



Vietnam NewsBrief

An update on Value Added Tax (“VAT”)

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VAT REFUND FOR FOREIGN VISITORS

The Government has recently issued Decision No. 05/2012/QĐ-TTg to implement a pilot project allowing VAT refunds for foreigners departing Vietnam from Noi Bai and Tan Son Nhat international airports.

The goods must meet the following conditions to qualify for VAT refund:

- They are unused goods that have been subject to VAT and which are allowed as carry-on or checked baggage in accordance with aviation security and safety regulations;
- The goods are not in the list of goods subject to export prohibition or restriction;
- Invoices are issued within 30 days prior to departure; and
- Total value of goods purchased at one store in one day is at least VND 2 million.

The refund only applies to goods purchased from companies which register with and are approved by the Ministry of Finance to sell goods entitled to VAT refund.

The VAT refund application and the relevant goods will be reviewed/checked by customs officers at the airport. After the application is approved, the VAT will be refunded by commercial bank booths located inside the airport.

Foreigners claiming VAT refund will be charged a fee not exceeding 15% of the refunded amount.

The pilot project will be effective from 1 July 2012 to 30 June 2014.

Please contact us if you would like to discuss further.

This publication is intended for general guidance only and should not form the basis of specific decisions. Please contact us for further information and details of our services. In Ho Chi Minh City: contact David Fitzgerald, Richard Irwin or Richard Marshall (Tax), Phan Thi Thuy Duong or Veera Mäenpää (PwC Legal), Masako Tsunoi (Japanese Business), Seong Ryong Cho (Korean Business), Bee Han Theng (Asian Chinese Business Services), Ian Lydall, Richard Peters, Quach Thanh Chau (Audit), Stephen Gaskill (Advisory) at phone (84-8) 38230796, fax (84-8) 38251947. In Ha Noi: contact Dinh Thi Quynh Van (Tax), Le Anh Tuan (PwC Legal), Satoshi Inoue (Japanese Business), Nguyen Phi Lan (Audit) at phone (84-4) 39462246, fax (84-4) 39460705.