

PREMIERE LOGISTICS

newsletter

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PARTNERSHIP & COOPERATION AGREEMENT BETWEEN VIETNAM AND EUROPE

Vietnam and EU partnership and Cooperation Agreement, is a milestone and a vivid Manifestation of the comprehensive and far reaching development of the Viet Nam – EU relations over the past 20 years, elevating the bilateral relations to a new high of equal partnership and comprehensive cooperation in commensurate with the deepened unification and enhanced role of the EU in the 21st century as well as the growing stature of Viet Nam after 25 years of successful reforms and international integration.

The EU has become one of Viet Nam's leading partners in many areas, especially development cooperation, trade and investment, making worthy contribution to the cause of national development and international integration of Viet Nam.

The PCA also creates important premises for Viet Nam and the EU to engage in negotiations of a Free Trade Agreement (FTA) and work closely towards early recognition of Viet Nam's market economy status.



VIETNAM – EUROPEAN UNION RELATIONS

Overview

- 1990:** Vietnam and European Communities officially established diplomatic relations.
- 1992:** Vietnam and European Communities signed textile agreement.
- 1995:** Vietnam and European Community signed Vietnam – EC framework cooperation agreement.
- 1996:** European Commission set up its Permanent Delegation to Vietnam.
- 1997:** Vietnam joined ASEAN – EU cooperation agreement.
- 2003:** Vietnam – EU human rights dialogue was launched.
- 2004:** First Vietnam – EU Summit in Hanoi.
- 2005:** Vietnam adopted a Master Plan and Action plan in developing Vietnam – EU relations towards 2010 and orientations towards 2015.

2008: the negotiation on Framework Agreement on Comprehensive Partnership and Cooperation (PCA) was launched.

2010: Vietnam – EU PCA was initialled.

2012: Vietnam – EU PCA was officially signed and negotiation of Vietnam – EU Free Trade Agreement (FTA) was launched. Since the establishment of diplomatic relations, and building on the bilateral relations of EU member states, Vietnam-EU relations have developed rapidly and vigorously. The EU has become one of Vietnam's key partners in many areas, especially economic, trade and investment, contributing actively to Vietnam's socio-economic development and international economic integration.

DUTY & TAXES IN VIETNAM

Import and Export Duties

Under the Law, all goods which are exported or imported across Vietnamese borders, or pass between domestic market and a non-tariff zone and vice versa are subject to export or import duty except goods in the following circumstances:

- Goods in transit;
- Humanitarian and grant aid goods;
- Goods exported abroad from a non-tariff zone, goods imported from abroad into a non-tariff zone for consumption there, and goods passing between non-tariff zones;
- Oil and gas exports which are subject to natural resources royalties.

Because export duty is charged on a few items; therefore, the summary of the Law hereinafter refers to import duty only.

Other taxes

Apart from import duty, imports may be subject to one of the following taxes:

- Safeguard taxes as provided in the law on self-protection in import of foreign goods,
- Anti-dumping duty as provided in the law against dumping of imports into Vietnam,
- Countervailing duty as provided in the law against subsidized imports, or
- Anti-discriminatory tax applicable to goods originated from countries/territories where Vietnamese products are discriminated.

Exemption

Duty is exempted for imports in the following circumstances:

- Goods temporarily imported for participation in trade fairs, exhibitions, and introduction of products that will be re-exported thereafter;
- Machinery, equipment and professional tools which are temporarily imported in order to service work within a specified period and will be re-exported thereafter;
- Goods imported for processing for a foreign party which are then exported pursuant with the processing contract;
- Goods imported in order to form fixed assets of encouraged investment projects or ODA-funded projects, comprising:

Rates and Dutiable Value

Under the new Law on Export and Import Duties, the import duty rates are classified into three columns:

- 1) Preferential rates (MFN rates), special preferential rates (such as the rates applicable to the imports from ASEAN Free Trade Area member countries) and standard rates. The standard rate is equal to 150% of the preferential rate for the same goods. To be eligible for the preferential or special preferential rates, the imported goods must be accompanied by an appropriate Certificate of Origin ("C/O"). Without such a C/O or when goods are sourced from non-preferential treatment countries, the standard rate is applied.
- 2) The current average MFN import duty rates are 23.5% for agricultural produce, and 16.6% for industrial products. Vietnam has committed to reduce these average rates to 21% and 12.6% respectively within five years after the country becomes a WTO member.
- 3) In addition to ad valorem rate, which is a percentage of value of the merchandise and most often applied, absolute duty, which is a specified amount per unit of weight or other quantity, may also be applied to certain goods. Currently, used passenger cars fewer than 16 seats are subject to absolute tax.

Generally, dutiable value for imports will be the transaction value for the delivery of the goods to the first Vietnamese border-gate pursuant to the contract

Declaration and Payment

Businesses are responsible for declaring, calculating and paying duties on their own.

For imported consumer goods (as specified by the Ministry of Trade), import duty must be paid prior to receipt of the goods; in a case where the payment of import duty is guaranteed by a credit institution, the time-limit for duty payment will be the term of the guarantee, but not longer than 30 days as from the date of duty declaration; for goods which may be considered for duty exemption, the time limit is 30 days from the date of duty declaration.

For raw materials and supplies imported for the manufacture of export goods, import duty must be paid within 270 days from the date of duty declaration; in certain cases, the General Department of Customs may consider the request of importers to allow a longer time limit for payment of import duty consistent with the manufacturing cycle.

For goods temporarily imported for re-export, duty must be paid within 15 days as from the expiry of the period allowed for temporary import.
For other goods, import duty must be paid within 30 days from the date of duty declaration.

Import duty will be paid in Vietnamese Dong based on the average inter-bank exchange rate published by the State Bank on the date of duty declaration.

IMPORTANT !!

If goods imported with duty exemption are used for some other purpose than that for which duty is exempted, then full duty must be paid.

Reduction

Imported goods which are damaged or lost in the process of supervision by the customs office, and where such loss are certified by the competent body or organization, will be considered for duty reduction corresponding to the ratio of the actual loss.

Refund

Duty will be refunded in the following cases:

- Imports for which duty has already been paid and which are stored or retained at the border-gate under supervision of the customs office, and which are to be re-exported;
- Imports for which duty has already been paid but which are not in fact imported;
- Goods for which duty has already been paid but the actually imported quantities are smaller;
- Raw material and material imported for purpose of export manufacturing for which duty had already been paid before the actual export of the manufactured goods;
- Goods which are temporarily imported and then re-exported for which duty has already been paid;
- Imports for which duty has already been paid where such goods must be re-exported;
- Machinery, equipment, tools or means of transportation belonging to an organization or individual which has been permitted to temporarily import such items for re-export in order to implement an investment project, to construct building works, to install and assemble building works, to service manufacture or for another purpose and for which duty has already been paid.
- Overpaid duty due to incorrect duty declaration or calculation if the mistake occurred within a period of 365 days prior to the date when the mistake was detected.

The time limit for duty refund is 15 days as from the date of receipt of a complete application requesting a refund of duty.

Import duty & taxes when importing into Vietnam

Overview

Import duty and taxes are due when importing goods into Vietnam whether by a private individual or a commercial entity. The valuation method is CIF (Cost, Insurance and Freight), which means that the import duty and taxes payable are calculated on the complete shipping value, which includes the cost of the imported goods, the cost of freight, and the cost of insurance. In addition to duty, imports are also subject to VAT and Special Sales Tax.

Sales Tax

VAT is levied on imports at a standard rate of 10% calculated on the sum of the CIF value and applicable duty.

Minimum thresholds

Imports with a CIF value up to 1,000,000 Dong are exempt from duty. VAT and Special Sales Tax may still apply.

Other taxes and custom fees

Special Sales Tax may apply to some products at rates between 10% and 65%.

WE HOPE YOU FIND THE INFORMATION USEFUL FOR ANY ENQUIRIES ABOUT VIETNAM DUTY AND TAX

Dragon Boat Festival 2015

Dragon Boat Festival, also known as Duanwu Festival, is a traditional and important celebration in China. Dragon Boat Festival 2015 falls on June 20 (Saturday). China will have a day of public holiday on the following Monday (June 22).

Dragon Boat Festival Facts.

Chinese: start [of the] fifth traditional solar month [June 6 to July 6] festival'

Date: month 5 day 5 of the Chinese lunar calendar

History: over 2,000 years

Celebrations: dragon boat racing, health-related customs, honoring Qu Yuan and others

Popular festival food: sticky rice dumplings

What Is China's Dragon Boat Festival?



Colorfully-painted dragon boats

It's a folk festival full of traditions and superstitions, maybe originating from dragon worship; an event on the sporting calendar; and a day of remembrance/worship for Qu Yuan, Wu Zixu, and Cao E.

The festival has long been a traditional holiday in China. On May 20th 2006 it was selected into the first batch of National Intangible Cultural Heritage items. In 2008 it was first celebrated as a public holiday in China. And on October 30th 2009 it was added to the UNESCO World Intangible Cultural Heritage List.

WHAT CUSTOMS DO CHINESE OBSERVE FOR DUANWU?

Duanwu Festival is a folk festival celebrated for over 2,000 years, when Chinese people practice various customs thought to dispel disease, and invoke good health.

During the festival, many activities and customs are practiced by people in China and even in nearby countries. Some of the most traditional ones include dragon boat racing, eating sticky rice dumplings (*zongzi*), hanging Chinese mugwort and calamus, drinking realgar wine, and wearing perfume pouches.

Now many of the customs are disappearing, or no longer observed. You are more likely to find them practiced in rural areas.

Drinking Realgar Wine

There is an old saying: 'Drinking realgar wine drives diseases and evils away!' Realgar wine is a Chinese alcoholic drink consisting of fermented cereals and powdered realgar.

In ancient times, people believed that realgar was an antidote for all poisons, and effective for killing insects and driving away evil spirits. So everyone would drink some realgar wine during Duanwu Festival.

Eating Sticky Rice Dumplings

Zongzi is the most traditional Dragon Boat Festival food. It is related to Qu Yuan commemoration, as the legend says that lumps of rice were thrown into the river to stop fish eating his drowned body.

They are a kind of sticky rice dumpling made of glutinous rice filled with meats, beans, and other fillings, wrapped in triangle or rectangle shapes in bamboo or reed leaves, and tied with soaked stalks or colorful silky cords. The flavors of *zongzi* are usually different from one region to another across China.



STICKY RICE DUMPLING



PERFUME POUCHES

WEARING PERFUME POUCHES

Perfume Pouches

Before Dragon Boat Festival arrives, parents usually prepare perfume pouches for their children. They sew little bags with colorful silk cloth, fill the bags with perfumes or herbal medicines, and then string them with silk threads. During Dragon Boat Festival perfume pouches are hung around kids' necks or tied to the front of a garment as an ornament. The perfume pouches are said to protect them from evil

HOW DID DRAGON BOAT FESTIVAL START?



Competitors are paddling hard in a dragon boat race.

There are many legends about the origin of the Dragon Boat Festival. The most popular one is in commemoration of Qu Yuan.

Qu Yuan (340-278 BC) was a patriotic poet and exiled official during the Warring States Period of ancient China. He drowned himself in the Miluo River on the 5th day of the 5th Chinese lunar month, when his beloved Chu State fell to the State of Qin.

Local people desperately tried to save Qu Yuan or recover his body, to no avail. In order to commemorate Qu Yuan, every fifth day of the fifth lunar month people beat drums and paddle out in boats on the river as they once did to keep fish and evil spirits away from his body.

See YOU



next Month