

New preferential import and export tariff nomenclature will take effect by 1 January, 2018

VCN- The Government has issued Decree 125/2017/ND-CP amending and supplementing a number of articles of the Government's Decree 122/2016/ND-CP dated 1 September 2016 on preferential import and export tariff, Goods Classification Nomenclature and absolute tax rate, complex tax rate, and import tariff-free quota.



Attaching with the Decree are Appendix I- the export tariff nomenclature under the list of taxable commodities, Appendix II- Preferential import tariff nomenclature under list of taxable commodities, Appendix III- Goods classification nomenclature and absolute tax rate, complex tax on used motor cars for transport of 15 persons or less (including the driver), Appendix IV- Goods classification nomenclature and import tariff rate-free quota on commodities subject to tariff-free quota.

The Export tariff nomenclature under the list of taxable commodities in Appendix 1 enclosed with the Decree includes code, description, export duty rate for each commodity group and commodities subject to export taxable.

For commodities of the heading with the ordinal number 211 in the Export tariff nomenclature, the declarant shall declare name and code of goods under 8 digits, correspondent with 8 digits of that commodity in the preferential Import Nomenclature with import tax rate of 5%.

Export commodities of the heading with the ordinal number 211 shall meet 2 conditions:

Firstly, material, supplies, semi-finished products are not in the heading with the with the ordinal number from 1 to 210 in the Export tariff nomenclature.

Secondly, the total value of natural resources and minerals plus energy costs accounts for 51% or more of the price of finished products. The above valuation is implemented under the Government's Decree 100/2016/ND-CP dated 1 July 2016 specifying and guiding the implementation of some articles of the Law amending and supplementing a number of articles of Law on VAT and Law on special consumption tax and Law on Tax administration and revised documents (if any).

Import duty on used motor cars

Regulations on import duty for used motor cars are also amended and supplemented in the Decree.

Specifically, motor cars of 9 seats or less (including driver) with cylinder capacity less than 1,000 cc of the heading 87.03 (Motor cars and other motor vehicles principally designed for transport of persons (other than those of heading 87.02: Motor vehicles for the transport of ten or more person, including the driver), including station wagons and racing cars) are subject to absolute tax rate.

Cars of 9 seats or less (including the driver) with a cylinder capacity exceeding 1,000 cc of the heading 87.03 and motor cars for the transport of 10 to 15 persons including the driver of the heading 87.02 are subject to complex tax.

Motorcars of 16 seats or more (including the driver) of the heading 87.02 and motor vehicles for transport of goods with gross vehicle weight not exceeding 5 tons of the heading 87.04: motor vehicles for transport of goods (excluding refrigerated vans, refuse collection vehicles having refuse compressing device, tanker vehicles, armored cars for transport of valuable goods, motor vehicles for the transport of cement with tank and motor vehicles for the transport of mud having lift bucket) are subject to preferential import tax of 150%.

Other motorcars of the headings 87.02, 87.03, 87.04 are subject to a tax rate of 1.5 times compared to the preferential import tax rate of new motor cars of the same category in the same heading.

The Decree will take effect by 1 January 2018.