

## **Covid -19 epidemic impact: Enterprises face difficulties because C/O form E cannot be submitted according to the deadline**



**VCN- Due to the impact of Covid-19 impact, many import and export enterprises have suffered difficulties because there is no C/O form E submitted according to the deadline. This greatly affects the plans of enterprises**

According to Point b, Clause 1, Article 7 of Circular 38/2018/ TT-BTC of the Ministry of Finance, if a certificate of origin is not available at the time of customs processing, the customs declarant will make an additional declaration and submit the certificate of origin within 30 days of the day the customs declaration is made.

In addition, Clause 3, Article 1, Circular 62/2019/TT-BTC dated September 5, 2019 amending and supplementing articles of Circular 38/2018/TT-BTC of the Ministry of Finance stipulates that “if the certificate of origin is available at the time of following customs procedures for imports but the customs declarant fails to provide a reference number or date of issue of that certificate of origin or where the certificate of origin is unavailable at the time of following customs procedures for imports and the customs declarant does not make the statement the certificate of origin is submitted later on the customs declaration of imported goods as regulated in Article 5 of this circular, the customs authority shall be entitled to reject the certificate of origin.

If the customs declarant has made the statement that the certificate of origin is submitted later as regulated in Article 5 of this circular but fails to make additional customs declaration and submit the certificate of origin within the time limit prescribed in Article 7 of this Circular, the customs authority shall be entitled to reject the certificate of origin as regulated.”

Many enterprises importing goods from China have suffered from the Covid -19 epidemic and failed to receive and submit C/O form E within the deadline for tax incentives. This is the case for VITECH Automation Equipment Joint Stock Company.

According to an import and export officer of the company, the Covid-19 epidemic not only affects the delivery progress the company has signed with its customers, the late submission of proof of origin has also affected the tax rate. “Normally, only a few days after receiving and delivering the goods, the Chinese side submits C/O to enterprises for tax incentive, but due to the epidemic, some customs declaration forms from January have not been yet submitted C/O to the Customs. Because import declaration forms of equipment shipments fell in the Lunar New Year in Vietnam and China together the development Covid-19, the company has not yet completed C/O and submitted it for tax refund. When the company has not yet has sufficient documents, it is subject to the normal tax rate, while the price in the contracts signed with its partner is calculated based on the incentive import price.”

Facing these difficulties, the VITECH Automation Equipment Joint Stock Company has proposed the General Department of Vietnam Customs to allow the company to extend the deadline for C/O submission to March 15.

KINGSMEN Vietnam Co., Ltd has carried out customs procedures for an imported shipment on January 20 and proposed to submit the C/O within 30 days since the date of registering declaration. Therefore, February 19 is the expiry date for submitting C/O form E. However, according to the firm, because the Chinese side was on the Lunar New Year holiday and the outbreak of Covid -19, the Chinese side has prolonged the holiday and is expected to return to work on February 20 and even this date is unofficial. Thus, the company cannot submit C/O form E on time. It has proposed the Customs to allow extending the deadline for submission of C/O form E within 30 days.

The Vietnam Manufacturing and Export Processing Limited Company (VMEP) imports components for motorcycle production from China and proposed to submit the C/O form E within 30 days. However, the company has faced difficulties due to the epidemic, as the Chinese government is currently trying to prevent and control the Covid-19 epidemic by extending the Lunar New Year holiday. Therefore, the company's partner will **apply** for C/O and send it to the company later than the stipulated time. Therefore, VMEP proposes extending the deadline for C/O submission until February 28.

Signify Vietnam Co., Ltd opened a declaration to import two shipments of lighting equipment and accessories from China and applied for summiting C/O form E later due to the time of opening the declaration being near the Lunar New Year and the Chinese partner could not complete C/O form E to send to the company. According to current provisions, the company must submit C/O form E for the two declaration forms before February 16 and 12 for tax refund. However, the Chinese side has not yet applied to issue C/O form E. The time for express delivery of the C/O from China to Ho Chi Minh City is also affected by the epidemic, thus the company cannot submit the C/O before the deadline. It proposes the General Department of Vietnam Customs instruct and assist enterprises to solve problems on the deadline for submitting C/O due to the impact of the Covid-19 epidemic, and approve the extension of the deadline.

**Customs continues to grasp and receive proposals of enterprises**Facing the impact of epidemic in China, a representative of the Customs Control and Supervision Department said the General Department of Vietnam Customs has grasped problems of enterprises to summarise and propose the Ministry of Finance for settlement.If due to the epidemic, the Chinese side does not promptly provide C/O to Vietnamese enterprises, the Customs will propose allowing prolonging the deadline for C/O submission by more than 30 days.However, a representative of the Customs Control and Supervision Department said through a discussion with Chinese authorities, Chinese authorities still issue C/O. The problems of enterprises may be due to the influence from Chinese enterprises that are lacking human resources, or affected by the ban on movement and blockade, thereby, enterprises cannot carry out procedures, leading to a delay in providing certificates of origin.

Customs News will update information from authorities to help enterprises solve problems as soon as possible.

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