

## *PwC Vietnam NewsBrief*

# *Duty/VAT waiver on actual materials in stock of Export Processing Enterprises*

Export Processing Enterprises (EPEs) often experience customs issues resulting from discrepancies in liquidation of their imported materials.

On 24 July 2015, the General Department of Customs (GDC) issued Official letter 6790/TCHQ-TXNK (OL 6790) to instruct Long An Customs Department not to impose import duty and VAT on the actual amount of materials in stock at EPE's warehouses exceeding the amount of materials declared in the customs liquidation report. However, if EPEs have sold those materials to the domestic market or have tax evasion actions, Customs Department would impose additional duty/VAT and related penalties.

This OL suggests that redundant materials in stock of EPEs are still not subject to import duty/VAT.

