PwC Vietnam Newsbrief

EPEs that fail to meet customs inspection and supervision requirements are not eligible for non-tariff zone tax treatment

August 2026

At a glance

On 7 August, the Customs Department issued Official Letter no. 20010/CHQ-GSQL in response to inquiries raised by Regional Customs Branch IV regarding the application of tax policies to export processing enterprises ("EPEs") that no longer satisfy one or more customs inspection and supervision requirements applicable to non-tariff zones.

Details

Pursuant to Article 28a of Decree no. 134/2016/ND-CP (as supplemented by Decree no. 18/2021/ND-CP), EPEs are entitled to tax treatment applicable to non-tariff zones provided that they satisfy the prescribed customs inspection and supervision requirements. These requirements include:

- Maintaining a physical fence separating the enterprise from the surrounding area;
- Operating a 24/7 camera surveillance system at goods storage locations, with data connected to and accessible by the customs authority; and
- Having a software system for managing goods eligible for non-taxable treatment in accordance with applicable regulations.

In Official Letter no. 20010/CHQ-GSQL, the Customs Department referred to Clause 3, Article 23 of Decree no. 96/2026/ND-CP guiding the Law on Investment, which provides: *“3. During the period in which investment incentives are enjoyed, if an investment project fails to satisfy the conditions for such incentives for a certain period of time, the investor shall not be entitled to the investment incentives for the period during which the conditions are not met.”*

Based on the above provisions, the Customs Department took the view that where an EPE no longer meets the customs inspection and supervision requirements, it will no longer qualify for the tax treatment applicable to non-tariff zones during the period in which such requirements are not met.

Notably, the Official Letter also refers to regulations requiring the filing of a new customs declaration in certain cases where the non-taxable status or applicable tax treatment changes after goods have been cleared or released, indicating that the customs authority is considering the tax implications arising from an EPE's failure to maintain the conditions required for non-tariff zone treatment.

The Customs Department further requested Regional Customs Branch IV to review each case based on its specific facts and circumstances, determine the period during which the EPE failed to satisfy one or more customs inspection and supervision requirements, and handle the matter within its authority.

Contact us

This publication has been prepared for general guidance on matters of interest only and does not constitute professional advice. For further information, please reach out to us.

Nguyen Huong Giang

Partner

n.huong.giang@pwc.com

Pham Van Vinh

Director

pham.van.vinh@pwc.com

Nguyen Thi Giang

Manager

nguyen.thi.giang@pwc.com

Nguyen Thi Thu Ha

Director

nguyen.thu.ha@pwc.com

www.pwc.com/vn