MINUTES OF MEETING BETWEEN GENERAL DEPARTMENT OF CUSTOMS AND TAX & CUSTOMS WORKING GROUP
Hanoi, 27th September 2018

LIST OF ISSUES

No.	Concerns and challenges	Current state Influence/Impact	Recommendations	GDC's responses
1	**Duty rates applied to on-spot import-exports of local businesses** According to existing provisions of various decrees on Vietnam's concessional tariff in line with the free trade agreements the country is a party to, apart from regulations on origin, goods originated from Vietnam are only entitled to special preferential tax rates if the following criteria are met: - They are goods imported from a non-tariff zone to domestic market , or - They are transported directly into the country from an exporting country. Under Article 1.1, draft decree revising Decree No. 134/2016/NĐ-CP (adding clause 3b to Article 3): *"b) On-spot imports referred to in a) and c), Article 35.1, Decree No. 08/2015/NĐ-CP may apply*	A large number of local companies having on-spot imports from another domestic firm designated by a foreign exporter, despite having a preferential certificate of origin for goods originating from Vietnam issued by the Vietnamese Ministry of Industry and Trade, and having been accepted for application of special preferential tariffs during customs clearance, are still requested to pay back taxes by local customs authorities, at MFN tariff rates or ordinary rates, for shipments dated from Sep. 1, 2016 (the date the 2016 Duty Law came into effect). However, paragraphs 3a and 3b, Article 5, Duty Law, establish the same rules for imports for which MFN tariffs and special preferential tariffs apply, regardless of their	We suggest allowing on-spot importers from domestic companies to apply MFN rates or FTA rates designated for on-spot import-exports, if they meet relevant requirements for origin of the goods, as much as they apply to imports from non-tariff zones. This is actually what happened with the former Duty Law No. 45/2005/QH11.	- Application of specially preferential tax rates for internal imports and exports: On Sep. 5, 2018, the General Department of Customs (GDC) released Official letter 5174/TCHQ-GSQL providing implementing guides for Coca-Cola Vietnam Co. GDC (Management Supervision Administration) is making submittals to relevant authorities for review and decision making in accordance with prevailing rules. For the time being, in the absence of specific guidance, the company is suggested to act upon GDC Official letter 5174/TCHQ-GSQL, Sep. 5, 2018. - Recommended changes and updates to Decree 134/2016/NĐ-CP have been well noted by GDC and will be relayed to relevant authorities for consideration while

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	preferential tariff rates as specified in Article 5.3.a, Duty Law, if the goods are made entirely in Vietnam or the final basic manufacturing process is done in Vietnam. Audit, determination and verification of the origin of on-spot imports made in Vietnam for the goods to apply MFN tariff rates shall be conducted in accordance with applicable customs laws. *On-spot imports referred to Article 35.1.b, Decree No. 08/2015/NĐ-CP, may apply special preferential tariff rates in accordance with Article 5.3.b, Duty Law. The taxpayer must present certificates of origin for the goods issued by a relevant Vietnamese authority to the customs office as part of the customs clearance procedure."*	places of manufacturing or sourcing, provided that they meet current requirements on origin. These are treated similarly as on-spot import-exports under Article 35, Decree No. 08/2015/NĐ-CP with similar customs clearance procedures (Article 86, Circular No. 38/2015/TT-BTC), yet the difference in the tariff rates applied. Permitting only on-spot imports from non-tariff zones to apply special preferential rates is therefore unreasonable and unfair. This rule causes discrimination between different businesses that are located in Vietnam, even though all these goods meet the requirements to get a Vietnamese certificate of origin (which are actually still being issued by the Ministry of Industry and Trade). Also, the need for origin audit and verification before MFN tariff rates can be applied will create more administrative burden for local companies.		Decree 134/2016/NĐ-CP is being revised.
2	**Price modification on the customs declaration form**	Under prevailing regulations, update declarations and tariff recalculation	We request that periodic (monthly, quarterly or	- Customs procedures: Pursuant to Article 20, Circular 38/2015/TT-BTC, revised and updated through Article 1.9, Circular 39/2018/TT-

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	Sometimes, prices of goods are not determined when the goods are imported or exported, and the declarants must fill in provisional prices on the customs declaration forms. - For imports: The deadline to determine the final payable tariff does not exceed 30 days after goods release (Article 36, Customs Law), and the declarant may revise and update the declaration form within 60 days after customs clearance and before post-clearance audit, if they are to avoid being subjected to an administrative fine (Article 1.9, Circular No. 39/2018/TT-BTC that amends Article 20, Circular No. 38/2015/TT-BTC). With the exception of royalty, license fee and payables from proceeds obtained from resales, disposal and use of the imports may be listed and applied additional taxes within 05 days after the actual payment date (Articles 13 and 14, Circular No. 39/2015/TT-BTC). - In case of exports, the declarant must revise or supplement the final prices within 05 working days after	must be done for every declaration form. In the case of enterprises with large volume of imports and exports, this will be a major cost of time and finances, especially when the price adjustment does not alter the tax liabilities. The update declaration timeline is also quite short and unreasonable given the current trade environment. This issue was actually raised by VBF and acknowledged by GDC in the meetings in December 2017 and March 2018, yet no changes have been made to Circular No. 39/2018/TT-BTC. VBF also revisited this issue at the June 2018 meeting, and the concern was again duly noted by GDC, yet the draft amendment to Decree No. 134/2015/NĐ-CP has no mentioning of it.	annually) price change and finalization through average numbers on the declaration forms are allowed. We learnt that HCMC Customs had Official Correspondence No. 458/STQ-DDSTQ3, dated Apr. 16, 2013, permitting taxpayers to compute the missing tax based on the annual average rates. In truth, this practice has also been accepted by the local customs and taxpayers through numerous post-clearance audits, as it helps reduce transaction costs, while still reflecting correctly the taxpayers' tax liabilities. We hope that GDC consider making this into law, to remain in touch with what is going on in the world of trade and facilitate businesses.	BTC, of Ministry of Finance, declaration update of the customs declaration form must be made on the each form. Declarants can refer to the aforementioned regulation for application. - Declarants fill in the official prices on the revised and updated form after clearance is completed, and pay the surplus taxes (if any) within 05 business days following the release of the official prices. The customs office checks the declarant's information as soon as official prices are provided, and qualifications for acceptance of the official prices are subject to Article 17.1, MOF Circular 39/2015/TT-BTC, Mar. 25, 2015. Businesses can refer to the aforementioned regulation for application.

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	such final prices become available, but not longer than 90 days since the declaration form is registered, as beyond this 90-day timeline, the head of the Customs Department in charge will investigate, consider and decide whether the timing of the final prices becoming available is accepted (Article 17.1, Circular No. 39/2015/TT-BTC).			
3	**Tax exemption and tax refund for imports used to manufacture indirect exports, on-spot exports and re-export through on-spot export** • Many companies have indirect export business model as follows: Company 1 imports raw materials to manufacture certain product, semi-product or component then sell them to Company 2 (the registered export-manufacturing or direct-exporting importer) to do further manufacturing and/or export the final products to another country. Under prevailing regulations (Decree 134/2016/NĐ-CP and Circular	Indirect exportation is quite common among local manufacturers. Tax refund helps reduce input costs for businesses, encourage, promote and facilitate export manufacturing as intended by the government in its current agenda. ▪ In practice, businesses are increasing specialization to cut cost, enhance competitiveness, and further drive up their strengths and core business lines. In that process, a finished product, before it can	We recommend reinstating tax refund regulations for indirect export-manufacturing and domestic exports as provided in Article 114, Circular 38/2015/TT-BTC, while also amending rules on tax refund for the re-exportation of goods imported through on-spot exportation into the upcoming draft amendment of Decree 134.	*Consideration for reinstallation of tax rebate regulations for indirect export-manufacturing and internal exports as provided in Article 114, Circular 38/2015/TT-BTC are recommended, while also appending rules on tax rebate for the re-exportation of goods imported through domestic exportation into the upcoming Decree 134/2016/NĐ-CP.* Pursuant to Article 19.1.d, Import Export Duty Law No. 107/2016/QH13, taxpayers who paid duty for imported goods intended for commercial business purposes initially, but used the goods instead to make export goods, which have been exported, are

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	39/2018/TT-BTC), Company 1 is not eligible for tax refund in proportions to the imported raw materials used for the actual exported finished goods. • Under Article 12.1.b and Article 36.1 of Decree 134, tax exemption and tax refund for raw materials imported to manufacture exports is restricted only for export to overseas or non-tariff zones, but not including on-spot export (sale to a foreign party, in which shipment is designated for a Vietnamese third party). In practice, on-spot exports are regulated under Article 35, Decree 08/2015/NĐ-CP, and Article 6, Decree 219/2013/NĐ-CP **as a type of export**, in specific, the exporter must complete customs procedures and is entitled to a 0% VAT rate. Since the domestic importer must lodge a customs declaration form and pay due tariff to get the goods (which completely resembles import	be sold to another country, must go through a series of manufacturing stages, with many different details. For a number of products, no single business can cover all the stages in the process, but only one or several of them at best. Obviously, a business need a partnership with another business to create a supply chain, to complete a final product and deliver it to consumers. ▪ Another issue here is that if the prevailing policies on export and import duty do not allow tax refund or tax exemption for input raw materials for indirect exporters, the cost of the final export products will be soaring, and they will face a hard time competing with comparable products made in other countries. As a consequence, the company may lose its export order to the hands of another firm in another country. That will not		entitled to refund of the duty they paid. According to Article 36.1, Government Decree No. 134/2016/NĐ-CP, Sep. 1, 2016, taxpayers who paid duty for imported goods initially intended for commercial business purposes, but used the goods instead to make export goods, which *have been exported out of the country or to a non-tariff zone* are entitled to refund of the duty they paid. Article 36.3, government Decree No. 134/2016/NĐ-CP, Sep. 1, 2016, sets forth the qualifications for goods to be entitled to tax rebate: - The entities or individuals making the export goods must have in use manufacturing facilities. - The export products are put through the customs procedures that apply to the corresponding type of export manufacturing.

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	procedures from another country), not allowing the on-spot exporter in the transaction to be entitled to any tax exemption/rebate available for the input raw materials will effectively result in **double taxation on the same product**. • Article 1.23, draft amendment, revising Article 34.1.a, Decree 134, only provides import tariff refund for imports that must be returned to an offshore shipper, exports bound to a third country, or exports to non-tariff zones, and not domestic exports. Again, just like the concern raised with raw materials imported to make domestic exports, the outcome will be double taxation on a same product imported into Vietnam, which means higher cost for the businesses involved and non-facilitation of trade. On the contrary, under former regulations, these two cases would still be entitled to tax refund,	only have direct repercussions on businesses involved in the exportation of the goods, but also compromise the government's goal of promoting exports and enlarging export turnover to bring in foreign currencies, in an attempt to replenish its foreign-exchange reserves and foster foreign trade. In the case of on-spot exports, in fact, businesses trading products with foreign parties, where the shipments are made in Vietnam is a very common practice (as reported by a southern locality, a single industrial park has more than 20 companies doing this on a regular basis). If duty policies continue to restrict tax exemption and tax refund rights as they are now, a large number of businesses will be affected. As a consequence, businesses must bear double tariff cost, or must transport the shipment to another country, and later import the goods as is back to Vietnam to be entitled to the tax		- The entity or individual in question directly or through a delegated party import the goods and export the products. Given the abovementioned regulations, since Sep. 1, 2016, businesses that imported goods intended for commercial activities, but instead used them to make export goods, which were actually exported in the form of internal exportation *(the goods did not leave the country and sold to a non-tariff zone)*, that do not meet the requirements of Article 36, Decree 134/2016/NĐ-CP, are not entitled to refund of the duty they paid. (1) On the request for tax rebate for indirect export production in reference to Article 114, MOF Circular 38/2015/TT-BTC, Mar. 25, 2015, to date , the draft Decree that revises and updates Decree 134/2016/NĐ-CP, has embraced this issue in ways that allow

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	according to Article 114.5, Circular 38/2015/TT-BTC: *"c.5) In case an entity or individual importing raw materials and supplies to make a product, and resell that product (either in the form of a final or semi-finished product) to another entity or individual that directly make or outsource export goods, once the latter has completed exporting the goods out of the country, the former may receive rebates of the tariff in proportion with the part the latter used to make the products and actually exported, while meeting the following criteria: the entity or individual selling the goods, and entity or individual buying the goods pay due value added taxes through an invoice-based method of collection; these entities or individuals have registered and have taxpayer identification numbers and sales invoices for the sales and purchases of goods between them;* *...* *c.8) An entity or individual importing raw materials and*	exemption/refund available. This is highly unreasonable, if not impracticable, as it affects delivery timeliness. Moreover, in fact, Article 1.4.2.c of the current draft amendment revising and updating Article 10, Decree 134, still allows **raw materials imported for use in outsourcing contracts and exportation as on-spot exports are entitled to duty exemption.** In this respect, given the intent of government Official Correspondence 4765/VPCP-KSTT that aims to ensure a level playing field between the two sectors, it will be very inconsistent if the revise decree retains such discrimination: **tax exemption for toll-manufacturing (processing) activities, while taxing export manufacturing.**		businesses that import raw materials and supplies intended for export production, then outsource one or more production steps and later take back the finished products for their own exportation to also be entitled to import duty exemption. However, no tax rebates are now available for indirect export production as previously the case with Article 114, Circular 38/2015/TT-BTC. (2) On the request for acceptance of tax rebate for re-exportation through internal exportation to a non-tariff zone that meets the requirements of Article 4.1, Import and Export Duty Law No. 107/2016/QH13, such tax rebate is warranted. However, internal exportation/importation between two domestic companies is not qualified for a tax rebate. *(In respect of this issue, GDC had Official letter 4532/TCHQ-TXNK,*

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	supplies to make a product and sell it to a foreign buyer, where the product is delivered to another Vietnam-based entity or individual as instructed by the foreign buyer, is entitled to rebates for the tariffs paid for the raw materials and supplies imported to make the exports: *c.8.2) In case a customs authority has collected duty when an entity or individual imports raw materials and supplies from another country into Vietnam, and later collects the duty on the products when they are sold as domestic exports to a local institutional or individual importer, the former may be considered for rebates of the paid duty for the raw materials and supplies imported, once the latter has paid the duty for the domestic imports (unless otherwise ruled for in paragraph c.8.1.1 of this section)."*			*Aug. 1, 2018, guiding Dong Nai province customs for application).* Recommended changes and updates to Decree 134/2016/NĐ-CP have been well heard by GDC and will be relayed to relevant authorities for consideration while Decree 134/2016/NĐ-CP is being revised.
4	**Updating the supplement customs declaration when errors are found** Sometimes a declarant may find some mistakes in the declaration form, but only when the filing or	The taxpayer is self-aware of the mistake and wants to voluntarily lodge an update declaration or revise	We would appreciate if GDC gives a solution for the said cases.	1. The case of a business purchasing goods from other countries and hand-carrying them in the country:

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	update time limit has passed, for example: • A company buying hand-carried goods from overseas forgot to register a customs declaration form. When this is discovered later, it wants to lodge an update declaration, but under Article 18.8b, Circular 38/2015/TT-BTC, the deadline for filing a customs declaration form has passed so it cannot file for declaration anymore: *"In respect of imports and exports, the submission of a customs declaration form must be done prior to the goods arriving at the point of entry, or within 30 days after the goods arrive at the point of entry."* • As raw materials and supplies run through the process of export manufacturing, a considerable amount may be lost or missing due to stocktaking mistakes, or sometimes while huge NG quantities turn up without sufficient data to back up the claim, resulting in a large gap	declaration before any audit or inspection decision, and accepts to pay the additional tax, penalty and late payment interests, if any, up until the time of revision. The current framework, however, has no rule governing update declaration like this case. So all the taxpayer can do is wait until the inspection or audit, which may be a while down the road, and until then, the back tax and penalty will be a sizable number, not to mention the taxpayer's compliance status will also be affected.		According to Article 25.1.b, Customs Law of 2014, on the deadline to lodge customs applications for imported goods, *"Declaration for imported goods shall be lodged prior to the goods arriving at the point of entry, or within 30 days after the goods arrive at the point of entry."* As indicated in this regulation, within 30 days after the goods arrive at the point of entry, the declarant must make customs declaration, and declaration beyond this 30-day deadline may be subject to punitive actions as defined by law. Since the question is not specific on how the goods are imported and does not come with supporting documents, the customs authority is not sufficiently informed to give an answer. We suggest that the proponent present necessary supporting documents for review by the customs authority and subsequent decision making.

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	between the real loss rate and standard rate in the company's system. The Company wants to voluntarily declare and pay additional taxes for this part of raw materials and supplies that were lost to mismanagement, so it can avoid being imposed taxes through tax audit or post-clearance audit, but the local customs and GDC could not provide the Company with a solution to do so. (Shindengen)			Also, - Article 60.4, Decree 08/2015/NĐ-CP, revised and updated through Decree 59/2018/NĐ-CP, establishes that: "Persons entering the country shall complete customs procedures for luggage sent before or after the trip in no later than 30 days after the luggage arrives at the point of entry". Article 4, Circular 120/2015/TT-BTC, Aug. 14, 2015, of the Ministry of Finance, providing on the template, printing, issuance, management and use of customs declaration forms used by persons entering and exiting the country (revised and updated through Circular 52/2017/TT-BTC, May 19, 2017), gives the following rules on filling in the customs declaration form as follows: "1. Persons entering and existing the country shall fill in the customs declaration form upon such entry or exit if the following applies:

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				a) They have luggage sent before or after the trip. b) They have import-to-export goods or export-to-reimport goods. c) They have dutiable goods - over 1.5 liters of liquor of 20 degree alcohol proof or more, or over 2 liters of under 20 alcohol proof degree liquor, or over 3 liters of alcoholic beverages; more than 200 cigarettes or more than 20 cigars or over 250 grams of tobacco; other items worth more than VND 10,000,000 …". - Article 59, Decree 08/2015/NĐ-CP, revised and updated through Decree 59/2018/NĐ-CP, establishes that: + Entering and exiting persons may surrender luggage for storage at point of entry customs and take it back upon their entry or exit. The luggage consignment time is no longer than 180 days after being placed in a customs storeroom (paragraph 5).

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				+ Entering and existing persons who carry goods that exceed the duty-free levels and fail to make customs declaration when passing customs checkpoints will all be deemed to be carrying illicit exports or imports, and be subject to penalization as defined by law (paragraph 2). As such, this question needs to be clearer on how the luggage is taken in or out, whether it is on the same trip or consigned, whether it has been taken out of the customs area or not, how declaration update is required, and so on, to be able to determine what misconducts are involved and how they can be dealt with by the law. 2. *Comments on complementary declaration and tax payment for missing materials and supplies due to mistallying, or excessive goods damages without supporting data backing up such loss, resulting in a big gap between the actual loss and*

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				the standard loss defined by the subject company's system: According to Article 55, revised and updated through Article 35, MOF Circular 39/2018/TT-BTC. Apr. 20, 2018: - A production norm refers to the quantity of raw materials and supplies actually used to make or produce a unit of export products. - Entities and individuals are responsible to retain data and supporting documents required to determine the production norm and notify this norm for produced outputs **by the fiscal year** to the customs authority when they make tax filing as per Article 60.2, Circular 39/2018/TT-BTC. - However, for manufactured products that by the end of the fiscal year, do not come up with finished products, the entities and individuals in question are not required to file in

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				the production norm when they make tax filing (e.g. outsourcing, building, exporting ocean vessels that is expected to complete in three years can file production norms in the third fiscal year). For any materials for which product-based norms are unavailable, the entities and individuals in question must retain supporting documents related to the use of the materials, and reflect that in their finalization reports for production-entry-inventory for the materials. According to Article 1.39, Circular 39/2018/TT-BTC, businesses must file a finalization report to the customs office no later than the 90th day after the end of the fiscal year. Within 60 days since the filing of the finalization report, changes and updates to such report may still be made if any mistakes are found, and the report can be submitted again to the customs office.

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				Given the abovementioned rules, the quantity of materials and supplies entering, existing and in stock is determined based on the company's real production norms. These data must be reported to the customs office by the fiscal year. Within 60 days after filing the finalization report and before release of ruling for audit of the finalization report, changes and updates can be made to the finalization report if any mistakes are found, and the report can then be lodged again with the customs. As such, since June 5, 2018 when Circular 39/2018/TT-BTC was in effect, there should be no more problem on the gap between the actual materials and supplies in production and book data reported to the authority. We suggest businesses rely on prevailing regulations for application.
5	**Request for waiver of penalties on retrospective tax imposition**			This case has been advised on by the Prime Minister's through Letter

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	relating to inconsistent policies of the customs authority The policies and implementing documents of the customs authority over time may have some inconsistency, and as a consequence, even compliant taxpayers who did everything as told are subject to back tax claims and penalty. To be specific, as Coca-Cola Co. applied special tariff rate under ATIGA for its on-spot imports with C/Os Form D, the declaration forms were accepted and stamped off by the customs office without any question asked throughout the clearance process. But as the policies changed, the customs authority later ruled that the company could not apply the FTA tariff rates from Sep. 1, 2016, which results in the additional tax obligation. In addition to the additional duty claim, the company was also requested to pay penalty and the late payment interests.	In case the correct name of goods and HS codes were declared, valid C/Os were provided, and the customs office stamped off for clearance, it means the tariff rates used by the imported was accepted. The misapplication of the tariff rates was found later, and the importer already accepted paying the additional tax amount. However, imposing the penalty in this case is unreasonable because the additional tax obligation occurred due to the customs authority's failure to keep the declarant correctly informed since registration of the declaration form, whereas it also accepted the tariff rates listed by the importer, and not because it was a wrongdoing by the importer.	The additional tax obligation emerges as a result of the inconsistency on the customs authority's side. As such, we suggest that the customs authority waives the company from paying penalty and late payment interest in this case.	3263/VPCP-KTT, Apr. 10, 2018, requesting back tax collection as stated in this letter. Pursuant to the Tax Administration Law No. 78/2006/QH11, Nov. 29, 2006; Amendments to specific provisions of the Tax Administration Law No. 21/2012/QH13, Nov. 20, 2012; Law No. 106/2016/QH13, Apr. 16, 2016, of the National Assembly, revising and updating the Value-added Tax Law; Civil Penalty Law No. 15/2012/QH13; and Decree 45/2016/NĐ-CP, revising Decree 127/2013/NĐ-CP, on civil penalty in customs practices, collection of back taxes, delayed taxes and imposing civil penalty are lawful actions to be taken. - On Sep. 5, 2018, the General Department of Customs (GDC) released Official letter 5174/TCHQ-GSQL (attached), providing implementing guides for Coca-Cola Vietnam Co. GDC (Management

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				Supervision Administration) is making submittals to relevant authorities for review and decision making in accordance with prevailing rules. For the time being, in the absence of specific guidance, the company is suggested to act upon GDC Official letter 5174/TCHQ-GSQL, Sep. 5, 2018. - Legally speaking: + As ruled in Article 18.2.c, Customs Law, customs declarants are accountable to the law for the reliability of the declared information, as well as lodged and presented documents. + Article 19.2, Customs Law, rules that customs officials are responsible to provide instructions and support to customs declarants and relevant entities and individuals when requested. This means that customs officials only offer such instructions and support when so requested by declarants, rather than

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				having to do this as an obligation in a customs procedure. Furthermore, given the current rights and obligations of customs declarants, requesting help from the customs office should be done before making customs declaration. + Article 7, Tax Administration Law, sets forth a number of taxpayer's obligations. Of these, Article 7.2 specifies that*: "Making accurate, truthful and complete tax declarations and paying taxes on time; being accountable to the law for the reliability, truthfulness and completeness of tax filings"*; while paragraph 3 says: *"Paying taxes in full, on time and at the right place".* In this respect, if a taxpayer fails to fulfill the aforementioned obligations, resulting in them paying less tax money than they are supposed to pay, or being entitled to more tax exemption, reduction, rebate or waiver than they should have, or tax evasion and fraud, civil

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				penalty for tax-related misconducts under Article 8 or Article 13, Decree 127/2013/NĐ-CP, revised and updated through Decree 45/2016/NĐ-CP will apply.
7	**Exemption of Environment protection tax (EPT) for export manufacturing scheme in the same manner as toll-manufacturing scheme** Under Clause 2.4, Article 2, 152/2011/TT-BTC: *„2.4. Goods exported abroad directly by producers (including processors) or exporters as entrusted, unless organizations, households and individuals purchase goods subject to environmental protection tax for export."* This provision was amended at Article 2, Circular 159/2012/TT-BTC as follows: *"2.4. The goods directly exported to abroad by the producer (including exported goods made of imported materials) or exported by an authorized trader, the customs shall not collect environment protection*	The differentiation in EPT exemption between export manufacturing and toll-manufacturing is not practical, creating discrimation between the two manufacturing scheme while both are: - Subject to duty and VAT exemption at importation - Manufacturing process is carried out in Vietnam and the final outputs are exported	Propose to amend tax policy on EPT so that export manufacturing and toll-manufacturing are treated equally.	*Request for review and modification of environmental protection rules for imported goods intended for outsourcing manufacture such imported goods to make export goods, so that similar treatment applies:* Imported goods for use in outsourcing operations are not subject to environmental protection taxes as per Article 2.2.4, Circular 152/2011/TT-BTC; Article 2, Circular 159/2012/TT-BTC; and Official letter 1199/BTC-TCT, Jan. 30, 2012, of the Ministry of Finance. Nevertheless, imported goods to make export goods (which are duty free) are still subject to environmental protection taxes. This means that environmental protection tax liabilities between

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	tax on the exported goods and imported materials. *If the goods subject to environment protection tax is purchased by a organization, household, or individual for exporting, the producer must make declaration and pay environment protection tax when selling goods."* According to the above: - Goods imported to manufacture exports (exempted from import duty) are subject to EPT - Goods imported for toll-manufacturing after which finished goods are exported are not subject to EPT.			imported goods for outsourcing uses and imported goods to make export goods currently vary. GDC duly takes notes of the above concern and will refer the issue to the Ministry of Finance for review and potential amendment of relevant normative regulations on environmental protection taxes. For the time being, businesses are suggested to follow the rules of available existing regulations.