cars.
2. Cars and motorcycles may only be imported if the person has worked in the diplomatic mission, consular office or representative office of a foreign organization in Vietnam which is granted diplomatic immunity and privileges for at least 12 months from the day on which the ID card is issued by the Ministry of Foreign Affairs and the remaining work duration in Vietnam is at least 09 months according to the ID card issued by the Ministry of Foreign Affairs.
3. Alcohols, beer and cigarettes may only imported within the first 06 months from the date written on the ID card is issued by the Ministry of Foreign Affairs if the remaining work duration in Vietnam is at least 90 days or more.

APPENDIX IV

LIST OF FATAL DISEASES

(Enclosed with the Government's Decree No. 134/2016/ND-CP dated September 01, 2016)

1. Cancer	16. Progressive muscular atrophy	30. Lupus erythematosus
2. First-time myocardial infarction	17. Severe rheumatoid polyarthritis	31. Organ transplantation (heart, liver, kidney transplantation)
3. Coronary artery surgery	18. Gangrene because of hemolytic streptococcal infection	32. Progressive pulmonary tuberculosis
4. Heart valve replacement surgery	19. Aplastic anemia	33. Severe burns
5. Aorta surgery	20. Paralysis of two limbs	34. Heart muscle disease
6. Stroke	21. Blindness of both eyes	35. Alzheimer's disease
7. Coma	22. Loss of two limbs	36. Pulmonary arterial hypertension
8. Multiple sclerosis	23. Hearing loss	37. Neurotransmitter disorder
9. Amyotrophic lateral sclerosis	24. Mutism	38. Severe traumatic brain injury
10. Parkinson's disease	25. Systemic and permanent injuries	39. Podoconiosis
11. Bacterial meningitis	26. Renal failure	40. Occupational HIV infection
12. Severe encephalitis	27. Medullary cystic disease	41. Bone marrow

		transplantation
13. Benign brain tumors	28. Recurrent chronic pancreatitis	42. Poliomyelitis
14. Muscular dystrophy	29. Liver failure	
15. Progressive spinal muscular palsy		

APPENDIX V

DUTY FREE ALLOWANCES FOR GOODS TRADED BY BORDER RESIDENTS (Enclosed with the Government's Decree No. 134/2016/ND-CP dated September 01, 2016)

Duty-free allowance for each border resident, who is a Vietnamese citizen that has a permanent residence in a bordering area and is permitted by the police authority of the bordering province to reside in the bordering area, is VND 2,000,000 per day per time and not more than 4 times per month.

APPENDIX VI

LIST OF PRIORITIZED MEDICAL EQUIPMENT (Enclosed with the Government's Decree No. 134/2016/ND-CP dated September 01, 2016)

No.	Name	Basic specifications
I	Diagnostic equipment	
1.	MRI systems	≥ 0.3 T
2.	Computed tomography systems	≥ 2 slices
3.	Arteriography systems	of various types
4.	Digital radiography machines	of a tube current of ≥ 300 mA
5.	Ultrasound machines, transcranial doppler ultrasound machines	of various types
6.	Medical monitors	≥ 5 parameters
7.	Cardiotocograph	of various types
8.	ECG machines	≥ 3 channels
9.	EEG machines	≥ 32 channels, connected to a computer

10	Pulse oximeters	of various types
11.	Doppler fetal monitors	of various types
12.	Diagnostic endoscopy systems	of various types
13.	Cerebral blood flow meters	of various types
14.	MRI devices	of various types
15.	CT scan devices	of various types
II	Treatment equipment	
1.	Electric injectors	of various types
2.	Infusion pumps	of various types
3.	Portable oxygen generators	with a capacity of at least 5 liters
4.	Surgical suction units	Maximum suction rate ≥ 5 liters per minute
5.	Low pressure suction units to drain fluid/air from the pleura	Maximum suction rate = 2 liters per minute
6.	High frequency scalpels	Power ≥ 300 W
7.	CO ₂ surgical laser systems	Power ≥ 40 W
8.	Surgical endoscopy systems	of various types
9.	Electrotherapy machines	of various types
10.	Breathing machines	of various types
11.	Extracorporeal lithotripsy systems	of various types
III	Sterilizing equipment	
1.	Sterilizing steamers	Capacity ≥ 20 liters
2.	Drying cabinets	Capacity ≥ 50 liters
3.	Warming cabinets	Capacity ≥ 50 liters
4.	Disinfection system for operating rooms	of various types
5.	Medical instrument quick sterilization systems	of various types
6.	Air disinfection machines	of various types
7.	Ultrasonic cleaners	of various types
IV	Testing equipment	
1.	Coagulation analyzers	of various types
2.	Automated urine analyzers	≥ 10 parameters

3.	Semi-automatic biochemistry analyzers	of various types
4.	Multipurpose centrifuges	of various types
5.	Automated blood analyzers	≥ 18 parameters
6.	Class II biosafety cabinets	of various types
V	Medical waste and wastewater treatment systems	
1.	Medical waste incinerators	Capacity ≥ 5 kg
2.	Insulated medical waste containers (attached to medical waste incinerator)	Capacity $\geq 1,000$ liters
3.	Microwave systems for treatment of solid medical wastes	of various types
4.	Medical wastewater treatment systems	of various types
VI	Rehabilitation equipment	
1.	Spinal stretch machines	of various types
2.	Rehabilitation equipment for pelvic limbs	of various types
3.	Rehabilitation equipment for elbow and shoulder joints	of various types
VII	Domestic and personal medical equipment	
1.	Blood pressure monitors	of various types
2.	Inhalation machines	of various types
3.	Handheld ECG machines	of various types
4.	Personal blood glucose monitors	of various types
5.	Electronic thermometers	of various types
VIII	Other equipment	
1.	Blood pipette shaking machines	of various types
2.	Water distillation machines	of various types
3.	Blood and infusion fluid incubators	of various types
4.	Dose readers and dosimeters in radiotherapy	of various types
5.	Dental chairs	of various types
6.	Ultrasonic tartar removal machines	of various types

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