

# New regulation guiding the Law on export and import duties released

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On 11 March, the Government issued Decree 18/2021/ND-CP amending and supplementing some articles of Decree 134/2016/ND-CP guiding the Law on export and import duties.

Under Decree 18, materials imported under contract manufacturing models are eligible for import duty exemption even when the materials are sent to local vendors for processing. However, the import duty exemption is only granted if the production of the exported goods is partially outsourced or a portion of the imported materials are sent to local vendors for processing and the importers fulfill relevant customs procedures.

A new provision relating to EPEs is also added in Decree 18. In order to be eligible for the import duty exemption on imported goods, EPEs must have hard fences separating the EPEs from outside areas, and must have entrances/exits and ensure that any goods brought in and out of the EPEs go through these entrances/exits. EPEs are also required to have camera systems that can observe the entrances/exits and goods storage areas at all times. The camera images must be retained for 12 months and the camera systems must be connected to the in-charge customs authority's system. Software monitoring the usage of the duty-exempt imported goods is required too.

In addition, Decree 18 makes some changes to duty exemption and duty refund procedures.

Decree 18 takes effect from 25 April. Companies can find further details on Decree 18 posted on the Government's portal.

## Contact us – PwC Customs team

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**Nguyen Thanh Trung**

Partner

+84 28 3823 0796 Ext. 1513

[nguyen.thanh.trung@pwc.com](mailto:nguyen.thanh.trung@pwc.com)



**Nguyen Huong Giang**

Partner

+84 24 3946 2246 Ext. 1502

[n.huong.giang@pwc.com](mailto:n.huong.giang@pwc.com)



**Pham Van Vinh**

Director

+84 28 3823 0796 Ext. 1503

[pham.van.vinh@pwc.com](mailto:pham.van.vinh@pwc.com)



**Nguyen Hong Son**

Director

+84 28 3823 0796 Ext. 1527

[nguyen.hong.x.son@pwc.com](mailto:nguyen.hong.x.son@pwc.com)

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