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## Customs & Global Trade Alert

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# Further guidance on the implementation of Circular No.121/2025/TT-BTC

This Alert outlines recent guidance issued by the Vietnam Customs Department to address practical issues arising from the implementation of Circular No. 121/2025/TT-BTC (Circular 121/2025). The guidance provides further clarification on the destruction of goods, and the locations for carrying out customs procedures for processing arrangements involving export processing enterprises (EPEs).

The Vietnam Customs Department recently issued Official Letter No. 18294/CHQ-GSQL dated 30 June 2026 (OL 18294) and Official Letter No. 19945/CHQ-GSQL dated 6 August 2026 (OL 19945) to address practical concerns during the implementation of Circular 121.

Key points are summarized below:

### Customs supervision of destruction activities

OL 18294 confirms that the customs authority for receiving a destruction notification is the regional customs sub-department responsible for receiving the customs finalization report. The customs authority will conduct risk assessment to decide whether the destruction of goods is subject to direct customs supervision. Where direct supervision is required:

- The destruction process must be closely supervised from the initial stage through to the final stage to prevent trade fraud or smuggling.
- Raw materials, supplies, semi-finished products, finished products, machinery and equipment must no longer retain their original functions or uses following destruction.
- Separate supervision requirements apply depending on whether the destruction is carried out at the enterprise's manufacturing facility or at the premises of a qualified environmental treatment service provider, with appropriate destruction supervision records being maintained in each case.

## **Flexibility in selecting customs authorities for processing arrangements involving EPEs**

- Where a domestic enterprise processes goods for an EPE, the domestic enterprise may carry out customs procedures for importing raw materials, supplies, machinery and equipment, and exporting processed products at the customs authority responsible for the area where its head office, manufacturing facility or branch is located, or at the customs authority supervising the EPE.
- Where a domestic enterprise engages an EPE to process goods, the domestic enterprise may carry out the relevant procedures, including processing contract notification, customs finalization reporting, export of raw materials, supplies, machinery and equipment, and import of processed products, at the customs authority responsible for the area where its head office or manufacturing facility is located, or at the customs authority supervising the EPE.

Businesses should review their existing destruction procedures and processing arrangements involving EPEs to ensure compliance with the new guidance and take advantage of the greater flexibility provided.



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