

**THE GOVERNMENT**

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**THE SOCIALIST REPUBLIC OF VIETNAM**

**Independence - Freedom – Happiness**

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*Hanoi, September 3, 2014*

## **DECREE**

### **ON PETROL AND OIL TRADING**

*Pursuant to the December 25, 2001 Law on Organization of the Government;*

*Pursuant to the June 14, 2005 Commercial Law;*

*At the proposal of the Minister of Industry and Trade,*

*The Government promulgates the Decree on petrol and oil trading.*

## **Chapter I**

### **GENERAL PROVISIONS**

#### **Article 1.** Scope of regulation

This Decree prescribes petrol and oil trading and conditions for petrol and oil trading on the Vietnamese market.

#### **Article 2.** Subjects of application

1. This Decree applies to Vietnamese traders in accordance with the Commercial Law.
2. This Decree does not apply to traders that import, produce and process petrol and oil for their own demand without selling them on the market as registered with the Ministry of Industry and Trade.

#### **Article 3.** Interpretation of terms

In this Decree, the terms below are construed as follows:

1. Petrol and oil is a general term used to refer to products of the crude oil refining process which are used as fuel, including engine petrol, diesel oil, kerosene, fuel oil and jet fuel; bio-fuel and other products used as engine fuel, excluding liquefied gas and compressed natural gas.
2. Petrol and oil trading covers export (of domestically produced petrol and oil and raw materials and imported petrol and oil and raw materials), import, temporary import for re-export, border-

gate transfer and export processing of petrol and oil and raw materials; production and processing of petrol and oil; distribution of petrol and oil on the domestic market; and provision of services of warehouse and port leasing and receipt, preservation and transportation of petrol and oil.

3. Petrol and oil production means the process of refining and transforming crude oil, petrol and oil products, semi-finished petrol and oil products, additives and other preparations into petrol and oil products.

4. Petrol and oil processing means the process to mix petrol and oil products and semi-finished products, additives and other preparations to turn them into finished petrol and oil products.

5. Petrol and oil trading establishments include special-use ports and petrol and oil production and processing workstations, depots, means of transport and petrol and oil retail stations.

6. Raw materials for petrol and oil production and processing include crude oil, petrol and oil products and semi-finished products, additives and other preparations.

7. Global petrol and oil prices means prices at which petrol and oil products are traded on the international market jointly determined and announced by the Ministry of Industry and Trade and the Ministry of Finance.

8. Petrol and oil retail prices means prices posted up at petrol and oil retail stations.

9. Base price means the price used by state management agencies to regulate petrol and oil retail prices on the domestic market.

The base price has the following constituents and is determined to equal (=) {CIF price plus (+) import duty plus (+) excise tax} multiplied by (x) foreign exchange rate plus (+) value-added tax plus (+) business expense norm plus (+) deduction for setting up the price valorization fund plus (+) profit norm plus (+) environmental protection tax plus (+) other payable taxes, charges and remittable deductions under current law; and is calculated to be the average price of 15 days preceding the date of price calculation of the compulsory petrol and oil reserve cycle prescribed in Clause 1, Article 31 of this Decree, in which:

CIF price is the global petrol and oil price plus (+) insurance plus (+) freight for transportation to a Vietnamese port;

Foreign exchange rate for calculation of CIF price is the foreign currency selling rate applied by the Joint-Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) which is the average price of 15 days preceding the date of price calculation of the compulsory petrol and oil reserve cycle prescribed in Clause 1, Article 31 of this Decree;

Foreign exchange rate for calculation of import duty and excise tax is the average transaction rate on the inter-bank foreign exchange market announced by the State Bank of Vietnam which

is the average price of 15 days preceding the date of price calculation of the compulsory petrol and oil reserve cycle prescribed in Clause 1, Article 31 of this Decree;

Import duty, excise tax, value-added tax, environmental protection tax; business expense and profit norms; price valorization fund; other taxes, charges and remittable deductions must comply with law.

10. Petrol and oil traders include petrol and oil exporters and importers; petrol and oil producers; petrol and oil distributors; petrol and oil general agents; petrol and oil retail agents; petrol and oil retail franchisees; and petrol and oil service providers.

11. Key traders include petrol and oil exporters, importers and producers.

Key traders are petrol and oil owners in their entire petrol and oil distribution system, except when petrol and oil are sold to petrol and oil distributors and retail franchisees.

12. Petrol and oil distributor means a trader that buys petrol and oil from a key trader and, apart from selling petrol and oil at its/his/her petrol and oil retail stations, organizes a system of subsidiary agents or retails petrol and oil through retail franchisees.

13. Petrol and oil general agent means a trader that acts as a petrol and oil trading agent and, apart from selling petrol and oil at its petrol and oil retail stations, organizes a system of subsidiary agents for sale of petrol and oil for the principal being a key trader to enjoy remuneration.

14. Petrol and oil retail agent means a trader that acts as an agent to retail petrol and oil at retail stations for the principal being a petrol and oil key trader or distributor or general agent to enjoy remuneration.

15. Petrol and oil retail franchisee means a trader that is granted a commercial franchise by a petrol and oil key trader or distributor to retail petrol and oil.

16. Copies include:

a/ Certified copies (in case of submission of dossiers by post or through the channel of delivery of administrative official letters);

b/ Copies accompanied with originals for comparison (in case of direct submission of dossiers);

c/ Scanned copies of originals (if administrative procedures permit online submission).

#### **Article 4.** Application of treaties and relevant laws

1. Foreign traders trading in petrol and oil in Vietnam under treaties to which the Socialist Republic of Vietnam is a contracting party shall comply with this Decree. When those treaties provide otherwise, they prevail.

2. Apart from complying with this Decree, petrol and oil traders shall comply with other relevant laws.

**Article 5.** Master plans on development of the petrol and oil trading system

1. The Ministry of Industry and Trade shall assume the prime responsibility for, and coordinate with related ministries and sectors in, elaborating and publicizing master plans on development of the petrol and oil trading system, including a master plan on petrol and oil importers and exporters, a master plan on development of the system of petrol and oil key depots, strategic reserve and circulation reserve depots and national system of petrol and oil pipelines, in line with the orientations for development of Vietnam's oil and gas industry and socio-economic development in each period.

2. When formulating a project to build or upgrade the transport system, the Ministry of Transport shall assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade, related ministries, sectors and provincial-level People's Committees in, determining connection points suitable to the planned system of petrol and oil trading establishments.

3. Provincial-level People's Committees shall elaborate and publicize master plans on networks of petrol and oil retail stations and depots to meet local petrol and oil circulation demands. Petrol and oil retail stations must comply with national technical regulations promulgated by competent state management agencies. Particularly, petrol and oil retail stations in border areas must comply with regulations on assurance of safety for management and protection of the borderline and boundary markers and combat of cross- border petrol and oil smuggling.

4. Traders of all economic sectors are encouraged to invest in developing petrol and oil trading establishments in conformity with approved master plans.

**Article 6.** Fire prevention and fighting and environmental protection

1. In their trading activities, petrol and oil trading establishments shall comply with regulations on fire prevention and fighting and environmental protection.

2. Petrol and oil traders shall inspect petrol and oil trading establishments in their systems once every six (6) months in order to ensure compliance with the current laws on fire prevention and fighting and environmental protection and petrol and oil quality regulations and standards.

**Chapter II**

**PETROL AND OIL TRADING**

**Section 1. PETROL AND OIL IMPORT AND EXPORT**

**Article 7.** Conditions for petrol and oil importers and exporters

A trader that fully meets the conditions below may be granted a petrol and oil import or export license by the Ministry of Industry and Trade:

1. Being established lawfully, having registered for petrol and oil trading as specified in its enterprise registration certificate.
2. Having a special-use wharf in Vietnam's international port system, which is capable of receiving oil tankers or other petrol and oil transport vehicles with a tonnage of at least seven thousand (7,000) tons under its ownership or co-ownership or on a lease for at least five (5) years.
3. Having a depot with a minimum capacity of fifteen thousand (15,000) cubic meters to receive petrol and oil from oil tankers and special-use transport vehicles, which are under its ownership or co-ownership or on a lease for at least five (5) years.

Three (3) years after being granted a petrol and oil import or export license, the trader shall own or co-own (with a capital contribution of at least fifty-one percent (51%) the depot system, which is capable of meeting at least one-third (1/3) of the trader's reserve demand as prescribed in Clause 1, Article 31 of this Decree.

4. Having vehicles for domestic petrol and oil transport under its ownership or co-ownership or on a lease for at least five (5) years from a petrol and oil service provider.

Two (2) years after being granted a petrol and oil import or export license, the trader shall own or co-own (with a capital contribution of at least fifty-one percent (51%) vehicles for domestic petrol and oil transport with a total load capacity of at least three thousand cubic meters (3,000 m<sup>3</sup>).

5. Having a petrol and oil distribution system: At least ten (10) petrol and oil retail stations under its ownership or co-ownership and at least forty (40) petrol and oil general agents or retail agents in its distribution system.

Every year after being granted a petrol and oil import or export license, the trader shall own or co-own at least four (4) petrol and oil retail stations until its distribution system has at least one hundred (100) petrol and oil retail stations.

6. Being conformable with the master plan on petrol and oil importers and exporters.
7. Exporters and importers of jet fuel are not required to have a distribution system prescribed in Clause 5 of this Article, but must have jet fuel filling equipment under their ownership or co-ownership.

**Article 8.** Competence, dossiers and order of granting petrol and oil import or export licenses

1. The Ministry of Industry and Trade may grant, supplement, modify and re-grant petrol and oil import or export licenses to traders that fully meet the conditions prescribed in Article 7 of this Decree.

2. Dossiers of application for petrol and oil import or export license a/ For a new license, a dossier must comprise:

- An application for a petrol and oil import or export license, made according to Form No. 1 in the Appendix to this Decree;

- A copy of the enterprise registration certificate;

- A list of physical and technical foundations for petrol and oil trading as specified in Clauses 2, 3 and 4, Article 7 of this Decree, enclosed with supporting documents;

- A list of petrol and oil retail stations under the trader's ownership or co-ownership and a list of general agents and agents in the trader's petrol and oil distribution system as prescribed in Clause 5, Article 7 of this Decree, enclosed with supporting documents.

b/ For a supplemented or modified license

When there is a change in the contents of its petrol and oil import or export license, the trader shall compile and submit to the Ministry of Industry and Trade a dossier of request for supplementation or modification of the license. Such a dossier must comprise:

- A written request for license supplementation or modification, made according to Form No. 1 in the Appendix to this Decree;

- The original petrol and oil import or export license;

- Documents proving contents to be supplemented or modified. c/ For a re-granted license

When a petrol and oil import or export license is lost, burnt or otherwise destroyed, the trader shall compile and submit to the Ministry of Industry and Trade a dossier of request for license re-grant. Such a dossier must comprise:

- A written request for license re-grant, made according to Form No. 1 in the Appendix to this Decree;

- The original or valid copy of the petrol and oil import or export license (if any).

d/ When a petrol and oil import or export license is about to expire, the trader shall compile a dossier of application for a new license under Point a of this Clause and submit it to the Ministry of Industry and Trade at least thirty (30) days before the license expires.

3. Order of granting a petrol and oil import or export license

- a/ The trader shall submit one (1) dossier set to the Ministry of Industry and Trade;
- b/ In case the dossier is incomplete or invalid, within seven (7) working days after receiving the trader's dossier, the Ministry of Industry and Trade shall request in writing the trader to supplement it;
- c/ Within thirty (30) working days after receiving a valid dossier, the Ministry of Industry and Trade shall consider and examine the dossier and grant a petrol and oil import or export license according to Form No. 2 in the Appendix to this Decree to the trader. In case of refusal, it shall issue a written reply clearly stating the reason.
4. A petrol and oil import or export license is valid for five (5) years from the date of grant.
5. Traders that are granted petrol and oil import or export licenses shall pay charges and fees under the Ministry of Finance's regulations.
6. The Ministry of Industry and Trade may revoke petrol and oil import or export licenses. A petrol and oil import or export license is revoked the following cases: The trader no longer operates in petrol and oil import or export for one (1) quarter or longer; the trader goes bankrupt in accordance with law; the trader fails to fully meet the conditions for petrol and oil import or export prescribed in Article 7 of this Article; the trader fails to reserve petrol and oil under Article 31 of this Decree; the trader repeatedly violates or relapses into violating this Decree's provisions on quality of petrol and oil in market circulation, and other cases prescribed by law.

**Article 9.** Rights and obligations of petrol and oil importers and exporters

1. To be allocated by the Ministry of Industry and Trade annual petrol and oil import quotas.
2. To import materials or buy domestic materials for petrol and oil processing. The import of materials must conform to plans certified by the Ministry of Industry and Trade and notified to customs offices for customs clearance and control.
3. To trade in petrol, oil and materials with other key traders.
4. To distribute petrol and oil via their subsidiaries, including member enterprises, branches, depots, retail stations of enterprises and via petrol and oil general agents and retail agents; or via petrol and oil distributors or retail franchisees.
5. To provide the service of supplying jet fuel when fully meeting the conditions prescribed by law.
6. To apply derivative instruments and operations to petrol and oil transactions and trading in conformity with international practice.
7. To import petrol and oil volumes not lower than minimum annual quotas allocated by the Ministry of Industry and Trade; to import petrol and oil according to quarterly schedules or

specific written guidance of the Ministry of Industry and Trade; to ensure the petrol and oil quality, volume, categories and compulsory minimum reserve level prescribed in Clause 1, Article 31 of this Decree.

8. To conduct import, export, temporary import for re-export, border- gate transfer and export processing of petrol, oil and materials under this Decree.

9. To uniformly apply petrol and oil retail prices in their distribution systems, except when they sell petrol and oil to distributors.

10. To consign petrol and oil to traders that fully meet the conditions to act as general agents or agents prescribed in Articles 16 and 19 and do not violate the provisions of Clauses 4 and 5, Article 18, Clauses 2 and 3, Article 21, of this Decree, in addition to wholesaling of petrol and oil to units directly engaged in production and retail of petrol and oil at their retail stations; to sell petrol and oil to traders that fully meet the conditions to act as distributors prescribed in Article 13 and do not violate the provisions of Clause 5, Article 15 of this Decree; to trade in petrol and oil by granting commercial franchises to traders that fully meet the conditions to act as retail franchisees prescribed in Article 22 and do not violate the provisions of Clauses 2 and 3, Article 23 of this Decree.

11. To register their distribution systems under regulations of the Ministry of Industry and Trade.

12. To observe regulations on management of measurement and quality control of petrol and oil sold on the market. To supervise and manage the measurement and quality control of petrol and oil in the course of transportation from places of delivery to places of receipt. To regularly inspect and control petrol and oil quality and trading activities of general agents, agents and retail franchisees in their distribution systems, and notify such in writing to competent agencies for management.

13. To take joint responsibility for violations of petrol and oil general agents, agents and retail franchisees in their distribution systems in petrol and oil trading in accordance with law.

14. To uniformly prescribe the display of names of petrol and oil importers and exporters at petrol and oil retail stations in their distribution systems and inspect and supervise enterprises in their distribution systems. The use of logos, marks and trade indications of petrol and oil importers and exporters must comply with the provisions of the Commercial Law regarding commercial franchise, the Intellectual Property Law and other laws.

15. To transship or transfer alongside ships petrol and oil only in positions prescribed by the Ministry of Transport or provincial-level People's Committees; to transship or transfer alongside ships petrol and oil from large ships or other means of transport which cannot be accommodated by Vietnamese ports as prescribed by port authorities.

16. To comply with regulations on fire prevention and fighting and environmental protection in the course of trading.

17. To build, apply and maintain the effectiveness of a quality control system.
18. To rent only inland petrol and oil warehouses and means of transport from petrol and oil service providers but not other key traders.
19. To implement the schedule of application of the mixing proportion of bio-fuel and traditional fuels as prescribed by the Prime Minister.

## **Section 2. PETROL AND OIL PRODUCTION AND PROCESSING**

### **Article 10.** Conditions on petrol and oil production

A trader that fully meets the following conditions may produce petrol and oil:

1. Being lawfully established, having registered for petrol and oil trading as specified in its enterprise registration certificate.
2. Having petrol and oil production establishments under an approved master plan and having an investment certificate granted by a competent authority.
3. Having its own laboratories capable of testing the quality of produced petrol and oil under the relevant national technical regulations.

### **Article 11.** Rights and obligations of petrol and oil producers

1. To purchase domestic raw materials, directly import or entrust licensed petrol and oil exporters and importers to import raw materials. To import raw materials under plans certified and notified by the Ministry of Industry and Trade to customs offices for customs clearance and control of traders' raw material import.
2. To process petrol and oil for domestic sale or export.
3. To sell their petrol and oil products on the domestic market through their distribution networks under Clause 8 of this Article or to sell them only to other key traders.
4. To export their petrol and oil products under their plans registered with the Ministry of Industry and Trade and approved investment projects.
5. To produce petrol and oil under registered plans annually certified by the Ministry of Industry and Trade; to maintain the minimum reserve of petrol and oil and raw materials for production in conformity with approved investment projects and production plans registered with the Ministry of Industry and Trade.
6. To produce and circulate only petrol and oil which comply with national technical regulations and announced applicable standards.

7. To build, apply and maintain the effectiveness of, a quality control system and a laboratory capacity management system.

8. To organize domestic petrol and oil distribution networks under Clauses 4 and 5, Article 7; and Clauses 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18, Article 9, of this Decree.

#### **Article 12.** Petrol and oil processing

1. Only key traders may process petrol and oil; the petrol and oil processing may be carried out at production places, processing workstations or petrol and oil warehouses to serve the domestic consumption demand of key traders.

Traders of all economic sectors may process petrol and oil in petrol and oil bonded warehouses.

2. Within one (1) year after obtaining a petrol and oil import or export license, a petrol and oil importer or exporter that processes petrol and oil products must have a laboratory capable of testing petrol and oil quality under national technical regulations.

3. Key traders that process petrol and oil shall register their processing establishments under the guidance of the Ministry of Science and Technology.

### **Section 3. PETROL AND OIL DISTRIBUTORS**

#### **Article 13.** Conditions on petrol and oil distributors

A trader that fully meets the following conditions may be granted an eligibility certificate by the Ministry of Industry and Trade to act as a petrol and oil distributor:

1. Being lawfully established; having registered for petrol and oil trading as specified in its enterprise registration certificate.

2. Having depots or tanks with a capacity of at least two thousand (2,000) cubic meters under its ownership or co-ownership or on a lease for at least five (5) years from a petrol and oil service provider.

3. Having vehicles to transport petrol and oil under its ownership or co- ownership or on a lease for at least five (5) years from a petrol and oil service provider.

4. Having a laboratory capable of inspecting and testing petrol and oil quality according to national technical regulations and announced applicable standards under its ownership or co-ownership or on a lease under a contract with a state agency.

5. Having its own petrol and oil distribution network in at least two (2) provinces or centrally run cities and with at least five (5) petrol and oil retail stations under its ownership or co-ownership and at least ten (10) stations of petrol and oil retail agents which are granted petrol and oil retail eligibility certificates under Article 25 of this Decree.

6. Having its managers and trading staff trained in fire prevention and fighting and environmental protection under current regulations and having training certificates.

**Article 14.** Competence, dossiers and order of granting certificates of eligibility to act as petrol and oil distributors

1. The Ministry of Industry and Trade may grant, supplement, modify and re-grant certificates of eligibility to act as petrol and oil distributors to traders that fully meet the conditions prescribed in Article 13 of this Decree.

2. Dossiers of application for certificates of eligibility to act as petrol and oil distributors

a/ For a new certificate, a dossier must comprise:

- An application for a certificate of eligibility to act as a petrol and oil distributor, made according to Form No. 5 provided in the Appendix to this Decree;
- A copy of the enterprise registration certificate;
- Copies of training certificates of managers and trading staff under Clause 6, Article 13 of this Decree;
- A list of physical and technical facilities to serve petrol and oil trading under Clauses 2, 3 and 4, Article 13 of this Decree, enclosed with supporting documents;
- A list of the trader's petrol and oil distribution system under Clause 5, Article 13 of this Decree, enclosed with supporting documents.

b/ For a supplemented or modified certificate

When there is a change in the contents of a certificate of eligibility to act as a petrol and oil distributor, the trader shall compile and submit a dossier of request for supplementation or modification of the certificate to the Ministry of Industry and Trade. Such a dossier must comprise:

- A written request for certificate supplementation or modification, made according to Form No. 5 provided in the Appendix to this Decree;
- The original certificate of eligibility to act as a petrol and oil distributor;
- Documents proving contents to be supplemented or modified. c/ For a re-granted certificate

When a certificate of eligibility to act as a petrol and oil distributor is lost, burnt or otherwise destroyed, the trader shall compile and submit a dossier of request for certificate re-grant to the Ministry of Industry and Trade. Such a dossier must comprise:

- A written request for certificate re-grant, made according to Form No. 5 provided in the Appendix to this Decree;

- The original or valid copy of the certificate of eligibility to act as a petrol and oil distributor (if any).

d/ When a certificate of eligibility to act as a petrol and oil distributor expires, the trader shall compile a dossier of application for a new certificate under Point a of this Clause and submit it to the Ministry of Industry and Trade at least thirty (30) days before the certificate expires.

3. Order of granting certificates of eligibility to act as a petrol and oil distributor

a/ A trader shall submit one (1) dossier set to the Ministry of Industry and Trade;

b/ When a dossier is incomplete or invalid, within seven (7) working days after receiving such dossier, the Ministry of Industry and Trade shall make a written request for the trader to supplement the dossier;

c/ Within thirty (30) working days after receiving a valid dossier, the Ministry of Industry and Trade shall examine and appraise the dossier and grant a certificate of eligibility to act as a petrol and oil distributor according to Form No. 6 provided in the Appendix to this Decree to the applicant. In case of refusal, it shall issue a written reply clearly stating the reason.

4. A certificate of eligibility to act as a petrol and oil distributor is valid for five (5) years from the date of grant.

5. Traders obtaining certificates of eligibility to act as petrol and oil distributors shall pay charges and fees prescribed by the Ministry of Finance.

6. The Ministry of Industry and Trade may revoke certificates of eligibility to act as petrol and oil distributors. A certificate of eligibility to act as a petrol and oil distributor shall be revoked in the following cases: The trader no longer acts as a petrol and oil distributor; the trader has ceased its petrol and oil trading operation for at least one (1) month; the trader goes bankrupt in accordance with law; the trader fails to meet one of the conditions for acting as a petrol and oil distributor prescribed in Article 13 of this Decree; the trader repeatedly violates or relapses into violating regulations on assurance of volume and quality of marketed petrol and oil, increase or decrease of petrol and oil selling prices in this Decree, and other cases prescribed by law.

#### **Article 15.** Rights and obligations of petrol and oil distributors

1. To purchase petrol and oil from more than one key trader under petrol and oil trading contracts.

2. To trade in petrol and oil as principals of petrol and oil retail agents in their distribution systems and pay agency commissions to such agents.

To trade in petrol and oil by granting commercial franchise to retail franchisees in accordance with law.

3. To apply common petrol and oil retail prices in their whole distribution systems and comply with Article 38 of this Decree.

4. Apart from retailing petrol and oil at their retail stations and granting commercial franchise, to consign petrol and oil to traders defined in the Commercial Law to act as their agents under Article 19 of this Decree, provided these traders do not violate Clauses 2 and 3, Article 21 of this Decree.

5. Not to additionally sign contracts to act as general agents or agents for key traders or as agents for general traders if having signed petrol and oil trading contracts with such key traders.

6. To take responsibility for volume, quality and prices of petrol and oil sold in their distribution systems under regulations.

7. To rent only petrol and oil warehouses and means of transport from petrol and oil service providers.

8. To observe by the Ministry of Finance's regulations on document recording and keeping suitable to their trading forms.

9. To comply with regulations on fire prevention and fighting and environmental protection in the course of trading.

10. To uniformly prescribe the display of names of petrol and oil distributors at petrol and oil retail stations in their distribution systems and inspect and supervise petrol and oil retail franchisees and retail agents in their distribution systems. To register, use and transfer the right to use their logos, marks and trade indications in accordance with the provisions of the Commercial Law regarding commercial franchise, the Intellectual Property Law and other relevant laws.

11. To inspect and supervise operations of petrol and oil retail agents and retail franchisees in their distribution systems. To take joint responsibility for violations of these traders in petrol and oil trading in accordance with current laws.

12. To inspect and supervise itinerary of vehicles for petrol and oil transport from places of delivery or receipt to places of receipt or delivery.

13. To register working time of petrol and oil retail stations under their ownership with provincial-level Industry and Trade Departments that have granted certificates of eligibility for petrol and oil retail to such stations.

14. To register their distribution systems with the Ministry of Industry and Trade as the agency certifying the eligibility of traders to act as petrol and oil distributors with and provincial-level Industry and Trade Departments of localities where they have their distribution systems.

15. To build, apply, and maintain the effectiveness of, a quality control system and a laboratory capacity management system, except when they hire testing services.

16. To implement the roadmap of application of the mixing proportion of bio-fuel and traditional fuels as prescribed by the Prime Minister.

#### **Section 4. PETROL AND OIL GENERAL AGENTS**

##### **Article 16.** Conditions on petrol and oil general agents

A trader that fully meets the following conditions may be granted an eligibility certificate by a competent state agency to act as a petrol and oil general agent (below referred to as general agent):

1. Being lawfully established; having registered for petrol and oil trading as specified in its enterprise registration certificate.
2. Having depots or tanks with a capacity of at least two thousand (2,000) cubic meters under its ownership or co-ownership or on a lease for at least five (5) years from a petrol and oil service provider.
3. Having vehicles to transport petrol and oil under its ownership or co- ownership or on a lease for at least five (5) years from a petrol and oil service provider.
4. Having its own petrol and oil distribution network with at least five (5) retail stations under its ownership or co-ownership and at least ten (10) stations of petrol and oil retail agents which are granted petrol and oil retail eligibility certificates under Article 25 of this Decree.

The general agent's distribution system must be within the distribution system of a key trader and subject to control by such trader.

5. Having its managers and trading staff trained in fire prevention and fighting and environmental protection under current regulations and having training certificates.

##### **Article 17.** Competence, dossiers and order of granting certificates of eligibility to act as petrol and oil general agents

1. The Ministry of Industry and Trade may grant, supplement, modify and re-grant certificates of eligibility to act as petrol and oil general agents to traders that fully meet the conditions prescribed in Article 16 of this Decree and have a petrol and oil distribution system in two (2) or more provinces or centrally run cities.

2. Provincial-level Industry and Trade Departments may grant, supplement, modify and re-grant certificates of eligibility to act as petrol and oil general agents to traders that have head offices in their localities, fully meet the conditions prescribed in Article 16 of this Decree and have a petrol and oil distribution system in one (1) province or centrally run city.

3. Dossiers of application for certificates of eligibility to act as petrol and oil general agents

a/ For a new certificate, a dossier must comprise:

- An application for a certificate of eligibility to act as a petrol and oil general agent, made according to Form No. 7 provided in the Appendix to this Decree;
- A copy of the enterprise registration certificate;
- Copies of training certificates of managers and trading staff under Clause 5, Article 16 of this Decree;
- A list of physical and technical facilities to serve petrol and oil trading under Clauses 2 and 3, Article 16 of this Decree, enclosed with documents proving these facilities;
- A list of the trader's petrol and oil distribution system under Clause 4, Article 16 of this Decree, enclosed with documents proving this system.
- The trader's original written certification of supply of petrol and oil to the general agent which is valid for at least one (1) year, clearly stating petrol and oil categories.

b/ For a supplemented or modified certificate

When there is a change in the contents of a certificate of eligibility to act as a petrol and oil general agent, the trader shall compile and submit a dossier of request for supplementation or modification of the certificate to the competent agency. Such a dossier must comprise:

- A written request for certificate supplementation or modification, made according to Form No. 7 provided in the Appendix to this Decree;
- The original certificate of eligibility to act as a petrol and oil general agent;
- Documents proving contents to be supplemented or modified.

c/ For a re-granted certificate

When a certificate of eligibility to act as a petrol and oil general agent is lost, burnt or otherwise destroyed, the trader shall compile and submit a dossier of request for certificate re-grant to the competent agency. Such a dossier must comprise:

- A written request for certificate re-grant, made according to Form No. 7 provided in the Appendix to this Decree;

- The original or valid copy of the certificate of eligibility to act as a petrol and oil general agent (if any).

d/ When a certificate of eligibility to act as a petrol and oil general agent expires, the trader shall compile a dossier of application for a new certificate under Point a of this Clause and submit it to the competent agency at least thirty (30) days before the certificate expires.

#### 4. Order of granting certificates of eligibility to act as a petrol and oil general agent

a/ A trader shall submit one (1) dossier set to the competent agency;

b/ When a dossier is incomplete or invalid, within seven (7) working days after receiving such dossier, the competent agency shall make a written request for the trader to supplement the dossier;

c/ Within thirty (30) working days after receiving a valid dossier, the competent agency shall examine and appraise the dossier and grant a certificate of eligibility to act as a petrol and oil general agent according to Form No. 8 provided in the Appendix to this Decree to the applicant. In case of refusal, it shall issue a written reply clearly stating the reason.

5. A certificate of eligibility to act as a petrol and oil general agent is valid for five (5) years from the date of grant.

6. Traders obtaining certificates of eligibility to act as petrol and oil general agents shall pay charges and fees prescribed by the Ministry of Finance.

7. The agency that has granted certificates of eligibility to act as petrol and oil general agents may revoke such certificates. A certificate of eligibility to act as a petrol and oil general agent shall be revoked in the following cases: the trader no longer acts as a petrol and oil general agent; the trader has ceased its petrol and oil trading operation for at least one (1) month; the trader goes bankrupt in accordance with law; the trader fails to meet one of the conditions for acting as a petrol and oil general agent prescribed in Article 16 of this Decree; the trader repeatedly violates or relapses into violating provisions on assurance of volume and quality of marketed petrol and oil in this Decree and other cases prescribed by law.

#### **Article 18.** Rights and obligations of petrol and oil general agents

1. To trade in petrol and oil as agents for key traders and enjoy agent commissions.

2. To trade in petrol and oil as principals of petrol and oil retail agents in their distribution systems and pay commissions to such agents.

3. To retail petrol and oil at their retail stations at retail prices set by key traders.

4. To sign a contract to act as a general agent for one (1) key trader. If such key trader does not trade in bio-fuel, the general agent may additionally sign to act as a general agent for another key trader for trading only in bio- fuel.
  5. Not to additionally sign contracts to act as an agent for a general agent or key trader if having signed a contract to act as an agent for another general agent or key trader.
  6. To take responsibility for volume, quality and prices of petrol and oil sold in their distribution systems under regulations.
  7. To rent only petrol and oil warehouses and petrol and oil transport vehicles from service providers.
  8. To observe the regulations on document recording and keeping suitable to their trading form of agency in petrol and oil trading stages issued by the Ministry of Finance.
  9. To comply with regulations on fire prevention and fighting and environmental protection in the course of trading.
  10. To use trade names, logos, marks and trade indications of key traders under contracts signed in accordance with the Intellectual Property Law, apart from putting up their signboards under current regulations.
  11. To inspect and supervise operations of agents in their distribution systems. To take joint responsibility for violations of these agents in petrol and oil trading activities in accordance with current laws.
  12. To inspect and supervise itinerary of petrol and oil transport vehicles from places of delivery or receipt to places of receipt or delivery.
  13. To register working time of petrol and oil retail stations under their ownership with provincial-level Industry and Trade Departments that have granted certificates of eligibility for petrol and oil retail to such stations.
  14. To register their distribution systems with provincial-level Industry and Trade Departments of localities where they have their distribution systems.
- To send information on their distribution systems to their principals that are key traders for registration of their distribution systems with the Ministry of Industry and Trade.
15. To build, apply, and maintain the effectiveness of, a quality control system.

## **Section 5. PETROL AND OIL RETAIL AGENTS**

### **Article 19. Conditions on petrol and oil retail agents**

A trader that fully meets the following conditions may be granted an eligibility certificate by a provincial-level Industry and Trade Department to act as a petrol and oil retail agent (below referred to as agent):

1. Being lawfully established; having registered for petrol and oil trading as specified in its enterprise registration certificate.
2. Having petrol and oil retail stations under its ownership or both its ownership and co-ownership which are granted with certificates of eligibility to retail petrol and oil under Article 25 of this Decree.
3. Having its managers and trading staff trained in fire prevention and fighting and environmental protection under current regulations and having training certificates.

**Article 20.** Competence, dossiers and order of granting certificates of eligibility to act as petrol and oil retail agents

1. Provincial-level Industry and Trade Departments may grant certificates of eligibility to act as petrol and oil retail agents, made according to Form No. 10 provided in the Appendix to this Decree, to traders that have head offices in their localities, fully meet the conditions prescribed in Article 19 of this Decree, and have a system of two (2) or more petrol and oil retail stations in one (1) province or centrally run city.

2. For traders that fully meet the conditions prescribed in Article 19 of this Decree and have a petrol and oil retail station system in two (2) or more provinces or centrally run cities, provincial-level Industry and Trade Departments of localities where such traders have head offices shall assume the prime responsibility for, and coordinate with provincial-level Industry and Trade Departments of localities where such traders have petrol and oil retail stations in, granting certificates of eligibility to act as petrol and oil retail agents, made according to Form No. 10 provided in the Appendix to this Decree.

3. A trader that acts as a petrol and oil retail agent having only one (1) petrol and oil retail station under its ownership or under both its ownership and co-ownership is not required to obtain a certificate of eligibility to act as a petrol and oil retail agent.

4. Dossiers of application for certificates of eligibility to act as petrol and oil retail agents

a/ For a new certificate, a dossier must comprise:

- An application for a certificate of eligibility to act as a petrol and oil retail agent, made according to Form No. 9 provided in the Appendix to this Decree;

- A copy of the enterprise registration certificate;

- Copies of training certificates of managers and trading staff under Clause 3, Article 19 of this Decree;

- A list of physical and technical facilities to serve petrol and oil trading under Clause 2, Article 19 of this Decree, enclosed with documents proving these facilities;

- The trader's original written certification of supply of petrol and oil to the agent which is valid for at least one (1) year, clearly stating petrol and oil categories.

b/ For a supplemented or modified certificate

When there is a change in the contents of a certificate of eligibility to act as a petrol and oil retail agent, the trader shall compile and submit a dossier of request for supplementation or modification of the certificate to the competent agency. Such a dossier must comprise:

- A written request for certificate supplementation or modification, made according to Form No. 9 provided in the Appendix to this Decree;

- The original certificate of eligibility to act as a petrol and oil retail agent;

- Documents proving contents to be supplemented or modified.

c/ For a re-granted certificate

When a certificate of eligibility to act as a petrol and oil retail agent is lost, burnt or otherwise destroyed, the trader shall compile and submit a dossier of request for certificate re-grant to the competent agency. Such a dossier must comprise:

- A written request for certificate re-grant, made according to Form No. 9 provided in the Appendix to this Decree;

- The original or valid copy of the certificate of eligibility to act as a petrol and oil retail agent (if any).

d/ When a certificate of eligibility to act as a petrol and oil retail agent expires, the trader shall compile a dossier of application for a new certificate under Point a of this Clause and submit it to the competent agency at least thirty (30) days before the certificate expires.

5. Order of granting certificates of eligibility to act as a petrol and oil retail agent

a/ A trader shall submit one (1) dossier set to the competent agency;

b/ When a dossier is incomplete or invalid, within seven (7) working days after receiving such dossier, the competent agency shall make a written request for the trader to supplement the dossier;

c/ Within thirty (30) working days after receiving a valid dossier, the competent agency shall examine and appraise the dossier and grant a certificate of eligibility to act as a petrol and oil

retail agent according to Form No. 10 provided in the Appendix to this Decree to the applicant. In case of refusal, it shall issue a written reply clearly stating the reason.

6. A certificate of eligibility to act as a petrol and oil retail agent is valid for five (5) years from the date of grant.

7. Traders obtaining certificates of eligibility to act as petrol and oil retail agents shall pay charges and fees prescribed by the Ministry of Finance.

8. Provincial-level Industry and Trade Departments may revoke certificates of eligibility to act as petrol and oil retail agent. A certificate of eligibility to act as a petrol and oil retail agent shall be revoked in the following cases: the trader no longer acts as a petrol and oil agent; the trader has ceased its petrol and oil trading operation for at least one (1) month; the trader goes bankrupt in accordance with law; the trader fails to meet one of the conditions for acting as a petrol and oil retail agent prescribed in Article 19 of this Decree; the trader repeatedly violates or relapses into violating provisions on assurance of volume and quality of marketed petrol and oil in this Decree and other cases prescribed by law.

#### **Article 21.** Rights and obligations of petrol and oil retail agents

1. To retail petrol and oil at their retail stations at retail prices set by petrol and oil key traders or distributors.

To trade in petrol and oil as agents for general agents or distributors or key traders and enjoy agent commissions.

2. To sign a contract to act as a retail agent for one (1) general agent or one (1) distributor or one (1) key trader. If such general agent, distributor or key trader does not trade in bio-fuel, the retail agent may additionally sign to act as an agent for another general agent, distributor or key trader for trading only in bio-fuel.

3. Not to additionally sign contracts to act as an agent for a general agent, distributor or key trader if having signed a contract to act as an agent for another general agent, distributor or key trader.

The agent must lie within the distribution system of a general agent, distributor or key trader and be subject to control by the latter.

4. To take responsibility for volume, quality and announced prices of petrol and oil sold under regulations.

5. To observe regulations on document recording and keeping suitable to their trading form of agency issued by the Ministry of Finance.

6. To comply with regulations on fire prevention and fighting and environmental protection in the course of trading.

7. To use trade names, logos, marks and trade indications of key traders or distributors under contracts signed in accordance with the Intellectual Property Law, apart from putting up their signboards under current regulations.

8. To register working time of petrol and oil retail stations under their ownership with provincial-level Industry and Trade Departments that have granted certificates of eligibility for petrol and oil retail to such stations.

9. To register their distribution systems with provincial-level Industry and Trade Departments of localities where they have their distribution systems.

To send information on their distribution systems to their principals that are petrol and oil general agents, distributors or key traders for registration of their distribution systems with a competent state agency.

10. To build, apply, and maintain the effectiveness of, a quality control system.

## **Section 6. PETROL AND OIL RETAIL FRANCHISEES**

### **Article 22.** Conditions on petrol and oil retail franchisees

A trader that fully meets the following conditions may be granted an eligibility certificate by a provincial-level Industry and Trade Department to act as a petrol and oil retail franchisee (below referred to as franchisee):

1. Being lawfully established; having registered for petrol and oil trading as specified in its enterprise registration certificate.

2. Having petrol and oil retail stations under its ownership or both its ownership and co-ownership which are granted with certificates of eligibility to retail petrol and oil under Article 25 of this Decree.

3. Having its managers and trading staff trained in fire prevention and fighting and environmental protection under current regulations and having training certificates.

### **Article 23.** Rights and obligations of petrol and oil retail franchisees

1. To retail petrol and oil at their retail stations at retail prices set by franchisers that are petrol and oil key traders or distributors.

2. To sign a contract to act as a retail franchisee for one (1) key trader or one (1) distributor for sale of petrol and oil at retail stations under their ownership or co-ownership. If such petrol and oil key trader or distributor does not trade in bio-fuel, the franchisee may additionally sign to act as a franchisee for another key trader or distributor for trading only in bio-fuel.

3. Not to additionally sign contracts to act as an agent for a general agent or distributor or as a general agent or agent for a key trader if having signed a contract to act as a petrol and oil retail franchisee.

A petrol and oil retail franchisee must lie within the distribution system of a key trader or distributor and be subject to control by the latter.

4. To take responsibility for volume, quality and announced prices of petrol and oil sold under regulations.

5. To observe regulations on document recording and keeping suitable to their trading form of franchisee issued by the Ministry of Finance.

6. To comply with regulations on fire prevention and fighting and environmental protection in the course of trading.

7. To use trade names, logos, marks and trade indications of franchisers under contracts signed in accordance with the Commercial Law's provisions on commercial franchise, the Intellectual Property Law and other relevant laws, apart from putting up their signboards under current regulations.

8. To register working time of petrol and oil retail stations under their ownership with provincial-level Industry and Trade Departments that have granted certificates of eligibility for petrol and oil retail to such stations.

9. To register their distribution systems with provincial-level Industry and Trade Departments of localities where they have their distribution systems.

To send information on their distribution systems to their franchisers that are petrol and oil key traders or distributors for registration of their distribution systems with a competent state agency.

10. To build, apply and maintain the effectiveness of a quality control system.

## **Section 7. PETROL AND OIL RETAIL STATIONS**

### **Article 24.** Conditions on petrol and oil retail stations

A petrol and oil station that fully meets the following conditions may be granted an eligibility certificate by a provincial-level Industry and Trade Department to retail petrol and oil:

1. Being located under a master plan approved by a competent authority.

2. Being owned or co-owned by a trader that is a petrol and oil agent, general agent, retail franchisee, distributor, importer, exporter or producer having a distribution system under this Decree (the applicant must be named in the certificate of eligibility of petrol and oil retail station).

3. Being designed, built and equipped according to the current regulations and standards applicable to petrol and oil retail stations, and regulations on fire prevention and fighting and environmental protection issued by competent state management agencies.

4. Having its managers and trading staff trained in fire prevention and fighting and environmental protection under current regulations and having training certificates.

**Article 25.** Competence, dossiers and order of granting certificates of eligibility of petrol and oil retail stations

1. Provincial-level Industry and Trade Departments may grant, supplement, modify and re-grant certificates of eligibility to petrol and oil retail stations located in their localities and fully meeting the conditions prescribed in Article 24 of this Decree.

2. Dossiers of application for certificates of petrol and oil retail stations a/ For a new certificate, a dossier must comprise:

- An application for a certificate of eligibility of a petrol and oil retail station, made according to Form No. 3 provided in the Appendix to this Decree;

- A copy of the enterprise registration certificate of the trader owning the petrol and oil retail station;

- A list of equipment of the petrol and oil retail station under Clause 3, Article 24 of this Decree, enclosed with documents proving the lawful construction of the station;

- Copies of training certificates or equivalent papers of managers and trading staff of the station under Clause 4, Article 24 of this Decree.

b/ For a supplemented or modified certificate

When there is a change in the contents of a certificate of eligibility of a petrol and oil retail station, the trader shall compile and submit a dossier of request for supplementation or modification of the certificate to the provincial-level Industry and Trade Department. Such a dossier must comprise:

- A written request for certificate supplementation or modification, made according to Form No. 3 provided in the Appendix to this Decree;

- The original certificate of eligibility of the petrol and oil retail station;

- Documents proving contents to be supplemented or modified.

c/ For a re-granted certificate

When a certificate of eligibility of a petrol and oil retail station is lost, burnt or otherwise destroyed, the trader shall compile and submit a dossier of request for certificate re-grant to the provincial-level Industry and Trade Department. Such a dossier must comprise:

- A written request for certificate re-grant, made according to Form No. 3 provided in the Appendix to this Decree;
- The original or valid copy of the certificate of eligibility of the petrol and oil retail station (if any).

d/ When a certificate of eligibility of a petrol and oil retail station expires, the trader shall compile a dossier of application for a new certificate under Point a of this Clause and submit it to the provincial-level Industry and Trade Department at least thirty (30) days before the certificate expires.

### 3. Order of granting certificates of eligibility of petrol and oil retail stations

a/ A trader shall submit one (1) dossier set to the provincial-level Industry and Trade Department;

b/ When a dossier is incomplete or invalid, within seven (7) working days after receiving such dossier, the provincial-level Industry and Trade Department shall make a written request for the trader to supplement the dossier;

c/ Within twenty (20) working days after receiving a valid dossier, the provincial-level Industry and Trade Department shall examine and appraise the dossier and grant a certificate of eligibility of petrol and oil retail station according to Form No. 4 provided in the Appendix to this Decree to the applicant. In case of refusal, it shall issue a written reply clearly stating the reason.

4. A certificate of eligibility of a petrol and oil retail station is valid for five (5) years from the date of grant.

5. Traders obtaining certificates of eligibility of petrol and oil retail stations shall pay charges and fees prescribed by the Ministry of Finance.

6. Provincial-level Industry and Trade Departments may revoke certificates of eligibility of petrol and oil retail stations. A certificate of eligibility of a petrol and oil retail station shall be revoked in the following cases: the trader has ceased its petrol and oil trading operation for at least one (1) month; the trader goes bankrupt in accordance with law; the trader fails to meet one of the conditions prescribed in Article 24 of this Decree; the trader repeatedly violates or relapses into violating provisions on assurance of volume and quality of marketed petrol and oil in this Decree and other cases prescribed by law.

**Article 26.** Rights and obligations of petrol and oil traders over/toward petrol and oil retail stations

1. To control petrol and oil retail stations in their distribution systems.
2. To notify in writing provincial-level Industry and Trade Departments that have granted certificates of eligibility to petrol and oil retail stations of periods during which they cease the sale of petrol and oil and reasons for cessation.
3. To post up selling prices of petrol and oil and sell at such prices.
4. To put up signboards of traders that are key traders or distributors supplying petrol and oil to stations at sale areas. Such signboards must have all information prescribed by law.
5. To post up daily working hours at sale areas where customers can easily see.
6. To obtain written approval of provincial-level Industry and Trade Departments if wishing to cease the sale of petrol and oil.
7. To take responsibility for quality, volume and announced prices of petrol and oil sold under regulations.
8. To report to and request provincial-level Industry and Trade Departments to modify certificates of eligibility granted to petrol and oil retail stations at least thirty (30) days before ceasing the receipt of petrol and oil from suppliers.

## **Section 8. PROVISION OF PETROL AND OIL SERVICES**

**Article 27.** Conditions on provision of services to lease ports and depots for receiving petrol and oil

1. Being lawfully established, having registered for petrol and oil trading as specified in business registration certificates.
2. Having special-use wharves within the system of seaports and inland waterway ports and depots under enterprises' ownership or co-ownership, which are built up to prescribed standards and in conformity with approved master plans.
3. Having managers and sale staff trained in fire prevention and fighting and environmental protection under current regulations and having training certificates.

**Article 28.** Conditions on provision of petrol and oil transport services

1. Being lawfully established, having registered for petrol and oil trading as specified in business registration certificates.
2. Having special-use vehicles to transport petrol and oil under enterprises' ownership or co-ownership, which meet requirements and regulations on petrol and oil transportation and are inspected and permitted for circulation by competent agencies in accordance with law.

3. Having managers and sale staff who personally use vehicles trained in fire prevention and fighting and environmental protection under current regulations and having training certificates.

**Article 29.** Rights and obligations of petrol and oil service providers

1. To provide the service of leasing ports and depots for receiving petrol and oil and petrol and oil transport service under signed contracts.

The total capacity of depots stated in depot lease contracts must not exceed the actual total capacity of these depots.

2. To take responsibility for the volume and quality of petrol and oil in the process of receiving, preserving and transporting petrol and oil under contracts signed with traders using such services.

3. To be subject to supervision and management by service users. To furnish equipment for inspecting and supervising vehicles transporting petrol and oil.

4. To strictly comply with the provisions of this Decree on other petrol and oil trading activities (petrol and oil distributors, general agents, agents, retail franchisees) when engaged in such activities.

5. To comply with the laws on fire prevention and control and environmental protection in their business activities.

6. To build, apply, and maintain the effectiveness of, quality control systems.

**Section 9. PETROL AND OIL RESERVES**

**Article 30.** Subjects obliged to reserve petrol and oil

1. Compulsory to reserve petrol and oil are key traders.

2. National petrol and oil reserves must comply with the law on national reserves.

**Article 31.** Compulsory petrol and oil reserves

1. From the effective date of this Decree through 2025, petrol and oil importers and exports shall maintain a stable compulsory petrol and oil reserve level equal to at least thirty (30) days' supply volume counted based on the average domestic consumption volume per day in the preceding year (with the same structure of categories), including national energy security reserve and compulsory circulation reserve.

2. From the effective date of this Decree through 2025, petrol and oil producers having distributions systems on the domestic market shall maintain a stable compulsory petrol and oil reserve level equal to at least thirty (30) days' supply volume counted based on the average

domestic consumption volume per day in the preceding year (with the same structure of categories), including national energy security reserve and compulsory circulation reserve.

3. After 2025, traders mentioned in Clauses 1 and 2 of this Article shall maintain a compulsory minimum petrol and oil reserve level prescribed by the Prime Minister.

### **Chapter III**

#### **PETROL AND OIL TRADING MANAGEMENT**

##### **Article 32. Management of measurement and quality in petrol and oil trading**

1. Only petrol and oil products of quality conformable with national technical regulations and announced applicable standards may be circulated on the Vietnamese market.

2. Petrol and oil traders shall fulfill requirements of the petrol and oil measurement and quality management in accordance with current laws in the course of import, production, processing, storage, transportation and sale to consumers; take responsibility and joint responsibility for petrol and oil measurement and quality in their distribution systems.

3. The Ministry of Science and Technology shall assume the prime responsibility for, and coordinate with related units in, inspecting, checking and controlling measuring devices in accordance with current laws on measurement and quality management according to national technical regulations and announced applicable standards; assume the prime responsibility for, and coordinate with related ministries and sectors in, reviewing national standards and technical regulations on petrol and oil for adjustment or addition of quality criteria and testing methods suitable to the national socio-economic development, standards of countries in the region and around the world; designate conformity assessment organizations; conduct mutual recognition of results of conformity assessment conducted by foreign conformity assessment organizations to ensure prompt, swift, accurate and convenient inspection.

##### **Article 33. Petrol and oil import**

1. Annually, based on the national economy's demand for petrol and oil and domestically produced petrol and oil source, the Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade in, identifying petrol and oil import demand for the subsequent year. Demand for petrol and oil for national defense shall be separately identified.

2. Based on the identified petrol and oil import demand and actual domestic consumption volume in the preceding year, the Ministry of Industry and Trade shall allocate annual minimum import quotas for domestic consumption by category to each licensed petrol and oil importer or exporter to carry out import procedures with customs offices.

3. In case of necessity, in order to ensure supply sources, the Ministry of Industry and Trade shall specify petrol and oil import schedules for different key traders.

4. Based on market demands, petrol and oil importers and exporters shall decide on the volume of petrol and oil of all categories to be imported for domestic consumption, which must not be lower than their assigned minimum import quotas.

5. The Ministry of Industry and Trade shall assume the prime responsibility for, and coordinate with related ministries and sectors in, inspecting and supervising traders' import of petrol and oil to meet economic and social consumption demands. When necessary, the Ministry of Industry and Trade may adjust the minimum import quotas assigned to traders.

**Article 34.** Procedures for registration of minimum petrol and oil import quotas

1. Every year, petrol and oil importers and exporters shall register with the Ministry of Industry and Trade their minimum petrol and oil import quotas based on the petrol and oil importation in the year and development plans for the subsequent year.

2. A registration dossier shall be made in one (1) set comprising:

a/ A written request, clearly stating petrol and oil volume and category registered for allocation of minimum import quota;

b/ A report on petrol and oil importation in the year.

**Article 35.** Export, temporary import for re-export, border-gate transfer, export processing of petrol and oil and raw materials

1. Only key traders may export petrol and oil and raw materials.

2. Only licensed petrol and oil importers and exporters may temporarily import for re-export and transfer from border gate to border gate petrol and oil and raw materials.

3. Only petrol and oil producers may process petrol and oil for export.

4. Petrol and oil temporary import for re-export may take the following forms:

a/ Traders carry out procedures for importing petrol and oil into Vietnam and carry out procedures for exporting petrol and oil out of Vietnam;

b/ Traders carry out procedures for importing petrol and oil into Vietnam and sell petrol and oil to traders in separate customs zones in the Vietnamese territory such as export processing zones and enterprises, tax suspension zones, commercial and industrial zones and other economic zones established under the Prime Minister's decisions which stipulate that goods trading and exchange relations between these zones and the inland are import and export relations, unless otherwise prescribed by the Prime Minister.

5. Traders carrying out procedures for import of petrol and oil into Vietnam for sale to the following subjects may also be subject to regulations on petrol and oil temporary import for re-export:

a/ Airplanes of foreign airlines arriving at Vietnamese airports and airplanes of Vietnamese airlines in outbound flights on international air routes;

b/ Foreign seagoing ships arriving at Vietnamese ports and Vietnamese seagoing ships in outbound voyages on international sea routes.

6. The Ministry of Industry and Trade shall provide specific guidance on:

a/ Import of petrol, oil and raw materials;

b/ Export of petrol, oil and raw materials;

c/ Temporary import for re-export and border-gate transfer of petrol, oil and raw materials;

d/ Export processing of petrol, oil and raw materials.

7. The Ministry of Finance shall guide customs procedures for:

a/ Import of petrol, oil and raw materials;

b/ Export of petrol, oil and raw materials;

c/ Temporary import for re-export, border-gate transfer and consignment into bonded warehouses of petrol, oil and raw materials;

d/ Export processing of petrol, oil and raw materials.

### **Article 36.** Petrol and oil import duty

Based on the tax rate bracket promulgated by the National Assembly Standing Committee, international commitments made by the Socialist Republic of Vietnam, macro-balance norms and petrol and oil global price forecasts, the Ministry of Finance shall assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade in, setting stable import duty rates applicable to each category of petrol and oil and suitable to socio-economic conditions in each period.

### **Article 37.** Petrol and oil price valorization fund

1. Key traders shall set aside funds for price valorization in order to participate in petrol and oil price valorization in accordance with law.

2. Principles for setting aside, use and management of petrol and oil price valorization funds:

a/ A price valorization fund is separately accounted by the key trader with an account opened at a bank where such trader conducts its transactions and used only for the purpose of stabilization of the market and petrol and oil prices in accordance with law;

b/ A price valorization fund shall be set aside as a specific money amount calculated on an actually sold petrol and oil volume and determined as an expense in the selling price structure of the key trader;

c/ The appropriation of amounts into the price valorization fund shall be made regularly and constantly. In case of necessity, the Ministry of Industry and Trade and Ministry of Finance shall jointly consider and adjust the appropriation level to suit the market fluctuations;

d/ The valorization funds shall be used when base prices are higher than current retail prices or the price increase affects the socio-economic development and people's life under Clause 3, Article 38 of this Decree.

3. The Ministry of Finance shall assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade in, guiding the setting aside, use and management of price valorization funds and procedures therefor in accordance with law.

#### **Article 38. Petrol and oil sale prices**

1. Principles of management of petrol and oil sale prices:

a/ Petrol and oil sale prices are subject to the state-controlled market mechanism;

b/ Key traders may decide on wholesale prices. Petrol and oil key traders and distributors may adjust petrol and oil retail prices according to the principles and order prescribed in this Article. Key traders shall participate in valorizing prices in accordance with current laws and may have their reasonable expenses offset by the State when participating in the price valorization;

c/ The interval between two (2) consecutive price adjustments is at least fifteen (15) days, for price increase, and maximum fifteen (15) days, for price lowering;

d/ In case the Government does not valorize prices, key traders shall submit to competent state agencies: Price declaration documents and price adjustment decisions under Clause 2 or Points a and b, Clause 3 of this Article;

In case the Government valorizes prices under Articles 17 and 18 of the Price Law, key traders shall submit to competent state agencies: Price registration documents and price adjustment decisions made under Point c, Clause 3 of this Article;

dd/ Based on price declaration documents or price registration documents and price adjustment decisions submitted by key traders, competent state agencies shall conduct inspection and supervision to ensure that the price adjustment by key traders is compliant with law;

e/ Based on the socio-economic conditions and global petrol and oil prices in each period, the Government shall decide to:

- Modify decisions mentioned at Point c, Clause 1; Clause 2; and Clause 3 of this Article;
- Valorize domestic petrol and oil prices and assign the Ministry of Industry and Trade to assume the prime responsibility for, and coordinate with the Ministry of Finance in, applying price valorization measures in the duration of application of price valorization measures.

## 2. Reduction of petrol and oil retail prices

a/ When changes in price constituents lower the current base price, within the time limit specified at Point c, Clause 1 of this Article, key traders shall reduce the minimum retail price corresponding to the base price at the time of price adjustment by the traders; and at the same time, send price declaration documents and price adjustment decisions to competent state agencies (the Ministry of Industry and Trade and Ministry of Finance) and take responsibility before law for adjusted prices; reduction level, interval between two (2) reductions and number of reductions are not limited.

## 3. Increase of petrol and oil retail prices

a/ When changes constituents in price increase the base price up to three (3) percent (may increase retail prices corresponding to the base price at the time of price adjustment by the traders; and at the same time, send price declaration documents and price adjustment documents to competent state agencies (the Ministry of Industry and Trade and Ministry of Finance) and take responsibility before law for adjusted prices.

b/ When changes in price constituents increase the base price between over three percent (> 3%) to seven (7) percent, key traders shall send price declaration documents and seven (7) percent expected price adjustment levels to competent state agencies (the Industry and Trade and Ministry of Finance).

Within three (3) working days after receiving price declaration documents and expected price adjustment levels from key traders, competent state management agencies shall send to key traders written replies on price adjustment and use of price valorization funds (if any).

Past the time limit of three (3) working days, if competent state management agencies send no written replies, key traders may adjust their maximum retail prices corresponding to the base price at the time of adjustment within seven (7) percent from the current base price.

c/ When changes in price constituents increase the base price over seven percent (> 7%) or when the price hiking will badly affect the socio-economic development and people's life, the Ministry of Industry and Trade and Ministry of Finance shall report specific management measures to the Prime Minister for consideration.

## 4. Petrol and oil retail prices of petrol and oil distributors:

a/ Based on petrol and oil wholesale prices of key traders, petrol and oil distributors shall set common petrol and oil retail prices in their distribution systems which must not be higher than the base price announced by the Ministry of Industry and Trade and Ministry of Finance.

b/ When adjusting retail prices, petrol and oil distributors shall concurrently send price adjustment decisions to competent state management agencies for inspection and supervision under regulations.

**Article 39.** Publicity and transparency in the petrol and oil price management and trading

1. The Ministry of Industry and Trade shall assume the prime responsibility for, and coordinate with the Ministry of Finance in, managing prices in a public and transparent manner under Article 38 of this Decree.

2. The Ministry of Industry and Trade shall publicize on its website global petrol and oil prices, base price and current petrol and oil retail prices; time of use, amounts set aside and used and balances of petrol and oil price valorization funds on a quarterly basis; and other management measures.

The Ministry of Finance shall supervise the management of petrol and oil prices; and the setting aside and use level of price valorization funds of key traders.

3. Key traders shall publicize on their websites or in the mass media current retail prices; amounts set aside and used and balances of their petrol and oil price valorization funds on a monthly basis and before each adjustment of domestic petrol and oil prices; adjustment of price valorization fund setting aside and use levels; and publicize audited financial statements in the fiscal year.

**Article 40.** Responsibilities of ministries, sectors and People's Committees

In addition to the specific responsibilities prescribed in this Decree, ministries, sectors and People's Committees, within the scope of their functions, tasks and powers, have the following responsibilities:

1. The Ministry of Industry and Trade shall:

a/ Inspect and supervise petrol and oil key traders and distributors in complying with the conditions prescribed in and provisions of Articles 7, 9, 10, 11, 13, 15 and 31 of this Decree;

b/ Guide petrol and oil trading and distribution activities; inspect and supervise traders in complying with the conditions prescribed in and provisions of Articles 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 of this Decree;

c/ Guide export, import, temporary import for re-export, border-gate transfer, export processing of petrol, oil and raw materials under Article 35 of this Decree;

d/ Inspect and supervise traders in complying with the conditions prescribed in and provisions of Articles 27, 28 and 29 of this Decree;

dd/ Assume the prime responsibility for, and coordinate with the Ministry of Finance in, managing petrol and oil sale prices, setting aside and use of petrol and oil price valorization funds through the operation of the inter-disciplinary team for petrol and oil price management. When there are divergent opinions, make decisions and take responsibility for such decisions. In case of necessity, report to the Prime Minister;

Assume the prime responsibility for, and coordinate with the Ministry of Finance in, inspecting and supervising petrol and oil key traders and distributors in complying with Article 38 of this Decree;

e/ Assume the prime responsibility for, and coordinate with the Ministry of Finance in, setting up, prescribing tasks and directing the operation of the inter-disciplinary team for petrol and oil price management;

g/ Coordinate with related ministries and sectors and provincial-level People's Committees in implementing the provisions of Clauses 4 and 5, Article 41 of this Decree to stabilize the petrol and oil supply and meet local petrol and oil demands;

h/ Assume the prime responsibility for, and coordinate with related ministries and sectors in, circulating bio-fuel on the domestic market according to a roadmap set by the Prime Minister;

To coordinate with the Ministry of Finance and related ministries and sectors in formulating policies and mechanisms on prices, taxes and charges and other financial mechanisms in order to encourage the use of bio-fuel and adhere to the state-managed market mechanism;

i/ Assume the prime responsibility for, and coordinate with related ministries and sectors in, elaborating, amending and supplementing national technical regulations on petrol and oil station design requirements (on the ground and water surface) for uniform application nationwide;

k/ Assume the prime responsibility for, and coordinate with related agencies in, promulgating regulations on petrol and oil wastage rate to serve the state management.

2. The Ministry of Finance shall:

a/ Assume the prime responsibility for inspecting and supervising key traders in complying with the provisions of Article 37 of this Decree and relevant regulations on taxes and charges. Coordinate with the Ministry of Industry and Trade in inspecting and supervising key traders in complying with the provisions of Article 38 of this Decree;

b/ Perform the function of state management of prices; assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade in, guiding methods of calculation of base price, management, setting aside and use of petrol and oil price valorization funds; inspect and supervise the observance of regulations on limit business expenses and profit norms;

c/ Issue regulations on:

- The recording and keeping of documents in different business stages of petrol and oil distributors, general agents, retail franchisees and agents and at petrol and oil retail stations;

- Methods of accounting and tax collection in petrol and oil trading, adhering to the petrol and oil distribution principles prescribed in Clauses 4 and 10, Article 9; Clause 8, Article 11; Clauses 1, 2, 3, 4 and 5, Article 15; Clauses 1, 2, 3, 4 and 5, Article 18; Clauses 1, 2 and 3, Article 21; and Clauses 1, 2 and 3, Article 23 of this Decree;

d/ Assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade and related ministries and sectors in, guiding the use of appropriate financial tools to encourage the use of bio-fuel under the state- managed market mechanism.

3. The Ministry of Science and Technology shall:

a/ Assume the prime responsibility for, and coordinate with related ministries and sectors in, managing, inspecting and controlling the measurement and quality of petrol and oil produced, processed, imported and circulated on the market;

b/ Assume the prime responsibility for, and coordinate with related ministries and sectors in, elaborating, amending and supplementing the system of standards and national technical regulations on petrol and oil measurement and quality for uniform application nationwide;

c/ Guide the use of uncommon additives in petrol and oil processing; apply the quality control system and laboratory capacity management system;

d/ Assume the prime responsibility for, and coordinate with related units in, inspecting, controlling and supervising the observance of regulations on measurement and quality management by petrol and oil traders under Articles 9, 10, 11, 12, 13, 15, 18, 21, 23, 26, 29 and 32 of this Decree.

4. The Ministry of Transport shall:

a/ Assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade, Ministry of Science and Technology and related agencies in, prescribing standards and conditions of connection points of the transport system to the system of petrol and oil trading establishments under Article 5 of this Decree and water areas for operation of petrol and oil retail stations on water surface;

b/ Assume the prime responsibility for, and coordinate with provincial- level People's Committees in, complying with Clause 15, Article 9 of this Decree.

5. The Ministry of Natural Resources and Environment shall:

a/ Assume the prime responsibility for, and coordinate with related ministries and sectors in, inspecting and supervising the implementation of environmental protection measures by petrol and oil trading establishments under Article 6 of this Decree;

b/ Assume the prime responsibility for, and coordinate with the Ministry of Industry and Trade in, guiding the environmental protection in petrol and oil trading;

c/ Assume the prime responsibility for, and coordinate with related agencies in, organizing training in environmental protection for managers and trading staff of petrol and oil retail stations under Articles 13, 16, 19, 22, 24, 27 and 28 of this Decree.

6. Ministries and sectors shall guide administrative procedures prescribed in this Decree according to their functions, tasks and powers.

7. Provincial-level People's Committees shall direct local departments, agencies and sectors in guiding dossiers and procedures for the grant of certificates of eligibility of petrol and oil retail stations, certificates of eligibility to act as petrol and oil general agents, certificates of eligibility to act as petrol and oil retail agents in their localities; supervise petrol and oil trading activities in their localities to ensure their compliance with current laws; supervise petrol and oil quality in their localities; prescribe working hours of petrol and oil retail stations; specify cases where sale is ceased and prescribe procedures for notification prior to sale cessation; and manage traders supplying petrol and oil to petrol and oil retail stations.

8. Ministries, sectors and provincial-level People's Committees shall perform the state management of issues mentioned in relevant provisions of this Decree according to their competence.

## **Chapter IV**

### **IMPLEMENTATION PROVISIONS**

#### **Article 41.** Transitional provisions

1. Petrol and oil traders that have obtained petrol and oil import or export licenses or certificates of eligibility for petrol and oil trading for their petrol and oil retail stations before the effective date of this Decree are not required to carry out procedures to apply for new licenses or certificates.

2. For petrol and oil importers and exporters:

a/ Those compiling dossiers of application for petrol and oil import or export licenses shall strictly comply with the provisions of this Decree on ownership or lease of depots and vehicles;

b/ In case their import or export licenses expire during the period of implementation of the roadmap prescribed in Clauses 3 and 4, Article 7 of this Decree, key traders may continue to rent

vehicles from other key traders for domestic petrol and oil transportation for two (2) years and rent depots from other key traders for three (3) years after the effective date of this Decree;

c/ Key traders currently engaged in import or export business under their licenses shall implement their schedules of investment in petrol and oil retail stations and quality testing laboratories from the effective date of this Decree; shall complete schedules of owning vehicles or renting vehicles from petrol and oil service providers for domestic petrol and oil transportation for two (2) years from the effective date of this Decree and schedules of owning depots or renting depots from petrol and oil service providers for three (3) years from the effective date of this Decree.

### 3. For traders that act as petrol and oil general agents

Traders currently operating as petrol and oil general agents may continue their operation; and shall complete their schedules of renting depots and vehicles from petrol and oil service providers for domestic petrol and oil transportation within one (1) year from the effective date of this Decree.

4. Newly invested petrol and oil trading establishments must be in line with master plans approved by competent authorities under this Decree.

5. Existing petrol and oil trading establishments which are not in line with approved master plans shall implement schedules for upgrading or relocation in accordance with such master plans and regulations on competent state management agencies approving such master plans.

6. Based on the socio-economic conditions and practical petrol and oil trading activities in Zone 3 of mountainous and highland regions as prescribed by law, provincial-level People's Committees shall permit traders being business households and petrol and oil distribution stations belonging to the armed forces (national defense and public security) to act as petrol and oil retail agents with the scope of operation and equipment suitable to petrol and oil trading conditions in this zone; other conditions must comply this Decree and other relevant legal documents.

## **Article 42.** Effect

1. This Decree takes effect on November 1, 2014.

2. The Government's Decree No. 84/2009/ND-CP of October 15, 2009, on petrol and oil trading; and Article 1 of the Government's Decree No. 118/2011/ND-CP of December 16, 2011, amending and supplementing administrative procedures in petrol, oil and liquefied petroleum gas trading, cease to be effective from the effective date of this Decree.

3. All previous provisions on management of petrol and oil trading which are contrary to this Decree are hereby annulled.

## **Article 43.** Organization of implementation

Ministers, heads of ministerial-level agencies, heads of government- attached agencies, chairpersons of provincial-level People’s Committees, and related organizations, units and individuals shall implement this Decree.-

**ON BEHALF OF THE GOVERNMENT  
PRIME MINISTER**

**Nguyen Tan Dung**