

Update on new regulations and some important policies on Customs

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In this newsletter, Grant Thornton Vietnam would like to update our valued customers on important Customs policies that have been issued recently.

- 1 Circular 10/2022/TT-BCT amending and supplementing the Circular on the Rules of Origin under the ASEAN Trade in Goods Agreement
- 2 Circular 31/2022/TT-BCT promulgating of Vietnam's Nomenclature of Exports and Imports
- 3 Official Letter 2054/TCHQ-GSQL on usage of e-invoices for export goods
- 4 Official letter 2426/TCHQ-TXNK providing guidance on classification of product code (HS code) for non-woven fabrics

1. Circular 10/2022/TT-BCT amending and supplementing the Circular on the Rules of Origin under the ASEAN Trade in Goods Agreement

On 1 June 2022, the Ministry of Industry and Trade issued Circular 10/2022/TT-BCT amending and supplementing the implementation of the Rules of Origin under the ASEAN Trade in Goods Agreement. Accordingly, 03 appendices issued under Circular 19/2020/TT-BCT were abolished, Circular 10/2022/TT-BCT introduces 03 appendices to replace some articles of Circular 22/2016/TT-BCT including:



Appendix I – Issuance and verification of C/O



Appendix II – Specimen of C/O Form D



Appendix III – Guidelines for completing C/O Form

Although the Circular takes effect from 16 July 2022, enterprises should notice that C/O Form D as prescribed in Appendix II, Circular 19/2020/TT-BTC shall be issued until the end of 31 October 2022. From 1 November 2022, enterprises are required to use appropriate C/O Form to ensure the application of C/O Form being accepted by Customs Authorities in prevention of abrogation of preferences.



2. Circular 31/2022/TT-BCT promulgating of Vietnam's Nomenclature of Exports and Imports

An update on Vietnam's Nomenclature of Exports and Imports to be more appropriate to the current situation, on 8 June 2022, the Ministry of Finance issued Circular 31/2022/TT-BTC to replace Circular 65/2017/TT-BTC and Circular 09/2019/TT-BTC on Vietnam's Nomenclature of Exports and Imports. Accordingly, Vietnam's Nomenclature of Exports and Imports issued together with this Circular includes 02 appendices:

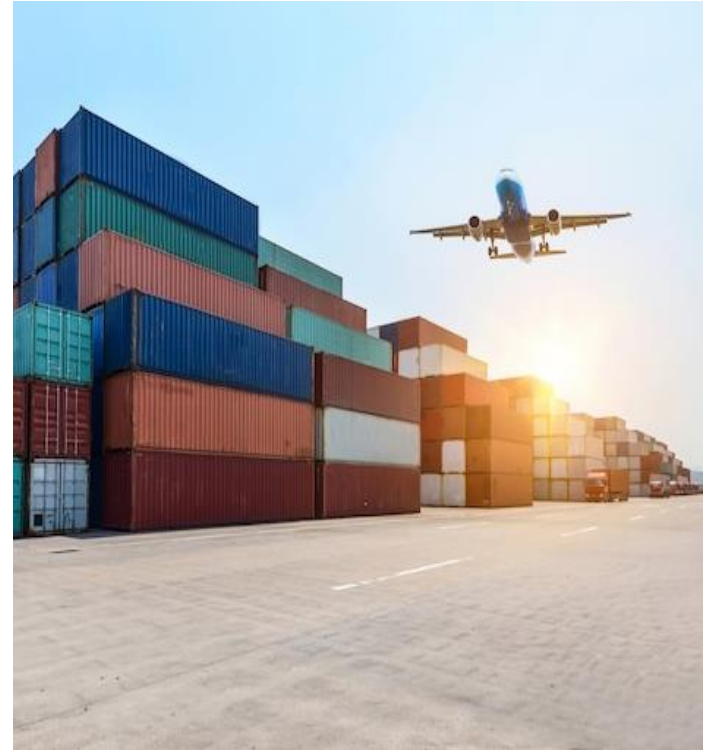


Appendix I – Vietnam's Nomenclature of Exports and Imports.



Appendix II – Six (6) general rules explaining the classification of goods according to Vietnam's Nomenclature of Exports and Imports based on the Harmonization System of description and encryption of goods of the World Customs Organization

Generally, Circular 31/2022 specifically mentioned the name and description of goods in the nomenclature and comes into force from 1 December 2022. In the next 4 months before applying of Vietnam's Nomenclature of Exports and Imports according to Circular 31/2022, enterprises are encouraged to research in advance to apply correct classification of goods pursuant to regulation in prevention of applying incorrect Vietnam's Nomenclature of Exports and Imports.



3. Official Letter 2054/TCHQ-GSQL on usage of e-invoices for export goods

Responding to the inquiry of taxpayers regarding the issuance of e-invoices for exported goods/ services when enterprises implement e-invoices according to Decree 123/2020/ND-CP. On 3 June 2022, the General Department of Customs issued Official Letter 2054/TCHQ-GSQL guiding enterprises on the use of commercial invoices and electronic VAT invoices for exported goods/services, details as follows:

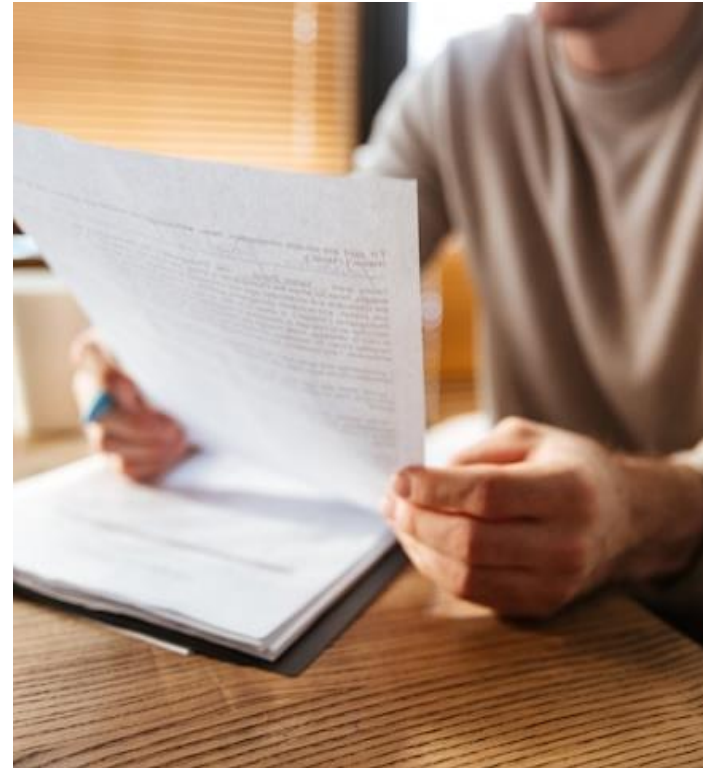


For exporting goods, enterprises shall issue both commercial invoices in accordance with international trading practice (exported goods) and electronic VAT invoices (exported goods and services) to ensure the compliance with tax customs laws of Vietnam



Commercial invoices shall be issued before customs clearance, while the related electronic VAT invoices are issued when the exporter completes customs declaration procedures

Therefore, to ensure compliance with tax laws as well as international trade practices/customs declaration regulations, enterprises need to issue both types of invoices as prescribed. Enterprises are recommended to make a reconciliation between commercial invoices and electronic VAT invoices, not only to ensure completeness and satisfaction of export dossiers but also to serve declaration requirements of VAT and corresponding tax refund.



4. Official letter 2426/TCHQ-TXNK providing guidance on classification of product code (HS code) for non-woven fabrics

On 21 June 2022, the General Department of Customs issued Official Letter 2426/TQH-Q-TXNK of guiding the declaration of HS code for non-woven fabrics. In this regard, the Official Letter has some points as follows:



Taxpayers shall base on technical analysis documents, manufacturer's composition analysis, actual goods in order to declare information of goods such as: whether non-woven fabrics are made from artificial filament or staple fiber or other fibers or yarns, whether they are coated or pressed, color, weight, size... and compare with the Description on the list of Vietnamese imports and exports to declare the appropriate code



For any goods which need to be identified with HS code, enterprises shall collect the results of the analysis of the compositions of goods/materials and compare them with the list of exported and imported goods (from 1 December 2022, Circular 31/2022/TT-BTC shall be applied) to avoid errors affecting import tax rates



Contact

Please study the newly issued regulations and review the internal compliance procedures in order to comply with the regulations on customs tax as well as reduce errors in the process of filing and preparing documents that could lead to additional tax obligations or administrative penalty.

Please contact the experts of Grant Thornton Vietnam for in-depth advice if you have any inquiries during the implementation of tax and customs compliance.

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