

No: 122/2016/ND-CP

Hanoi, September 01, 2016

DECREE**SCHEDULES OF IMPORT TARIFFS AND PREFERENTIAL IMPORT TARIFFS, LIST OF GOODS AND ITS FLAT TAX, COMPOUND TARIFF, AND OUT-OF-QUOTA IMPORT TARIFF***Pursuant to the Law on Government organization dated June 19, 2015;**Pursuant to the Law on Export and Import tax dated April 06, 2016;**Pursuant to the Resolution No.71/2006/QH11 dated November 29, 2006 by the National Assembly on ratification of the Socialist Republic of Vietnam's Protocol on Accession to the World Trade Organization; At request of the Minister of Finance;**The Government hereby issues this Decree specifying schedules of import tariff and preferential import tariff, list of goods and its flat tax, compound tariff, and out-of-quota import tariff.***Article 1. Scope**

This Decree specifies schedules of import tariffs and preferential import tariffs, list of goods and its flat tax, compound duties, and out-of-quota import tariffs.

Article 2. Regulated entities

1. Taxpayers under the Law on Import –Export duties
2. Customs authorities and customs officials.
3. Organizations and individuals whose rights and obligations are relevant to imports and exports.

Article 3. Introduction of schedules of import -exports tariffs according to Directory for taxable products, List of goods and its flat tax, compound tariff, and out-of-quota import tariff

The following Annexes are attached to this Decree:

1. Annex I – Schedule of export tariff according to the Directory for taxable products (hereinafter referred to as “export tariff schedule”).
2. Annex II – preferential import tariff schedule according to the Directory for taxable products (hereinafter referred to as “preferential import tariff schedule”).
3. Annex II- List of goods and schedules of flat taxes and compound tariffs on used cars for transport of passengers of not exceeding 15 people (including driver)0}
4. Annex IV – List of goods and schedule of out-of-quota import tariffs thereon

Article 4. Export tariff schedule

1. The schedule of export tariffs on taxable products in the Annex I hereof shall specify the code, description of goods and specific export tariff rate.
2. Charcoal of heading 4402.90.90 applying export duty 5% shall meet the following technical criteria:

Indicators	Content
Ash	≤ 3%
Fixed carbon (c) – which is odorless and smokeless	≥ 70%
Calorific value	≥7000Kcal/kg
Sulphur	≤ 0.2%

3. Gold jewellery and part thereof (heading 71.13), goldsmiths' wares and part thereof (heading 71.14) and other gold articles (heading 71.15) shall be exempted from export tariff if the following requirements are satisfied:

a) a copy certificate of testing that certifies gold content of not exceeding 95% issued by the testing agencies is submitted to the customs authority (enclosed with an original copy for collation), besides required customs documents under regulation of laws.

b) In case of gold jewellery and parts thereof (heading 71.13), goldsmiths' ware and parts thereof (heading 71.14) and other old articles (heading 71.5) exported under an outward processing contract or as domestic exports, the certificate of gold content testing is not required. In case of domestic

exports, the exporter shall present a raw gold import permit issued by the State bank of Vietnam to the customs authority.

4. Export tariffs on fertilizers of heading 31.01, 31.02, 31.03, 31.04 and 31.05 are as follows:

a) Fertilizers of headings 31.01, 31.02, 31.03, 31.04 and 31.05 of which the value of sources, minerals and consumed energy accounts for at least 51% of the product price shall be taxed at the export tariff rate 5%.

b) Fertilizers other than those specified in point a of this clause shall be levied at the export tariff rate applicable to articles of headings 31.01, 31.02, 31.03, 31.04 and 31.05 in the export tariff schedule prescribed in Annex 1 attached hereto.

Article 5. Preferential import tariffs

The preferential import tariff schedule of taxable products on the List presented in Annex II contains:

1. Section I: Preferential import tariff rate on imports in 97 chapters of the Directory for Vietnam imports. Part I shall specify the name of Part, chapter, notes, description of goods (heading and name of articles), Code (08 digits) and preferential import tariff rates on taxable articles.

2. Section II: Chapter 98 - Code and specific preferential import tariff rates of a number of articles. The Section II shall specify:

a) Notes, procedures and requirements for specific preferential import tariff rates.

- Notes for the Chapter: Articles specified in clause 1, Part I, Section II of Annex II attached hereto shall be eligible for specific preferential tariff rate prescribed in chapter 98.

- Note of headings:

+ Article classification and specific preferential import tariff rate applicable to CKD, chassis fitted to engines, cars with petcock shall conform to clause 2.1, Part I, section II of Annex II;

+ Bleached Kraft used for cement bags of heading 98.07, alloy steel with BO and/or Cr and/or Ti of heading 98.11; fillers, skin care products of heading 98.25, Nylon cord fabric 1680/D/2 and 1890 D/2 of heading 98.26; copper wire with the cross section exceeding 6mm but not exceeding 8mm of heading 98.30; Polypropylene resin in primary form of heading 98.37; non-alloy steel, in rod or roll, subjected to hot rolling in heading 98.39 are eligible for specific preferential import tariff rate prescribed in Chapter 98 if such articles meet technical standards stipulated in clauses 2.2, 2.3, 2.4, 2.5, 2.6, 2.7 and 2.8 Part I Section I of Annex II.

- Article classification, procedures and requirements for specific preferential tariff rate and preferential tariff reporting shall be made in accordance with clause 3 Part I Section II of Annex II.

b) The directory for articles eligible for specific preferential import tariff shall specify the Code of articles of chapter 98; goods description (name of goods); respective Code of such articles in Section I, Annex II (97 Chapters in Vietnam's import tariff schedule) and specific preferential import tariff rate prescribed in Chapter 98, Part II, section II of Annex II.

c) Articles which are eligible for specific preferential import tariff rate and are mentioned in chapter 98 and eligible for special preferential import tariff rate under current regulations of laws may be applied either of such above mentioned tariff rate.

d) Declarants shall specify code in "Mã hàng tương ứng tại Mục I Phụ lục II (respective Code in Section I Annex II) and write down Code specified in Chapter 98 to the side.

E.g.: For bleached Kraft used for cement bags, its PLU shall be 4804.29.00 (9807.00.00), specific preferential import tariff rate: 3%

3. Section II: Applicable preferential import tariff rates of a number of articles under WTO's commitment in 2017, 2018 and 2019 onwards

Article 6. Preferential import tax rates on petrochemicals and mechanical processing machines

1. Mechanical processing machines of heading from 84.54 through 84.63 are eligible for preferential import tariff rate as follows:

Mechanical processing machines that are not yet manufactured in Vietnam shall be exempted from import duty. Mechanical processing machines prescribed hereof are not specified on the List of domestically-manufactured machines and equipment compiled by the Ministry of Investment and Planning.

b) Mechanical processing machines other than those specified in point a of this clause shall be eligible for preferential import tariff rate applicable to articles of headings from 84.54 through 84.63 in the import tariff schedule prescribed in section I Annex II attached hereto.

2. Preferential import tariff rate imposed on petrochemicals like benzene of heading 2707.10.00 and 2902.20.00; xylene of heading 2707.30.00; P-xylene of heading 2902.43.00 and polypropylene of

headings 3902.10.30 and 3902.10.90 (except for polypropylene in primary form of heading 98.37) shall be levied at an adjustable preferential import tariff rate according to the following roadmap:

- a) From September 01, 2016 to December 31, 2016: 1%
- b) From January 01, 2017 onwards: 3% (refer to Section I, Annex II attached hereto).

Article 7. Import tariffs on used cars

1. A flat tax shall be imposed on passenger cars not exceeding 09 people (including driver) with the cylinder capacity of less than 1,500cc of heading 87.03 and those from 10 to 15 seats (including driver's seat) of heading 87.02 as stipulated in Annex III hereof.
2. A compound tariff shall be imposed on passenger cars not exceeding 09 seats (including driver's seat) with the cylinder capacity of at least 1,500cc of heading 87.03 as stipulated in Annex III hereof.
3. A preferential import tariff rate of 150% shall be granted to trucks of exceeding 16 seats (including driver's seat) of heading 87.02 and those with gross vehicle mass not exceeding 05 tones of heading 87.04 (except for refrigerated trucks, waste collection vehicles having a waste compressing device, tanker trucks, armoured vehicles for transport of valuable cargoes; bulk-cement trucks and hooklift trucks).
4. Other cars of headings 87.02, 87.03 and 87.04 shall be taxed at the tariff rate that equals one and a half of the preferential import tariff rate imposed on the brand-new cars of the same range prescribed in Section I, Annex II hereof.

Article 8 List of goods and schedule of out-of-quota import tariffs

1. The List of goods under tariff quota including a number of articles of headings 04.07; 17.01; 24.01 and 25.01 is presented in Annex IV attached hereof.
2. Out-of-quota import tariffs are specified in Annex IV attached hereto.
3. The annual import quota of articles specified in clause 1 of this Article shall be promulgated by The Ministry of Industry and Trade.
4. Out-of-quota tariff rate prescribed in clause 2 hereof shall be imposed on articles specified in clause 1 of this Article where the imported quantity exceeds the annual quota decided by The Ministry of Industry and Trade.
5. Where Vietnam enters into free- trade agreements under which the committed out-of-quota import tariff rate (hereinafter referred to as "bound tariff rate") of articles specified in clause 1 of this Article is lower than the out-of-quota tariff rate prescribed in Annex IV hereof, the bound tariff rate shall apply (if all requirements for bound tariff rate are satisfied). Where the bound tariff rate is higher than the out-of-quota import tariff rate prescribed in Annex IV, the lower tariff rate shall apply.
6. In case the quantity of imports specified in clause 1 of this Article does not exceed the import quota by the Ministry of Industry and Trade, the preferential import tariff rate prescribed in Section I, Annex II hereof or special preferential import tariff rate (if all requirements for special preferential import tax rates are satisfied) prescribed in Government's Decrees shall apply.

Article 9. Implementation

1. This Decree enters into force from September 01, 2016.
2. As the effective date of this Decree, the following legislative documents shall be annulled:
 - a) Decision No.36/2011/QĐ-TTg dated June 29, 2011 by the Prime Minister on import tariffs on used cars of not exceeding 15 seats (including driver's seat);
 - b) Decision No.24/2013/QĐ-TTg dated May 03, 2013 by the Prime Minister on amendments to clause 1 Article 1 of the Decision No. 36/2011/QĐ-TTg dated June 29, 2011 by the Prime Minister on used cars of not exceeding 15 seats (including driver's seat);
 - c) Circular No.111/2012/TT-BTC dated July 04, 2012 by the Minister of Finance on Lists of Goods and import tax rate subject to import quotas;
 - d) Circular No. 80/2014/TT-BTC dated June 23, 2014 by the Prime Minister on amendments to Circular No.111/2012/TT-BTC dated July 04, 2012 by the Minister of Finance on Lists of Goods and import tax rate subject to import quotas;
 - dd) Circular No.182/2015/TT-BTC dated November 16, 2015 by the Minister of Finance on issue of preferential import and export tariff according to the nomenclature of taxable products;
 - e) Circular No.05/2016/TT-BTC dated January 13, 2016 by the Minister of Finance on amendments to preferential import tax rates for a number of environmental goods in APEC in the commodity headings 84.19 and 84.21 in the preferential import tariff;

- g) Circular No.16/2016/TT-BTC dated January 21, 2016 by the Minister of Finance on amendments to preferential import tax rates applicable to certain articles in headings 27.07, 29.02 and 39.02 of the preferential import tariff;
- h) Circular No.25/2016/TT-BTC dated February 16, 2016 by the Minister of Finance on amendments to preferential import tax rates imposed on diammonium hydrogen phosphate (diammonium phosphate) of HS code 3105.30.00 in preferential import tariff schedule;
- i) Circular No.31/2016/TT-BTC dated February 23, 2016 by the Prime Minister on addition of N-Hexane used for producing soybean meal and vegetable oil, rice bran and rice bran oil to chapter 98 of the preferential import tariff schedule.
- k) Circular No.48/2016/TT-BTC dated March 17, 2016 by the Minister of Finance on amendments to preferential import tax rates applicable to certain articles of oils and spirit in heading 27.10 of the preferential import tariff;
- l) Circular No.51/2016/TT-BTC dated March 18, 2016 by the Minister of Finance on amendments to the list of commodity headings and specific preferential import tax rates for iron or steel articles used in the manufacture of tire bead in chapter 98 of the preferential import tariff promulgated under the Circular No. 182/2015/TT-BTC dated November 16, 2015 of the Minister of Finance;
- m) Circular No.73/2016/TT-BTC dated May 20, 2016 by the Minister of Finance on amendments to export tariff rates on sawdust briquettes in heading No. 44.02 in schedule of coal export tariff issued together with the Circular No. 182/2015/TT-BTC dated November 16, 2015 by Minister of Finance;
- n) Circular No.98/2016/TT-BTC dated June 29, 2016 by the Minister of Finance on addition of list of articles and preferential import tax rates of Artemia cysts to chapter 98 of preferential import tariff enclosed with Circular No.182/2015/TT-BTC dated November 16, 2015 by the Minister of Finance
3. The Ministry of Industry and Trade shall take charge of and cooperate with relevant regulatory bodies to specify import coordination mechanism applicable to articles under tariff quota.
4. Ministers, Heads of ministerial-level agencies, heads of Governmental agencies, Presidents of People's Committees of provinces shall be responsible for the implementation of this Decree. /.

**ON BEHALF OF THE GOVERNMENT
PRIME MINISTER**

Nguyen Xuan Phuc

ATTACHED FILE



Annex