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Customs & Global Trade Update

May 2025

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Key content

This Update highlights the following matters:

- Draft Decree detailing some provisions of the Value Added Tax (VAT) Law 2024 No. 48/2024/QH15 issued on 26 November 2024 (VAT Law 2024)
- Draft Circular detailing some provisions of the VAT Law 2024
- Circular amending regulations on the origin of goods and the implementation of origin certification under the Generalized System of Preferences (GSP) of the European Union, Norway, Switzerland, and Turkey
- Decision issuing procedures for inspecting and determining the origin of exported and imported goods

Official Letters providing guidance on the following matters:

- Procedure for goods imported from overseas into a bonded warehouse (BW) for export overseas of foreign direct investment (FDI) enterprises
- Implementing the issuance of Certificate of Origin (C/O) under the GSP of Norway and Switzerland
- Customs declaration procedures for imports designated by Vietnamese traders
- VAT on goods subject to import duty exemption upon transferring investment projects
- VAT refund for imported raw materials used in processing and manufacturing goods for export

Details

Draft Decree detailing some provisions of the VAT Law 2024

On 7 May 2025, the Ministry of Justice announced the third draft Decree guiding the VAT Law of 2024 (the third draft VAT decree). Accordingly, some contents in the draft have been amended and supplemented to reflect adjustments according to the VAT Law 2024.

Specifically, notable contents in the third draft VAT Decree affecting import and export activities include:

- Specifying that the scope of the regulations does not apply to goods and services sold outside of Vietnam (except for transshipment of goods).
- Amending detailed guidance for certain taxpayers specified in Clauses 1, 4, and 5, Article 4 of the VAT Law 2024.
- Amending provision on the subjects that are exempt from VAT.
 - Removal of certain subjects that are exempt from VAT, including: fertilizers; machinery and specialized equipment for agricultural production; securities custody, market organization services of stock exchanges or securities trading centers; postal and telecommunications services; gifts to state agencies; gifts and presents to individuals in Vietnam.
- Amendments to the tax calculation basis for imported goods.
 - The tax calculation basis for imported goods is the taxable value according to the regulations on export and import taxes plus import tax, plus additional import taxes according to the regulations on export and import taxes and any foreign trade management laws, plus any special consumption tax and any environmental protection tax.
 - In cases where imported goods are subject to VAT and exempt from import tax, and then the purpose of use changes leading to import tax becoming payable, VAT must be paid on the amount of the import tax payable.
- Changing the conditions for input VAT deduction.
 - Reduction of the threshold for goods and services purchased that must have non-cash payment documents from VND20 million to VND5 million - including VAT.
- Additional methods for determining the refundable tax amount for goods and services subject to a 5% tax rate.
 - Business establishments producing goods and providing services which are subject to a 5% VAT rate, that have input VAT which has not been deducted after offsetting the VAT payable on any taxable goods and services is VND300 million or more, will be entitled to a refund of VAT for goods and services subject to a 5% tax rate. If a business establishment produces goods and provides services subject to multiple VAT rates, it must separately account for the input VAT used for producing goods and providing services subject to the 5% tax. If it cannot be separately accounted for, it must be determined based on the revenue ratio of goods and services subject to the 5% tax on the total revenue of taxable goods and services for the refund period.

The official decree is expected to be issued and take effect from 1 July 2025.

Please refer to the third draft VAT decree for more details.

Draft Circular detailing some provisions of the VAT Law 2024

In early May 2025, the Ministry of Finance (MoF) published the second draft of the Circular detailing some provisions of the VAT Law 2024 and guiding its implementation according to the VAT Decree expected to be issued this year (the second draft VAT Circular).

Some notable content in the second draft VAT Circular affecting import and export activities include:

- Detailed regulations on the documentation and procedures for certain matters to determine eligibility for VAT exemption and application of a 0% VAT rate. For example:
 - For goods from Vietnam sold to organizations or individuals abroad and consumed outside Vietnam, taxpayers must have a customs declaration confirmed by customs authorities as to where the goods are exported.
 - For goods sold within Vietnam to organizations in a non-tariff zone and consumed in the non-tariff zone directly serving export production activities, taxpayers must have a sales contract in which the organization in the non-tariff zone commits to use the goods to directly serve export production activities.
- Detailed guidance on determining VAT applicable to foreign organizations and individuals doing business in Vietnam.

Please refer to the second draft VAT Circular for more details.

Circular amending regulations on the origin of goods and the implementation of origin certification under the GSP of the European Union, Norway, Switzerland, and Turkey

On 5 May 2025, the Ministry of Industry and Trade (MoIT) issued Circular No. 23/2025/TT-BCT amending some provisions of Circular No. 05/2018/TT-BCT dated 3 April 2018, regulating goods origin and Circular No. 38/2018/TT-BCT dated 30 October 2018, regulating the implementation of origin certification according to the Generalized System of Preferences of the European Union, Norway, Switzerland, and Turkey (Circular 23).

Some key contents noted in Circular 23 include:

- The MoIT assigns the Agency of Foreign Trade as the agency responsible for issuing the C/O Form B of Vietnam, C/O Form A of the GSP, C/O Form GSTP of the Global System of Trade Preferences (GSTP), C/O according to the regulations of the importing country, and the Certificate of Non-Change of Origin (CNM) based on the C/O issued by the first exporting country.
- The MoIT also assigns the Agency of Foreign Trade as the organization receiving registration for trader registration numbers (REX number) to implement GSP.
- Publication of a website address for traders that select to register for a REX number online.
- Amending conditions in which a C/O of automatic GSP is not permitted when Vietnam is not allowed to enjoy the GSP by Norway and Switzerland.

Circular 23 enters into effect from the issuance date. Please refer to the Circular 23 for more information.

Decision issuing procedures for inspecting and determining the origin of exported and imported goods

On 29 April 2025, the Customs Department issued Decision No. 467/QD-CHQ announcing the procedures for checking and determining the origin of export and import goods according to the provisions of Circular 33/2023/TT-BTC dated 31 May 2023, regulating the determination of the

origin of export and import goods (Circular 33) and the circulars of MoIT guiding the implementation of international treaties that Vietnam has signed or joined (Decision 467).

The guidance in Decision 467 includes:

- Principles for inspecting and determining the origin of goods.
 - The inspection and review of the declaration of origin information on the customs declaration shall be conducted based on risk management principles and the verification of origin certification documents submitted through the customs electronic data processing system.
 - In cases where incomplete declaration information is detected and the shipment has not passed through the customs supervision area, the shipment shall be halted from entering the supervision area and handled in accordance with regulations.
 - In cases where the shipment has passed through the supervision area, post-clearance inspections shall be conducted at the customs authority's office, and actions shall be taken in accordance with regulations.
- Regarding the inspection of C/O documents:
 - In cases where the C/O is issued through the National Single Window Portal, ASEAN Single Window, or electronic information pages notified by the competent authority of the exporting country, the customs authority shall rely on the information regarding the C/O declared on the customs declaration to verify and check the validity of the issued C/O and determine the preferential tax rate in accordance with regulations. There is no requirement for the declarant to submit the C/O.
 - In cases where the electronic information page notified by the competent authority of the exporting country does not contain sufficient information regarding the C/O for the customs authority to adequately determine its validity, customs officials shall cross-check and supplement the C/O in the form of electronic data or paper documents converted to electronic documents, along with the documents in the customs dossier that have been submitted by the declarant through the customs electronic data processing system, and the results of the actual goods inspection (if any) to determine the validity of the C/O.
- Regarding the inspection of documents and the proposal for determining the origin in advance:
 - In cases where the documents are complete and valid, customs officials shall conduct a detailed inspection of the following criteria:
 - The origin criteria for goods declared as wholly obtained (WO) or wholly produced in a member country (PE); and for goods with non-pure origin.
 - The production process of exported and imported goods that goes beyond simple processing and manufacturing stages.
 - The ability to meet the direct transport rules as stipulated in the relevant free trade agreements and Article 18 of Circular 33.
 - In cases of suspicion regarding the origin of goods, customs officials shall propose and report to the Customs Department to establish an inspection team at the production facility, accompanied by a letter sent to the Customs Sub-Department where the organization or individual has its headquarters or production facility, and notify the organization or individual requesting advance origin determination to cooperate with the inspection team in conducting inspections at the production facility.
- Regarding the inspection and determination of the origin of exported and imported goods:
 - Additional guidance on inspecting the declared origin information and monitoring the deduction of C/O in cases where a certificate of origin must be submitted.
 - Providing detailed regulations on the information criteria required for inspection when conducting actual inspections of goods that are suspected of having questionable origin

or of which they have warning information about origin fraud or illegal transshipment concerning the list of goods as notified by the MoIT or the Customs Department.

- Issued together with Decision 467.
 - Appendix I: Electronic information page of the competent authority of the exporting country/Lookup for eligible exporter codes for self-certification of origin documents.
 - Appendix II: Notification forms from the Director of the Customs Department.

Decision 467, at the time of issuance, will replace Decision No. 4286/QĐ-TCHQ dated 31 December 2015, and Decision No. 136/QĐ-TCHQ dated 25 January 2016, regarding the issuance of procedures for inspecting and verifying the origin of exported and imported goods.

Please refer to Decision 467 for further details.

Some guidance has been provided in the form of Official letters

No.	Topic	Subject	Content
4517/CHQ-GSQL Dated 12 May 2025 2642/CHQ-GSQL Dated 21 April 2025	Customs procedure	Procedure for goods imported from overseas into BW for export to overseas of FDI enterprises	<p>Based on the provisions set forth in point c, clause 2, Article 30 of the Commercial Law, the transportation of goods from an exporting country to an importing country through the border gates of Vietnam and into a BW which is the transshipment area at Vietnamese ports, without completing the import procedures into Vietnam and without completing the export procedures out of Vietnam, shall be regarded as one of the forms of goods transshipment.</p> <p>According to the provisions in clause 2, Article 18 of Decree No. 69/2018/ND-CP dated 15 May 2018, foreign-invested economic organizations are not allowed to engage in the business of transshipment of goods.</p>
619/TB-XNK Dated 28 April 2025	Origin of goods	Implement the issuance of C/O under the GSP of Norway and Switzerland	<p>To implement Decision No. 1103/QĐ-BCT dated 21 April 2025 of the MoIT, the Agency of Foreign Trade issued a notification regarding the implementation of the issuance of C/O Form A, C/O Form B, non-preferential C/O as per the regulations of the importing country, C/O Form GSTP, CNM, and the reception of REX registration numbers under the GSP of Norway and Switzerland. The specifics are as follows:</p> <ul style="list-style-type: none"> ▪ From 5 May 2025, the issuance of the aforementioned types of C/O, CNM, and the reception of REX registration numbers will be carried out at the regional import-export divisions. ▪ Traders need to have an account at the MoIT's electronic origin certification

No.	Topic	Subject	Content
			<p>management and issuance system (eCoSys) to declare C/O online.</p> <ul style="list-style-type: none"> Regarding the declaration process and C/O fee payment: <ul style="list-style-type: none"> For C/O Form B: enterprises shall follow the instructions in Appendices IV and V attached. For C/O Form A, non-preferential C/O as per the regulations of the importing country, C/O Form GSTP, CNM: enterprises shall submit their documents and pay fees according to the instructions at the regional import-export divisions. Regarding the REX registration process: enterprises shall follow the instructions in Appendix VI attached. <p>Please refer to the notification for detailed information.</p>
3368/CHQ-GSQL Dated 25 April 2025	Customs valuation	Customs declaration procedures for imports designated by Vietnamese traders	<p>In cases where the buyer purchases goods from a seller in Vietnam but is designated by the seller to receive the goods from abroad, the customs authority accepts the invoice issued by the seller in Vietnam to the consignee.</p> <p>The declaration of the total invoice value, the taxable value shall be carried out according to the detailed instructions corresponding to the information fields 1.44, 1.85, and 1.87 of Form No. 01 in Appendix II issued together with Circular No. 38/2015/TT-BTC dated 25 March 2015 (amended and supplemented by Circular No. 39/2018/TT-BTC dated 20 April 2018).</p>
3117/CHQ-NVTHQ Dated 24 April 2025	Tax policy	VAT on goods subject to import duty exemption upon transferring investment projects	<p>In cases where an organization or individual commencing an investment incentive project receives an entire or partial transfer of a project eligible for investment incentives from another organization or individual, the organization or individual receiving the project transfer must register customs declarations for the transferred goods which are exempt from import duty if they meet all the conditions as prescribed and declare and pay VAT according to the regulations.</p>

No.	Topic	Subject	Content
1638/CCTK06-QLDN1 Dated 21 April 2025	Tax policy	VAT refund for imported raw materials used in processing and manufacturing export goods	<p>In cases where an enterprise imports raw materials under customs declaration (CD) type E31, transfers them to a third party in Vietnam for processing into finished products, and then re-imports the processed products for direct export under the E62 mode or packages them before export, if the enterprise has paid VAT on the imported raw materials at the time of lodging the E31 declaration, it is permissible for a VAT refund for exported goods and services according to the provisions of Article 2, Circular No. 25/2018/TT-BTC dated 16 August 2018 of the MoF.</p>



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