



Vietnam Tax Updates

New Guidance on Export and Import Tax Law

In this newsletter, Grant Thornton summarizes selected tax and regulatory issues that may be of interest to investors in Vietnam.

New guidance on Export and Import Tax Law Decree No. 87-2010-ND-CP August 2010

On 13 August 2010, the Government issued Decree No. 87/2010/ND-CP, which details the implementation of some elements of export and import duties.

Accordingly, the new decree expands the list of exemption from duties, including:

- Express delivery services which are subject to the minimum dutiable amount;
- Import goods for petroleum purposes;
- Software; and
- Construction materials which are not yet able to be produced in Vietnam



The following shall be exempt from import duties for a duration of 5 years from the date of commencement of production:

- Raw materials; and
- Materials and component parts that are not yet able to be produced domestically, and are imported for encouraged investment projects or areas with specially difficult social-economic conditions.

This 5-year tax exemption does not apply to projects producing and assembling automobiles, motorcycles, air conditioners, refrigerators and other items as identified by the Prime Minister.

The new Decree expands upon the list of export and import duty refunds as follows:

- If import duties have already been paid, imported goods for manufacturing that are to be exported or delivered to non-tariff zones will be refunded at a rate equivalent to the proportion exported; and
- If exported goods satisfy all conditions for determining that such goods are made from imported materials only, export duties will not be applicable.

This Decree takes effect from 1 October 2010 and will replace Decree No. 149/2005/ND-CP dated 08 December 2005.

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