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Customs & Global Trade Update

July 2025

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Contents

This Update highlights the following matters:

- Adjustment of export duty rates, preferential import duty rates for certain groups of goods, and amendments to the conditions for the preferential import duty rate for auto components under the duty incentive scheme
- New customs procedures for low-value express shipments
- Authority to impose penalties in the customs sector
- Circular regulating the rules of origin for goods under the ASEAN – Australia – New Zealand Free Trade Area (AANZFTA)

Official Letters providing guidance on the following matters:

- Customs procedures following the restructuring of provincial-level administrative units
- Guidance on customs declaration for imported goods eligible for a 2% value added tax (VAT) reduction
- Update the information of the state budget revenue account of the Customs units
- Determining whether goods are subject to a VAT rate of 10% or 8%
- VAT implications on low-value imported goods sent via postal and express delivery services

Details

Adjustment of export duty rates, preferential import duty rates for certain groups of goods, and amendments to the conditions for the preferential import duty rate for auto components under the duty incentive scheme

On 8 July 2025, the Government issued Decree No. 199/2025/NĐ-CP amending Decree No. 26/2023/NĐ-CP dated 31 May 2023, regarding the export duty schedule, preferential import duty schedule, list of goods and absolute duty rates, mixed duty rates, export duty rates when exceeding the tariff quota (Decree 199). The following amendments were made:

- Adjustment of export duty rates for goods classified in Harmonized System (HS) group 28.04 (hydrogen, noble gases, and other non-metals):
 - Reduction from 3% to 0% for gases under HS codes 2804.10.00, 2804.21.00, 2804.29.00, 2804.30.00, 2804.40.00, 2804.50.00, 2804.61.00, 2804.69.00, 2804.70.00.90, 2804.80.00, 2804.90.00.
 - A gradual increase for gold phosphorus under HS code 2804.70.00.10:
 - From 8 July 2025 to 31 December 2025: increase from 3% to 5%.
 - From 1 January 2026: apply a tax rate of 10%.
 - From 1 January 2027: apply a tax rate of 15%.
- Adjustment of preferential import duty rates for following goods:
 - Increase from 0% to 2% for polymer products from ethylene in primary form under HS codes 3901.10.92, 3901.20.00, 3901.40.00, 3902.90.90.
 - Increase from 0% to 7% for black steel sheets (tin mill black plate – TMBP) under HS code 7209.18.10, effective from 1 September 2025.

Additionally, regarding the conditions for enjoying preferential import duty rates when importing auto components under the tax incentive scheme for the production and assembly of automobiles, Decree 199 adds points c.3.6 and c.3.7 to Clause 3 of Article 8 of Decree No. 26/2023/NĐ-CP. Accordingly:

- In cases where enterprises engaged in automobile manufacturing and assembly are considered for incentives under points c.3.2, c.3.3, c.3.4 of Article 8 of Decree 26/2023/NĐ-CP, if they also manufacture or assemble electric vehicles, fuel cell vehicles, hybrid vehicles, vehicles using fully biofuels, or vehicles using natural gas, they may include the quantity of these vehicles in the incentive assessment period into the overall minimum output and the specific minimum output of each group of vehicles, corresponding to gasoline and diesel fuel vehicles, to determine the overall minimum output and specific minimum output of the vehicle group when considering whether the incentives apply.
- In cases where an enterprise holds more than 35% of the charter capital of more than one company that manufactures and assembles automobiles that has been certified by the Ministry of Industry and Trade (MoIT) as meeting the conditions for automobile production and assembly, these companies may aggregate the production and assembly output of automobiles to calculate the minimum output when assessing the conditions for enjoying incentives under the tax incentive scheme.
- Where an automobile manufacturing and assembly company registers to participate in the tax incentive scheme, the customs authority will provide tax refunds corresponding to the

quantity of automobiles produced and assembled by that company that have been delivered during the incentive assessment period.

Decree 199 takes effect from the date of signing. Please refer to Decree 199 for further details.

New customs procedures for low-value express shipments

On 16 June 2025, the Minister of Finance issued Decision No. 2038/QĐ-BTC announcing the amended administrative procedures in the customs sector under the state management functions of the Ministry of Finance (Decision 2038).

Accordingly, Decision 2038 updates two customs procedures, detailing the implementation process, documentation requirements, information declaration criteria on customs declarations, and other necessary information when carrying out customs procedures for the following two groups of goods:

- Imported goods with a customs value within the tax exemption threshold as stipulated in Clause 2, Article 29 of Decree 134/2016/NĐ-CP, and not subject to import licensing or specialized inspection, sent via express delivery services.
- Exported goods with a customs value of less than VND5million, exempt from export duty or subject to a 0% export duty rate, and not subject to export licensing or specialized inspection, sent via express delivery services.

Decision 2038 takes effect from 16 June 2025. At the same time, it abolishes the announcement of administrative procedures numbered 4 and 5 corresponding to the two customs procedures in Decision No. 1893/QĐ-BTC dated 24 September 2019. Please refer to Decision 2038 for further details.

Authority to impose penalties in the customs sector

On 11 July 2025, the Customs Department issued Official Letter No. 13927/CHQ-PC requesting their sub-units to implement Decree 189/2025/NĐ-CP dated 1 July 2025, detailing the Law on Administrative Violations regarding the authority to impose administrative penalties (Decree 189) effective from 1 July 2025 (OL 13927).

This includes provisions related to the authority of customs officials as specified in Article 11 as follows:

- For customs officials performing their duties:
 - Retain the authority to issue warnings.
 - Increase the authority to impose fines to VND5million for individuals and to VND10million for organizations. Add the authority to confiscate material evidence and means used in the commission of administrative violations with a value not greater than twice the fine amount specified under the authority of customs officials.
- For heads of customs teams at border gates/outside border gates, heads of post-clearance customs audit (PCA) and inspection teams, heads of customs clearance teams, and heads of anti-smuggling control teams under the Customs Sub-Departments:
 - Retain the authority to issue warnings.
 - Increase the authority to impose fines to VND30million for individuals and to VND60million for organizations.
 - Increase the authority to confiscate material evidence and means used in the commission of administrative violations with a value not greater than twice the fine amount under the authority of the team leader.

- Apply remedial measures as stipulated in Clause 1, Article 28 of the Law on Administrative Violations 2012 (amended in 2020, 2025).
- For heads of anti-smuggling investigation sub-departments, heads of PCA and inspection sub-departments, heads of regional Customs Sub-Departments:
 - Retain the same authority as the director of the anti-smuggling investigation department, the director of the PCA and inspection department, and the director of the provincial or inter-provincial customs department previously.
 - Add the authority to apply all remedial measures stipulated in Clause 1, Article 28 of the Law on Administrative Violation 2012 (amended in 2020, 2025).
- For the director of the customs department:
 - Maintain the authority of the general director of the general department of customs previously.
 - Add the authority to revoke the right to use licenses and professional certificates for a limited time or suspend activities for a limited time, and apply all remedial measures stipulated in Clause 1, Article 28 of the Law on Administrative Violations 2012 (amended in 2020, 2025).

Additionally, the OL clarifies the transitional provisions in Articles 20 and 21 of Decree 189, providing guidance on determining the authority to impose administrative penalties according to customs positions during the period when the Government has not issued a decree to amend Decree No. 128/2020/NĐ-CP dated 19 October 2020, regulating penalties for administrative violations in the customs sector.

Please refer to OL 13927 for further details.

Circular regulating rules of origin for goods under AANZFTA

In accordance with the Agreement establishing the AANZFTA and the second Protocol amending the AANZFTA on 7 July 2025, the MoIT issued Circular No. 44/2025/TT-BCT regulating the rules of origin for goods under the AANZFTA (Circular 44).

Circular 44 provides detailed regulations on the rules of origin for goods, as well as provisions regarding the certification and verification of the origin of goods within the framework of the AANZFTA.

Circular 44 takes effect from 22 August 2025. Accordingly, Circular 31/2015/TT-BCT dated 24 September 2015, of the MoIT implementing the rules of origin in the AANZFTA, and subsequent amendments to Circular 31/2015 will be repealed.

Please refer to Circular 44 for further details.

Some guidance has been provided in the form of Official letters

No.	Topic	Subject	Content
12252/CHQ-GSQL dated 3 July 2025	Customs procedure	Customs procedures following the restructuring of provincial-level administrative units	<p>The restructuring of provincial and communal administrative units will take effect from 1 July 2025.</p> <p>While completing the procedures of updating the addresses, the Customs Department instructs as follows:</p> <ul style="list-style-type: none"> ▪ Customs declarants are allowed to use the former address prior to the restructuring to

No.	Topic	Subject	Content
			<p>perform customs procedures (such as business registration certificates, commercial invoices, bills of lading, contracts, packing lists, certificates of origin, specialized inspection certificates, licenses, etc.).</p> <ul style="list-style-type: none"> Customs authorities will accept the customs dossier with the former address prior to the restructuring and will not require the declarant to submit documents validating the new address until the restructuring is completed. Customs declarants must carry out the procedure of changing information according to the restructuring plan and notify the customs authorities.
11079/CHQ-NCTHQ dated 27 June 2025 751/HQKV18-NV dated 30 June 2025	Customs procedure	Guidance on customs declaration for imported goods eligible for a 2% VAT reduction	<p>The Customs Department provides guidance on customs declaration for goods that are subject to a 2% reduction in VAT (enjoying a tax rate of 8%) from 1 July 2025 to 31 December 2026, according to Resolution No. 204/2025/QH15.</p> <p>In the VNACCS/VCIS system, enterprises should select code VB245 in the "Tax rate/Tax level and other fees" information field on the electronic import customs declaration form.</p>
12377/TB-CHQ dated 3 July 2025 11081/TB-CHQ dated 30 June 2025	Customs procedure	Update the information of the state budget revenue account of the Customs units	<p>The Customs Department provides guidance on the amendments regarding the functions, tasks, powers, and organizational structure of the Customs Department and the regional Customs Sub-Departments according to Decision No. 2019/QĐ-BTC dated 11 June 2025, as follows:</p> <ul style="list-style-type: none"> For the Customs units at border gates/outside border gates under the regional Customs Sub-Departments, it is necessary to update information on the customs authority code, specialized collection accounts, temporary collection accounts, temporary holding accounts, and the State Treasury where the Customs Authority opens accounts. Update information on the state budget revenue accounts of certain Customs units at border gates/outside border gates under Regional Customs Sub-Departments II, XII and XIX.
13896/CHQ-NVTHQ	VAT	Determining whether goods are subject to a	The Customs Department provides guidance on determining imported goods eligible for a

No.	Topic	Subject	Content
dated 11 July 2025		VAT rate of 10% or 8%	<p>reduction in the VAT rate from 10% to 8% as follows:</p> <ul style="list-style-type: none"> For imported goods before 1 July 2025: Implement the provisions of Decree No. 180/2024/NĐ-CP dated 31 December 2024 (Decree 180). For imported goods from 1 July 2025: Implement the provisions of Decree No. 174/2025/NĐ-CP dated 30 June 2025 (Decree 174). Items not eligible for a VAT reduction are detailed in Appendices I, II, and III issued under Decrees 180 and 174. The HS code in column (10) of Appendix I, column (10) of Part A, and column (4) of Part B of Appendix III is for reference only. The determination of HS codes for actual imported goods shall be conducted according to the regulations on goods classification in the Law on Customs and related guiding documents. Imported goods that do not fall under the cases not eligible for a VAT rate reduction and are not specified in the above Appendices shall be subject to the VAT rate of 8%.
10971/CHQ-NVTHQ dated 26 June 2025	VAT	VAT implications on low-value imported goods sent via postal and express delivery services	<ul style="list-style-type: none"> Low-value imported goods sent via express delivery services will no longer be exempt from VAT from 18 February 2025. The declaration and payment of VAT shall be conducted according to the provisions of the Law on VAT and related guiding documents. Low-value imported goods sent via postal services are subject to VAT according to the provisions of the Law on VAT. The Regional Customs Sub-Department shall administer the implementation of this new policy.



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