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Customs & Global Trade Alert

March 2026

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Vietnam Customs Department's key guidance on the implementation of Circular 121/2025/TT-BTC

This alert summarizes the key guidance issued by the Vietnam Customs Department regarding the implementation of newly effective customs regulations under Circular No. 121/2025/TT-BTC.

The Circular 121/2025/TT-BTC (Circular 121) took effect from 1 February 2026 and introduced significant changes to customs requirements and compliance procedures. To support businesses during the transition, the Customs Department issued Official Letter No. 8444/CHQ-GSQL dated 2 February 2026 (OL 8444) and Official Letter No. 11811/CHQ-GSQL dated 12 February 2026 (OL 11811) to clarify concerns raised by customs-related stakeholders.

The sections below set out some notable guidance of the OL 8444 and OL 11811:

1. Customs finalization reports (CFRs) obligations for fiscal year 2025 (FY25)

Circular 121 introduces several modifications to the CFR templates, effective from 1 February 2026. OL 8444 clarifies that the applicable CFR templates depend on an enterprise's fiscal year-end, specifically:

- FY25 ending before 1 February 2026 (e.g. 31 December 2025): CFR templates continue to be governed by Circular No. 38/2015/TT-BTC (as amended by Circular No. 39/2018/TT-BTC).
- FY25 ending after 1 February 2026 (e.g. 31 March 2026): CFR templates will be governed by Circular 121.

2. Notification of destruction to the Customs Authority

Circular 121 prescribes the use of Form 18b/THHH/GSQL for businesses to notify customs authorities of the destruction of materials, semi-finished goods, finished products, machinery, equipment, scrap, and defective products. OL 8444 further clarifies that Form 18b/THHH/GSQL may be submitted either via email or in hard copy to the Customs Authority managing the enterprise.

A receipt number will be assigned for customs-management purposes throughout the destruction process.

3. Eligibility of export processing enterprises (EPEs) for exemption from customs procedures

OL 8444 demonstrates two cases that EPE is entitled to exempt from customs procedures. In summary, there are three cases of EPE's exemption from customs procedures as below:

- Construction materials, office supplies, foodstuffs, food products, and consumer goods sourced from the domestic market of Vietnam for the purpose of constructing facilities, and for supporting office operations and the daily living needs of employees working at the export processing enterprise in Point b, Clause 4, Article 26 of Decree No. 35/2022/ND-CP.
- Goods moved into and out of EPE for testing, inspection, evaluation, classification, or research & development activities.
- Internal transfer or movement of goods between:
 - Internal factories or warehouses under the same EPE (same tax code).
 - EPE and its dependent branches. The independent branches are not authorized by EPE to register their own customs declarations.

In cases where the EPE and its partner both choose not to register a customs declaration, they must notify the customs authority managing the EPE in writing (only once, based on the contract, contract appendix, purchase order, or transfer/rotation order) before bringing goods into or out of the EPE.

In addition, OL 8444 also clarifies the transition arrangement for this exemption regime. Specifically, if an EPE sent goods to a domestic enterprise, or vice versa, before 1 February 2026 and both parties opted not to conduct customs procedures, the same treatment applies when the goods are returned after 1 February 2026.

4. Transactions between EPE and Authorized Economic Operator (AEO)

Circular 121 allows the advance delivery of goods prior to customs declaration in cases where an EPE recognized as an AEO engages in buying, selling, processing, leasing, or borrowing goods with other enterprises.

OL 8444 further expands this regime by confirming that transactions between an EPE that is *not* recognized as an AEO and a non-EPE enterprise that *is* recognized as an AEO are also eligible for advance delivery prior to customs declaration.

5. Notification of manufacturing facilities

Circular 121 stipulates that enterprises engaging in toll manufacturing or processing manufacturing, as well as EPEs, are required to notify the supervisory customs authorities of their manufacturing facilities before conducting any import or export activities. OL 8444 further provides clarification for the following two scenarios:

- i. Enterprises with multiple manufacturing sites: Enterprises must submit separate notifications of manufacturing facilities to the customs department that supervises each specific location.
- ii. EPEs engaging in subcontracted manufacturing (e.g., subcontracting production to a local company or another EPE): The EPE must supplement its previously submitted notification of manufacturing facilities with the subcontracting information.

6. Handling procedures for re-importation for recycling purposes

- Enterprises shall manage and monitor the quantity of raw materials, supplies, and components recovered from the re-imported products and reflect such quantities in the CFR. Based on the CFR and supporting documents, customs authorities shall adjust the quantity in G13 customs declaration and update the system accordingly.
- In cases where re-importing goods originate from an EPE or from a local company under an on-the-spot arrangement and they cannot be re-exported, the following handling procedures shall apply:
 - Goods diverted to domestic consumption: enterprises must perform the change-of-use-purpose procedures.
 - Goods to be destroyed: enterprises must follow the prescribed destruction procedures, after which the customs authority will adjust the quantity in the G13 declaration and update the system accordingly.



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APAC No. 16030301

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