

New regulations on import-export tax



VCN- The Government has recently issued Decree 122/2016/ ND-CP regulating preferential import and export tax; the list of goods, the absolute tax rate, the mixed tax, and import tax instead of quota. Accordingly, the new tariff will have many changes in the rate of import tax and export tax of specific commodities.

There are 4 appendices issued together with Decree 122/2016 / ND-CP including:

First, the export tax of the list of taxable items.

Second, the import tax of the list of taxable items.

Third, the list of goods together with the absolute tax rate and the mixed tax for used vehicles with less than 15 seats; and

Fourth, the list of goods together with import tax instead of quota for goods subject to quota.

According to the new regulations, fertilizer products under heading 31.01, 31.02, 31.03, 31.04, and 31.05 attract export tax rate as follow: If the value of natural resources and minerals plus energy costs account for 51 % of the goods, they will be applied at a tax rate of 5%.

For fertilizer products not under the headings above, the tax rate will be applied on the basis of the export tariff specified in Appendix I attached to this Decree.

Besides, charcoal products with the code 4402.90.90 which attracts an export tax rate of 5% must meet 4 criteria (ash \leq 3%, (C) carbon with no smell and no smoke when fueled \geq 70%; heat \geq 7000Kcal/kg, sulfur \leq 0.2%).

The decree also stipulates that jewelry products and parts thereof, gold or jewelry (heading 71.13), furniture and parts of golden furniture (heading 71.14) and other products of gold (heading 71.15) will attract an export tax rate of 0% if they meet all the conditions.

In addition to Customs documents for exported goods as a general rule, enterprises must have a test result of determining the gold content below 95% by a licensed organization which has the right to determine the amount of gold jewelry (the test result will be used for comparison and one photocopy will be submitted to Customs authorities).

In the case of jewelry products and parts thereof, gold or jewelry (heading 71.13), furniture and parts of golden furniture (heading 71.14) and other products of gold (heading 71.15) exported in the form of processing method or produced from imported raw materials these can easily implement Customs procedures without presenting any test results determining the gold content.

For export production, when enterprises implement Customs procedures, they must present the license of raw gold import prescribed by the State Bank.

In addition, the new Decree also stipulates a number of petrochemical commodities which now enjoy preferential import tax rates of 1% according to the schedule from September 1, 2016 to December 31, 2016 and from January 1, 2017 a tax rate of 3%, which is provided in Section I of Annex II attached to the Decree.

Besides, the new Decree stipulates preferential import tax rates for some commodities according to WTO commitments from 2017.

Decree 122/2016 / ND-CP took effect from September 1, 2016, specifically removing 2 decisions of the Prime Minister and 9 circulars of the Ministry of Finance issued before September 1, 2016.

Moreover, the Prime Minister also issued Decision 36/2016 / QD-TTg regulating the normal tax rate for imported goods. This Decision stipulated regulations on tax rate of common imports under the provisions of Clause 3, Article 5 of Law on import tax and export tax.

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