

## **Guiding tax exemption under the new provisions of the Law on export - import duties**



**VCN- To implement consistently the new and important regulations of the Law on export - import duties No 107/2016/QH13 being valid from September 1st, 2016, the Finance Ministry has a written instruction for provincial Customs Branches to implement the provisions of this Law.**

Specifically, the tax exemption of export goods for processing, the Finance Ministry guides: export goods for processing are natural resources, minerals, products which have a total value of natural resources and minerals plus the energy cost accounting for 51% of the final price or more, are not exempted from export duty.

Accordingly, taxpayers declare and define their own products with a total value of natural resources and minerals plus energy costs less than 51% of the final price before doing Customs procedures to export, as a basis for identifying exempt goods under the regulations.

The determination of the total value of natural resources and minerals plus energy costs less than 51% the cost of products is based on the provisions stipulated in Decree 100/2016/ND-CP dated July 1st, 2016.

For the tax exemption of import goods for producing export goods, the Finance Ministry guides: raw materials, supplies, components and semi-finished products, finished products imported to produce export goods are exempted from import tax, including:

Raw materials and supplies (including supplies for packaging or packaging for packing export products), semi-finished components imported directly to produce export goods or participate directly in the process of producing export goods but not directly transformed into goods;

Finished products imported to stick and pack export goods, assemble to export products or package into synchronic goods with export products;

Components and spare parts imported for export product warranty;

Import goods unused to purchase, exchange or consume but used as samples.

Tax exemption records and procedures for import goods for the production of export goods shall be as stipulated in Decree 08/2015/ND-CP.

Besides, the Finance Ministry also guides tax exemption for goods temporarily imported for re-export or temporarily exported for re-import in the specified period; import materials, supplies and components serving directly for production activities of information technology products, software, products serving directly for education; goods serving for money printing and coining; goods with minimum value.

