



**Shape the future  
with confidence**

## Customs & Global Trade Updates

October 2024

---

### This update highlights the following matters:

- Draft Decree amending some provisions related to Vietnam's special preferential import and export tariff schedule under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) for 2022 to 2027
- List of scraps temporarily suspended from temporary importation, re-exportation and border-gate transfer
- Policies on granting licenses that allow importation, exportation and administers the precursors of formic acid
- Amendments to border trade conditions
- Official Letters (OLs) providing guidance on the following matters:
  - Value-Added Tax (VAT) refund for imported goods of Export Processing Enterprises (EPEs) which are re-exported
  - Duty refund for imported goods that have been confiscated
  - Duty refund for goods imported for manufacturing or trading but were used in the production of exported goods
  - Labelling the origin on exported goods
  - Chile issues electronic Certificate of Origin (e-C/O) Form VC under the VCFTA
  - e-C/O Form D under the ATIGA
  - Goods imported from Comoros and Timor-Leste are eligible for preferential tax rates

---

For other Tax and Legal Updates, visit [here](#).

## **Draft Decree amending some provisions related to Vietnam's special preferential import and export tariff schedule under the CPTPP for 2022 to 2027**

On 24 September 2024, the Ministry of Finance (MoF) issued OL No. 10152/BTC-HTQT that encloses a proposal for a Draft Decree amending some provisions of Decree No.

115/2022/ND-CP, dated 30 December 2022, on Vietnam's preferential export tariff schedule and special preferential import tariff schedule for the implementation of the CPTPP for the period 2022 to 2027 (Decree 115) and Decree No. 68/2023/ND-CP dated 7 September 2023, amending Decree 115 (Decree 68) - hereafter referred as the "amending Decree".

The objective of the draft amending Decree is to implement tariff commitments with the United Kingdom (the UK) and North Ireland, with some key contents as follows:

- Amending provisions that grant preferential export duty rates and special preferential import duty rates under the CPTPP to goods exported from Vietnam to the UK and North Ireland or imported into Vietnam from the UK and North Ireland. The amending Decree is expected to cover the period from 2024 to 2027.
- Regarding the tariff schedule implementation roadmap for the UK and North Ireland, in accordance with the provisions under the CPTPP, Vietnam will carry out a similar tariff roadmap as for other member countries (except for Mexico).
- Where the amending Decree comes into effect after the effective date of the accession protocol of the UK to the CPTPP (the Protocol), for customs declarations of goods exported from Vietnam to the UK and North Ireland or imported from the UK and North Ireland into Vietnam dated between the effective date of the Protocol and the effective date of the amending Decree, if they are eligible for preferential export duty rate or special preferential import duty rate as prescribed in the draft amending Decree, Decree 115, and Decree 68, and paid customs duty at higher rates, the competent customs authority will handle the tax overpayments in accordance with tax administration regulations.

As requested by the Government Office, the MoF was assigned to draft, finalize, and submit the draft amending Decree to the Government before 15 November 2024.

## **List of scraps temporarily suspended from temporary importation, re-exportation and border-gate transfer**

On 8 October 2024, the Ministry of Industry and Trade (MoIT) issued Circular No. 18/2024/TT-BCT prescribing a list of scraps which are temporarily suspended from temporary importation and re-exportation, and border-gate transfer (Circular 18) in order to:

- Avoid legal loopholes upon the expiration of Circular No. 27/2019/TT-BCT dated 15 November 2019 issued by the MoIT.
- Continue to maintain policies to enhance the oversight to scraps importation.
- Prevent trade fraud as well as preventing turning Vietnam into a waste-dumping-ground or transferring of outdated technologies from other countries.

- Update the list of scraps temporarily suspended from temporary importation and re-exportation, and border-gate transfer in accordance with the List of Vietnam's export and import goods promulgated together with Circular No. 31/2022/TT-BTC issued 8 June 2022 by the MoF.

Circular 18 applies to traders and related parties involved in temporary importation and re-exportation, and border-gate transfer business activities. It does not apply to border-gate transfer activities where goods are transported directly from the exporting country to the importing country without passing through a Vietnamese border gate.

The detailed list of scraps temporarily suspended from aforementioned business activities is provided in Appendix enclosed to Circular 18.

Circular 18 will take effect from 1 January 2025 to 31 December 2029.

### **Policies on granting licenses that allows importation, exportation and administers the precursors of formic acid**

On 31 August 2024, the Government Office issued OL No. 6254/VPCP-KGVX to the Ministers of the Ministry of Public Security (MoPS), the MoIT, the MoF, and the Ministry of Agriculture and Rural Development (MARD) regarding the licensing of import, export and the administration of products containing formic acid precursors. Accordingly:

- The MoIT shall carry out the import export licensing and carry out measures to manage products containing the precursors to formic acid in accordance with the Law on Drug Prevention and Control and related guiding Decrees.
- The MARD shall re-assess the drug precursors being used in livestock feed, aquaculture feed, and other agricultural products.
- The MoPS shall take a leading role in coordinating with other ministries to promptly review and suggest competent authorities to amend relevant legal documents to provide a basis for managing livestock feed and aquaculture feed products containing drug precursors.

### **Amendments to border trade conditions**

On 4 October 2024, the Government issued Decree No. 122/2024/ND-CP (Decree 122), amending several provisions of Decree No. 14/2018/ND-CP dated 23 January 2018 regulating border trade activities.

Some notable points in Decree 122 are:

- Cash payments are only permitted on trading activities carried out by residents living across the border. For other border trade activities, payments must be made via bank transfer or by offsetting the value of exported goods and services with imported goods and services (with the net balance amount settled via bank transfer).

- Goods traded or exchanged across the border by traders and residents living across the border must meet conditions on quality, regulations on origin traceability, and other conditions in accordance with relevant regulations of importing countries.
- Traders and individuals involved in border trading activities must comply with the amended conditions stipulated in Clauses 4, 5, and 6 of Article 1 of this Decree.

Decree 122 also sets forth some key milestones as follows:

- In 2029, the MoF will report to the Government to decide on the number of instances of tax exemption, duty exempted thresholds of imported goods under the border trade scheme.
- From 1 January 2029, residents living across the border must be physically present at the customs authorities place to perform import and export procedures.
- From 1 January 2030, it will only be permitted to carry out customs clearance procedures for goods at international border gates; main border gates (bilateral border gates); auxiliary border gates; customs clearance paths, dedicated routes for transporting goods at international border gates; and open border crossings that have completed the procedures for opening and upgrading border gates and open border crossings in accordance with current regulations and have reached bilateral agreements allowing the export, import and exchange of goods.

Decree 122 will take effect from 1 December 2024. Please refer to the Decree for more details.

Some guidance provided in the form of OLs:

No.	Topic	Subject	Content
4610/TCHQ-TXNK 26 September 2024	VAT refund	VAT refund for imported goods of EPEs which are re-exported	<p>For EPEs that have been granted the right to import and have imported goods and fully paid import duties and VAT at the import stage:</p> <ul style="list-style-type: none"> <li>▪ Where the goods are exported back to the foreign owner, the handling of the overpaid VAT shall follow the procedures set out in OL No. 1453/TCHQ-TXNK dated 14 March 2019 of the General Department of Customs (GDC). Specifically: <ul style="list-style-type: none"> <li>▪ For export declarations registered before 1 July 2016 the customs authority will handle the overpaid VAT.</li> </ul> </li> </ul>

No.	Topic	Subject	Content
			<ul style="list-style-type: none"> <li>For export declarations registered from 1 July 2016 to 1 February 2018, VAT refunds are not allowed, instead declaration as creditable input VAT is allowed. Enterprises should contact the tax authorities for further guidance.</li> <li>For export declarations registered from 1 February 2018 onwards the customs authority will handle the overpaid VAT.</li> <li>If goods are exported overseas or sold into a free trade zone (FTZ) under export rights, enterprises should contact the tax authorities for guidance on the paid VAT.</li> </ul>
<b>4484/TCHQ-TXNK</b> 19 September 2024	Duty refund	Duty refund for imported goods that have been confiscated	<ul style="list-style-type: none"> <li>Exported and imported goods passing through Vietnam's border gates are subject to taxes.</li> <li>Where imported goods do not meet Vietnam's conditions and technical standards and are charged with administrative penalties and the goods are confiscated, those goods are subject to import duties and are not eligible for import duty refund or overpaid tax refund.</li> <li>Where the confiscated imported goods are subsequently auctioned to enforce an administrative decision, the organization or authority conducting the auction must withhold the taxes according to the tax imposing decision issued by the customs authorities.</li> </ul>
<b>4855/TCHQ-TXNK</b>	Duty refund	Duty refund for goods	Where goods are imported for manufacturing or trading but are

No.	Topic	Subject	Content
8 October 2024		imported for manufacturing or trading but are used in the production of exported goods	<p>subsequently used in export manufacturing then exported:</p> <ul style="list-style-type: none"> <li>When conducting export procedures, enterprises must declare on the export declaration that the exported products were manufactured from imported goods.</li> <li>When applying for a duty refund, enterprises are required to provide detailed declarations on which imported goods were used to manufacture the exported products, the quantity of materials used, the actual consumption rates, etc., using Form No. 10, Appendix VII of Decree No. 18/2021/ND-CP dated 11 March 2021, issued by the Government and submit relevant documents for the customs authority to review and consider the duty refund for the imported goods.</li> </ul>
3679/BKHCN-TDC 26 September 2024	Origin of goods	Labelling the origin on exported goods	<ul style="list-style-type: none"> <li>Decree 43/2017/ND-CP dated 14 April 2017 (Decree 43), amended by Decree 111/2021/ND-CP dated 9 December 2021 (Decree 111), only provides regulations on how to present the origin of goods, not on how to determine the origin of goods.</li> <li>Exporting enterprises are responsible for self-determining the origin of exported goods, ensuring the integrity, accuracy, and complying with regulations on the origin of export goods as stipulated by the MoF or in international commitments to which Vietnam is a signatory.</li> <li>In case the origin of goods cannot be determined, the labeling must follow the provisions in Clause 3, Article 15 of</li> </ul>

No.	Topic	Subject	Content
			Decree 43 (amended by Clause 7, Article 1 of Decree 111).
<b>4342/TCHQ-GSQL</b> 12 September 2024	Origin of goods	Chile issues e-C/O Form VC under the VCFTA	<p>According to the announcement, Chile will issue e-C/O Form VC for goods exported from Chile to Vietnam under the VCFTA. The application timeline is as follows:</p> <ul style="list-style-type: none"> <li>From 10 September 2024 to 31 October 2024 Chile will conduct a pilot issuance of electronic C/O Form VC. A hard copy of C/O will only be issued in exceptional cases.</li> <li>From 1 November 2024 Chile will officially issue the e-C/O Form VC.</li> </ul> <p>To verify the information on the e-C/O Form VC, the Vietnamese customs authority will scan the QR code on the certificate or access the verification site using the link in the manual enclosed with the OL.</p>
<b>4451/TCHQ-GSQL</b> 19 September 2024	Origin of goods	e-C/O Form D under the ATIGA	<p>To promote the complete adoption of e-C/O mechanism within ASEAN, based on the consensus of member countries, the GDC issued guidance as follows:</p> <ul style="list-style-type: none"> <li>Where enterprises only submit the paper C/O Form D converted to electronic form (i.e., scanned copy with digital signature) via the customs electronic data processing system, and when the GDC has not announced any issues with the ASEAN Single Window or the National Single Window portals, the provincial and municipal customs departments must report to the GDC for C/O verification with the C/O issuing authority.</li> <li>In case a shipment is provided with both paper and e-C/O Form D, the customs authority will rely on the e-C/O to apply</li> </ul>

No.	Topic	Subject	Content
			special preferential tax rates for the shipment.
<b>4606/TCHQ-TXNK</b> 26 September 2024	Tariff incentives	Goods imported from Comoros and Timor-Leste are eligible for preferential tax rates	<ul style="list-style-type: none"> <li>Comoros and Timor-Leste have recently joined the World Trade Organization (WTO).</li> <li>Comoros is the 165th member. Goods originating from Comoros (country code KM) imported into Vietnam are eligible for the Most Favored Nation (MFN) preferential import tariff rate starting from 21 August 2024.</li> <li>Timor-Leste is the 166th member. Goods originating from Timor-Leste (country code TL) imported into Vietnam are eligible for the MFN tariff rate starting from 30 August 2024.</li> </ul>



## Contact

### Hanoi Office

#### Huong Vu | General Director

EY Consulting Vietnam Joint Stock Company  
huong.vu@vn.ey.com

#### Hung Khanh Le | Director

##### Indirect Tax - Global Trade

EY Consulting Vietnam Joint Stock Company  
hung.khanh.le@vn.ey.com

### Ho Chi Minh City Office

#### Robert King

EY Vietnam, Laos, Cambodia Tax Leader  
robert.m.king@vn.ey.com

#### Anh Tuan Thach | Partner

##### Indirect Tax

EY Consulting Vietnam Joint Stock Company  
anh.tuan.thach@vn.ey.com

## Japanese Business Services (JBS)

### Takahisa Onose | EY Vietnam, Laos, Cambodia JBS Leader

takahisa.onose@vn.ey.com

#### Takaaki Nishikawa | Director

Ernst & Young Vietnam Limited  
takaaki.nishikawa@vn.ey.com

#### Kota Takano | Associate Director

Ernst & Young Vietnam Limited  
kota.takano1@vn.ey.com

## Korean Business Services (KBS)

### Binh Thanh Phan | EY Vietnam, Laos, Cambodia KBS Leader

binh.thanh.phan@vn.ey.com

#### Kyung Hoon Han | Director

Ernst & Young Vietnam Limited  
kyung.hoon.han@vn.ey.com

#### Dong Ho Park | Assistant Director

Ernst & Young Vietnam Limited  
dongho.park@vn.ey.com

## Chinese Business Services (CBS)

### Truong Duc Le | EY Vietnam, Laos, Cambodia CBS Leader

truong.duc.le@vn.ey.com

#### Trinh Kiet Luong | Assistant Director

Ernst & Young Vietnam Limited  
trinh.kiet.luong@vn.ey.com

#### Owen Tsao | Director

Ernst & Young Vietnam Limited  
owen.tsao@vn.ey.com

## EY | Building a better working world

EY exists to build a better working world, helping to create long term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transaction, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com)

© 2024 EY Consulting Vietnam Joint Stock Company. All Rights Reserved.

APAC No. 16301001

ED None

This material has been prepared for general information purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

**[ey.com/en\\_vn](https://ey.com/en_vn)**