

Based on information collected up to December 2003

1. TARIFF MEASURES

Structure of the tariff schedule

Vietnam applies a six-digit tariff nomenclature basically corresponding to the Harmonized Commodity Description (HS 96) as of 1 January 2000. Some sub-headings are further elaborated at an eight-digit level for tariff and statistical purposes. Vietnam will fully comply with the HS Convention within a 5-year period. The three-tiered tariff schedule consists of normal tariffs, MFN tariffs and preferential tariffs.

In line with AFTA (Asean Free Trade Agreement), Vietnam is converting its current 6-digit tariff nomenclature into 8-digit system, i.e. the Asean Harmonized Tariff Nomenclature (AHTN), which is based on the World Customs Organization's HS2K.

Tariff publications

Current information on customs related matters is available from General Department of Customs, 51 Nguyen Van Cu, Gian Lam, Hanoi, Vietnam.

11 Statutory Customs Duties

Customs tariff rates are set by Decision No. 280/ttg of 25 April 1994 and are amended according to international changes; tariff rates range from 0 to 60%.

Three kind of tariff rates apply to imported goods:

- Ordinary tariffs apply to goods originating from countries that have not exchanged normal Trade Relations (NTR) agreements with Vietnam;
- The Preferential Tariffs are set on goods imported from countries having NTR status with Vietnam; and
- The Special Tariffs apply to goods imported from countries having exchanged special preferential tariffs agreements with Vietnam, e.g. ASEAN member countries.

With reference to 1 of September 2003 governmental decision, tax rates covering sensitive products such as automobiles, used cars and special purpose vehicles, are higher in order to protect local industries. The new list comprising 10,721 tariff lines compared to the 6,512 lines of 1995, is based on the HS 2002 classification of WCO and the ASEAN Harmonized Tariff Nomenclature.

As of 6 May 2003 import duty on fuel has been adjusted to be higher, levying at 30% the following goods: light oil and some preparations such as leaded or lead-free motor petrol, naphtha, reformat and preparations for blending petrol. A rate of 15% applies to kerosene, diesel oil and other types of fuel; as the adjustment has added petroleum oil and oil obtained

from bituminous minerals to the list of dutiable goods, crude oil is levied at 15%, condensate oil at 5% and other oil in crude form at 15%.

Imports of garments, footwear, soft drinks, cosmetics and automobiles are levied at duties ranging from 50% to 60%.



12 MFN Duties

MFN tariffs apply to goods originating from countries, which have MFN trade agreements with Vietnam. MFN rates equal to 50 per cent less than normal tariff rates.

Exceptions to MFN treatment cover special treatment granted to other countries within free trade areas such as AFTA or NAFTA, and special procedures for border trade.



16 Temporary reduced duties

Materials and semi-processed products generally used as input materials for business manufacture that cannot be made domestically is exempt from import duty as regulated in Art. 1 of Prime Ministerial Decision No. 176/1999/QD-TTg of 26 August 1999.

The new Foreign Investment Law of May 2000 repeats the import duty exemptions already promulgated in Decree 10 and decree 12. In addition, raw materials and materials, and components imported for manufacturing purposes for especially encouraged investment projects and projects implemented in difficult socio-economic conditions will be exempted from import duties for a period of five years after the commencement of production activities.

Materials and products imported for producing export products receive import duty reductions in proportion to their percentage in export products. The procedure for import tax reduction is outlined in the Law on Import-Export Tax of 26 December 1991 and its implementing Decree No. 54/CP of 28 August 1993.

Goods intended for educational and scientific use, training and research purposes, or national security and defence are eligible for reduced rates of import duties.

As of 1 September 2003, the government has enacted a new list of preferential tariffs, reducing the duties to 15 rates ranging between 0 and 100% with an expanded tax base.

Duty exemption is set on goods imported temporary for exhibition, at the end of which they must be re-exported.

Are generally exempted from import duty levies, imports of machinery, equipment, and medicine.



Preferential duties under trade agreements

19.2 Regional and sub-regional agreements

The Association of South-East Asean Nations (ASEAN) decided in 1992 to establish an ASEAN Free-Trade Area (AFTA) by the year 2008, later brought forward to 2003 for the six original founding members of ASEAN,

Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore, and Thailand. Vietnam joined in 1995, Laos and Myanmar in 1997, and Cambodia in April 1999. In December 1998, the ASEAN members decided to accelerate the completion of the ASEAN Free-Trade Area. In this regard, the six original founding members would advance their tariff reductions to 0-5% from 2003 to 2002. Vietnam would implement its tariff reductions to 0-5% by 2003, and Laos and Myanmar by 2005. In September 1999, the Protocol on special agreement on sensitive and high sensitive agricultural products was signed, according to which, Vietnam committed to reduce tariff rates for such products to 0-5% by 2013. The sensitive products of ASEAN countries include mainly poultry and swine products, coffee, tea, copra, manioc and rice.

In the year 2015, final reductions will be achieved by Vietnam, Cambodia, Lao People's Democratic and Myanmar. Since 1 of January 2003, the ASEAN countries have announced the abolishment of tariffs on 60 per cent of traded goods and the introduction of a 5% on import tariffs within its six original members, i.e. the Philippines, Brunei, Indonesia, Malaysia, Singapore, and Thailand. Products affected essentially by this measure are electronic products, machinery items and petrochemicals. Goods excluded from the tariff reduction agreements are goods of key industries in some of the member countries; for example, the Philippines and Indonesia will delay the 5% cap on sugar and petroleum, and Malaysia will shelve the cap on car imports, until 2005. As for the four ASEAN's latecomers i.e. Vietnam, Cambodia, Lao People's Democratic Republic and Myanmar, they will introduce the 5% tariff cap only in 2010.

ASEAN member states decided, in December 1998, to expand access to the 1996 Basic Agreement on the ASEAN Industrial Cooperation (AICO) Scheme, which promotes joint manufacturing industrial activities between ASEAN-based companies. AICO provides tariff preferences on inputs sourced in the region.

The eight ASEAN summit was held in Phnom Penh, Cambodia, from 4 to 6 November 2002. During this meeting, several free trade plans were developed involving 14 Asian countries, i.e. the 10 ASEAN members such as Brunei, Cambodia, Indonesia, Lao PDR, Myanmar, the Philippines, Singapore, Thailand and Vietnam, China, India, Japan and the Republic of Korea. The objectives of these free trade plans are to quicken the pace of trade liberalization and foster multilateralism in the region.

Vietnam is a participant in the East Pacific Economic Cooperation (APEC) forum, formed in 1989. The objective of the agreement is to implement free trade among the member countries by the year 2020, with advanced industrialized countries realizing the goal by the year 2010. Individual action plans for each member country were established to outline a path to the goal. On 10 November 2000, APEC leaders agreed to EVSL (early voluntary sectorial liberalization) in 15 sectors, that is liberalization before the agreed goals of 2010 or 2020, respectively.



19.3 Bilateral agreements

A new trade initiative between the ASEAN and the U.S.A. has been set up as the Enterprise for Asean Initiative (EAI), which objectives aim at developing the Southeast Asian Region, and enhance close U.S. ties with ASEAN. The EAI offers bilateral free trade agreements (FTAs) between the United States and individual ASEAN countries, by determining jointly the launching of FTA negotiations. ASEAN members and China leaders

decided in Brunei on November 2001 to work on creating a free trade area within the next ten years.

The United States-Vietnam Bilateral Trade Agreement came into force on 10 December 2001; it covers among other things, both tariff and non-tariff barriers. It provides MFN tariff rates for U.S. origin goods. Under the agreement, Vietnam has begun phasing in WTO standards for customs, licensing, technical standards, sanitary and phytosanitary measures.

TREATI, or Trans-Regional EU-ASEAN Trade Action Plan, was launched on 9 July 2003 by the European Commission with the objective of boosting trade between the two regions. This action aims at enhancing relations with ASEAN members.

Vietnam held a forum with African nations, aiming at promoting economic relations, as a result, Vietnam has signed two agreements on trade with Namibia and Sierra Leone. Vietnam will export to the African continent, electronic appliances, garments, footwear, plastic wares, pepper and rice, and will import in turn, cashew nuts, cotton and timber.



2. PARA-TARIFF MEASURES

21 Customs surcharges

"A price differential surcharge ranging from 4 to 40% is levied on certain sensitive goods such as glassware, construction glass, paper, steel, ceramic products and alcoholic goods, in order to equalize domestic and international prices for these goods.



22.9 Additional charges n.e.s.

"Non-tax surcharges" of about 5-10 per cent of the c.i.f value of goods, are imposed selectively on some imports on a temporary basis to fund the Price Stabilization Fund.



Internal taxes and charges levied on imports

23.1 Customs surcharges

A value added tax is in effect since 1 January 1999. The standard rate of 10% applies to most imports. Essential goods such as foodstuffs and medicines, goods for industrial use, and goods required for scientific and educational purposes are taxed at 5%, luxury goods at 20%. Goods subject to excise tax are not subject to value added tax.

Vat applies to imported and locally produced goods; yet companies imported machinery, equipment and certain types of transport are exempted from VAT levies when the goods are considered as fixed assets and not produced in Vietnam. Amendments to VAT Law are in force as of 1 of January 2004.



23.2 Additional charges n.e.s.

Special sales tax (excise tax) with rates ranging from 15% to 100% are levied on such goods as cigarettes, alcohol, spirit and beer, automobiles with 24 seats or less, and other miscellaneous items including all kinds of

gasoline, and firecrackers, air conditioners with capacity of 90,000 BTU or less, playing cards, and joss-paper.

In 2003, the Law on Special Consumption tax has been amended focussing on taxable objects, taxable prices, tax rates, exemptions, special reductions, and those amendments are in force as of 1 January 2004.

The luxury tax on imported passenger cars is levied at the following rates: 100% on vehicles with five or fewer seats, 60% on cars between six and 15 seats; and 30% on cars between 16 and 24 seats.



24 Decreed customs valuation

The customs valuation system is based on price list provided by Customs Office since 2001, however, Law on Customs created provisions to allow importer to clear goods by paying their import duties within 8 working hours from the submission of Customs declaration for such imported goods when valuation is not completed.

Another valuation system lays upon the transaction value of identical goods, by taking into account the resale price, less costs such as customs duties, taxes, and commissions; in addition the valuation is based on either FOB or CIF value.



3. PRICE CONTROL MEASURES

31.1 Minimum import prices

Under Decision No. 164/2000 issued by the Ministry of Finance of 1 July 1999, the list of items subject to minimum prices for customs valuation purpose consists of the following commodity groups: beverages, tyres, rubber inner tubes, mud-resistant fronts used for cars, motorcycles, and bicycles, floor tiles, sanitary wares, construction glass and vacuum flasks, engines, electric fans, motorcycles and unprocessed tobacco.



Variable charges

33.1 Variable levies

Price stabilization surcharges of about 5-10% ad valorem are levied on imports of petroleum, iron and steel, and fertilizers. Price stabilization surcharges are only invoked when there exists significant price differentiation between domestic and international prices. The surcharges must in no case exceed 70 per cent of the price differentiation margin. The Price Stabilization Fund was inaugurated in May 1993 by Prime Minister's Decision No. 151/TTg on 12 April 1993.



4. FINANCE MEASURES

43.2 Bank authorization

Exchange control is administered by the State Bank of Vietnam. Yet most foreign exchange transactions are ruled by the Bank for Foreign Trade, even if other banks are authorized to carry out international trade transactions.

- 43.9** Restrictive official foreign exchange allocation n.e.s.
Priorities are assigned to certain types of imports. Highest priority is given to critical imports, such as petroleum products and fertilizers. Lowest priority is given to imports of goods that compete with domestically produced goods, and imports of other consumer goods.



- 45** Regulations concerning terms of payment for imports
Vietnam maintains bilateral payment arrangements with Belarus, China, Lao PDR, and Russia.



- 49** Finance measures n.e.s.
All receipts must be repatriated, but no deadline is specified.



5. AUTOMATIC LICENSING MEASURES

- 57** Surrender requirement
All resident enterprises are required to sell 50 per cent of foreign currency, except foreign-owned enterprises without government guarantee for foreign exchange balances, and 100 per cent if they are non-profit organizations.



6. QUANTITY CONTROL MEASURES

Licensing under the authority of Ministry of Trade (MOT), 31, Trang Tien, Hoan Kiem District, Hanoi.

Government's Decree 57/1998/ND-CP, has been partly revised by Decree No.44/2001/ND-CP of 2 of August 2001 which entitles Vietnamese traders to import goods according to the business lines stated in their business registration certificates.

In principle since January 2003, quantitative restrictions have been eliminated for most items except imports of sugar and petroleum.

- 61.2** Licence for selected purchasers
Foreign invested enterprises must have annual import plans approved by MOT or a body authorized by MOT, which sets out the scope of products that may be imported for the following year. The scope of products may be adjusted during its implementation in accordance with Decision 0321/1998/QD-BTM. All imports of foreign invested enterprises require an import licence from MOT.



- 61.3** Licence for specified use
Technically, exhibit materials and related items brought into Vietnam temporarily for trade shows, require a special license from the Ministry of Trade.

For the temporary entry of laptop computers equipped with a modem, as a telecommunications device, an import licence is required from the Ministry of Trade. In addition, encryption software requires an import license.

Foreign invested enterprises are granted licenses to import materials, equipment and machinery only for the purpose of establishing production lines and producing goods.



61.7 Prior authorization for sensitive product categories

Every year, the Government issues a list of goods relevant to the general equilibrium of the national economy and thereby subject to import restriction. The decision to include a particular product in the list is based on the analysis of the economic ministries concerned on the cross-sectoral impact of the product, the need for protection of the industry.

Items which require an import licence from the Ministry of Trade (MOT) for reasons of management in terms of demand and supply include refined liquid vegetable oil, spirits under 30o vol, refined and unrefined sugar, clinker, Portland cement, ceramic and granite tiles, several kinds of construction steel, newsprint, printing and writing paper.

The purpose of restrictions on motorcycles and motor tricycles including components in form of SKD and CKD, cars of less than 16 seats, and trucks with a loading capacity of less than five tons is to ease the serious imbalance between road infrastructure conditions and the number of vehicles.

The importation of the following products is controlled by other ministries for health, safety, moral, and environmental protection reasons:

- under Decree No. 89/CP of 15 December 1995, imported addictive and psychotropic substances, pre-substances, human medicines, and medical equipment require an approval from the Ministry of Health;
- aqua-cultural breeds, aqua-cultural medicines, and precious aquatic creatures require an import approval from the Ministry of Aquaculture in conformity with Decree No. 89/CP of 15 December 1995
- postal and telecommunication machinery and equipment may be imported subject to an approval from the General Department of Posts and Telecommunication;
- under Decision No. 28/TTg and Circular No. 03 of 26 March 1997, chemicals like NaOH liquid and DOP require an import licence from the Ministry of Industry;
- Inter-Ministerial Circular No. 2880/KCM-TM of 19 February 1996 stipulates that waste materials require an import licence from the Ministry of Science, Technology and Environment.



Quotas

62.7 Quotas for sensitive product categories

The list of import quotas is limited to certain imports that have great impact on the economy.

Today, with Vietnam implementing its international commitments to liberalize trade, import quota is limited only to petrol, administered through the import licensing system managed by MOT, and is granted mainly to state-owned enterprises.



Prohibitions

63.1 Quotas for sensitive product categories

Decision No. 242/1999/QĐ-TTg specifies goods prohibited from import. The following goods are prohibited as of December 2002: poppy seeds, opium anhydrous morphine anhydrous content. Second-hand consumer goods such as textiles and clothes, footwear, electronic goods, refrigerating equipments and products, household electric goods, furniture, household goods made from porcelain, clay, glass, metal, resin, rubber, plastic and other materials. Used materials and equipments including used machines, structures, inner tyres, tyres, accessories, motors of automobiles, tractors, 2-wheel and 3-wheel motorbikes, internal combustion engines and machines with internal combustion engines having capacity below 30CV, bicycles, 2-wheel and 3-wheel vehicles, passenger cars of less than 16 seats, trucks with loading capacity of less 5 tonnes, ambulances. Right-hand steering vehicles with its components and those repaired to right-hand driving ones before imported into Vietnam, except for specializing right-hand steering vehicles operating in small areas such as cranes, channel excavators, dustbin lorries, road watering lorries, street cleaning lorries, road surfacing machines, airport passenger transportation cars, fork-lifts at ware houses and ports.



63.71 To protect human health

Import ban on tobacco, cigarettes, and other kinds of manufactured tobacco, and asbestos products and materials under amphibole group. List of toxic chemicals published by the Ministry of Industry, garbage and waste materials which may cause epidemics.



63.74 To protect environment

Import prohibition is set on granulated slag (slag sand) from the manufacture of iron or steel, slag, dross (other than granulated slag), scalings and other waste from the manufacture of iron or steel; ash and residues (other than from the manufacture of iron or steel) containing metals or metal compounds; other slag and ash, including seaweed ash (kelp), toxic chemicals, garbage and waste materials which may cause environmental pollution, and a list of products published by the Ministry of Science, Technology and environment.



63.76 To control drug abuse

Import prohibition of narcotics.



63.77 To ensure human safety

Import ban of firecrackers (excluding fire signal used for maritime safety and other purposes as stipulated by the Prime Minister in the Official Document No. 1383/CP-KTTS date 23/11/1998).



63.78 To ensure national security

Import prohibition of propellant powders, tanks and other armoured fighting vehicles, motorized, whether or not fitted with weapons, and parts of such vehicles, military motorcycles of a cylinder capacity exceeding 175 cc, military weapons, other than revolvers, pistols and the arms of heading 307, revolvers, pistols, revolvers and pistols, other than those of heading 9303 or 9304; other arms (for example, spring, air or gas guns and pistols, truncheons), excluding those of heading 9307; parts and accessories of articles of headings 9301 to 9307; bombs, grenades, torpedoes, mines,

missiles and similar munitions of war and parts thereof, cartridges and other ammunition and projectiles and parts thereof, including shot and cartridge wads; swords, cutlasses, bayonets, lances and similar arms and parts thereof and scabbards and sheaths thereof, and specializing coding machines and coding software subject to state secrets.

63.9 Prohibitions n.e.s.

Import ban on depraved and reactionary cultural products, children toys having adverse effect in moral education, public order and security.

7. MONOPOLISTIC MEASURES

The Commercial Law provides for the Government to define some of the fields where the State retains monopoly. In other fields, all enterprises are treated equally.

Single channel for imports

71.1 State trading administration

The Vietnam Pharmacy Corporation (VIRAPHARM), 138B Giang Vo Street, Hanoi, has the exclusive right to import addictive drugs.

The Airlines Import-Export Corporation (AIRIMEX), Gia Lam Airport, Hanoi, is the exclusive importer of aircraft and aviation materials, equipment, and spare parts.

The Vietnam Film Import-Export and Distribution Company, (FAFILM VIETNAM), 73, Nguyen Trai Street, Dong Da District, Hanoi, is the sole importer of feature films.

The Books & Newspapers Import-Export Company (XUNHASABA), 32 Hai Ba Trung, Hanoi, has the exclusive right to import books, newspapers and magazines.

Viet Nam Oil and Gas Corporation (PETROVIETNAM), 22 Ngo Quyen, Hanoi, Viet Nam has the exclusive or special right or privilege, to import petroleum materials, equipment, crude oil, petroleum products, to distribute petroleum products, to carry out other trading activities permitted by the law and to perform other tasks assigned by the State, in addition to its activities such as searching, exploring, exploiting, processing and dealing in oil and gas products, providing oil and gas related services.

PETROLIMEX, 1 Kham Thien, Hanoi, Viet Nam has sole rights of ensuring the efficient importation of Mogas, Diesel, Kerosene, Mazut (HS271011, HS 271019, HS 271099) for domestic consumption, supply to foreign liners operating in Viet Nam's waters, provide for industrial zones, export processing zones in Vietnam.

8. TECHNICAL MEASURES

Standards are formulated and enforced by the Directorate for Standards and Quality (STAMEQ) of Ministry of Science, Technology, and Environment (MOSTE) 70, Tran Hung Dao Street, Hanoi.

The Directorate for Standards and Quality developed a quality certification scheme for products and companies, and has established QUARCET as a certification body in order to oversee the scheme.

81.1 Product characteristics requirements

Vietnam's sanitary regulations applicable to imported animals and animal products are based on standards provided by international and regional organizations as CODEX, OIE, and ASEAN.

A health certificate is required for imported live animals. The document must indicate that the animals are free from infections and contagious diseases. It must also state that the exporting country has been free of certain diseases, including foot-and-mouth disease and rinderpest, for a period of three years.

In accordance with the revised text of the International Plant Protection Convention (1997), Vietnam accepts phytosanitary certificates issued by the national plant quarantine agency of the exporting country for exported goods. Phytosanitary certificates are required for imports of fruits, vegetables, plants, and parts of plants. For fruits and vegetables, the document must state that the goods originated in areas free from ceratitis capitata, or medfly. Packaging accompanying plants must be certified free from diseases and pests.

Imports of pharmaceuticals and processed food products require a free sale certificate.

Registration requirement with the Pharmaceutical Management Department of all pharmaceuticals, together with extensive documentation, apart from the free sale certificate, testing and approval from a number of different committees in Vietnam. Every year The Ministry of Health issues an annual list of medical devices requiring registration. In this context, used medical equipment must prove 80 percent of its original life expectancy and consume less than 10% more than the current fuel or electricity used by new equipment.

Registration requirement, extensive documentation including free sale certificate, apply equally to cosmetics, make-up and skin care products; as for food products, in addition to their registration requirements, they are subject to standards developed by the Ministry of Health, and based on the Codex Alimentarius. In addition the same Ministry of Health regulates the use of food additives that can be used to maintain the quality and preservation of food; yet artificial sugar for use in food products for diabetics is not permitted unless approved by the Ministry of Health, who also sets limits of pesticide residues and other contaminants in food products.

Telecommunication equipment may require a certificate of compliance with International Telecommunications Union standards.

Imports of processed food products require a certificate of laboratory analysis. A certificate of Good Manufacturing Practice and a certificate of Hazard Analysis Critical Control Points are recommended for regular shipments of processed foods. The ship owner must provide a certificate indicating that the vessel is less than 15 years old.

Mandatory quality certification requirements is set on a few products which include electric fans, cables and wires, otherwise, it is voluntary for all other products and companies.



81.17 To ensure human safety

By Governmental Decision No. 4829/QD-BYT issued on 12 September 2003, a list of nine kinds of chemicals, insecticide and fungicide products used for domestic and medical purposes is subject to registration certificate for sale in the country.

List of goods subject to Ministry of Labour certification including machinery and components deemed hazardous to occupational safety, are subject to national standards.



81.3 Labelling requirements

In accordance with Decision No. 178/1999/QD-TTg of 30 August 1999, labels must be in Vietnamese with the exception of trademarks.

Since January 1998, all imported drugs must have instructions on product use, dosage, and expiration dates printed in Vietnamese and inserted in packages, while a company's visa number must be printed on all packages. Minimum shelf-life requirements of 18 months are imposed on imported medicaments.

The following labelling regulations must be displayed on the principal panel of packages: name of goods, information on producing companies of imported goods, their quantity, weight, volume or size in legal measure units of Vietnam, their composition, or ingredients, if they have been x-rayed or genetically modified, or whether a preservative has been added, origin of goods, instruction on preservation and use, manufacture and expiry dates etc... In addition, numbers, drawings, pictures, signs and codes on labels of goods must be clear and must determine the substance of goods.

Labelling requirements are set on both local and imported goods intended for sale in Vietnam. Yet the following items are exempted from labelling requirements: processed food, fresh food, or unpacked necessities sold directly to consumers and pre-packed food and drinks having a use-by limit of 24 hours.

By Governmental Decision No. 4829/QD-BYT issued on 12 September 2003, the registration number of a list of nine kinds of chemicals, insecticide and fungicide products used for domestic and medical purposes, must be printed on the labels of these products.

Among other product labelling requirements, production date according to the Vietnamese pattern of day/month/year separated by points rather than slashes or hyphens; food products, cosmetics and pharmaceuticals expiration date; and as a rule, labels must be placed parallel to the bottom of the package and be sufficiently legible. In addition, effective 10 of August 2000, additional labelling requirement issued by the Department General of Posts and Telecommunications apply to certain telecommunications equipment, such as fixed telephone units, mobile phones, facsimile machines, telex machines, pagers, private branch exchanges, and modems.



81.4 Packaging requirements

Specific regulations govern food packaging requirements as for the use of ceramic, glass, synthetic plastic, and alloys in food packages and containers.



81.5 Testing, inspection and quarantine requirements

Milk powder and condensed milk are subject to Ministry of Health's inspection for the purpose of food hygiene and safety standards.

Vietnam has various legal documents regulating sanitary, phytosanitary and health quarantine. The Government promulgated Decree No. 86/CP dated 8 December 1995 stipulating and assigning the responsibilities on State Quality Control Management of Goods among various governmental agencies. Live animals and plants, products originating from animals, and plants used for feeding animals are subject to the control of the Ministry of Agriculture and Rural Development. The Ministry of Fisheries is responsible for control and monitoring the veterinary hygiene of aqua-products. In accordance with Decision No. 1370/BYT-QD of 17 July 1997, the Ministry of Health is responsible for controlling the fresh foodstuff which is industrially processed.

The regulations on sanitary-phytosanitary inspections and the list of pests to need to be inspected are provided for in Decree No. 92/CP of 27 November 1993 on Plant Inspection.

Mandatory Standards of Vietnam (TCVN) apply to goods that are significantly important to the economy. Pursuant to the Ordinance on Quality, mandatory conformity certification and quality inspection are carried out by an independent Vietnamese or foreign inspection organization. Imported goods subject to inspection include petroleum products, fertilizers, electronic and electrical products, food and beverages, machinery and equipment, steel, and pharmaceuticals. The list of products is updated annually by the Ministry of Science, Technology and Environment. Goods originating from a country, which concluded an Agreement on Standardized Quality Mutual Recognition with Vietnam Products may be exempted from inspection.

In conformity with Decision No. 2019/QD/BKHCMNT of 1 December 1997, amended by Decision No. 491/1998/QD/BKHCMNT of April 1998, used equipment may be imported for certain purposes, if its quality is greater than 80 per cent of a new one, and if it satisfies certain labor hygiene safety and environmental requirements.

Under Customs Law, Decree No. 102/2001/ND-CP of 31 December 2001, lays the foundation of detailed procedures and processes of post-clearance examination for imported goods.

As of 1 May 2003, the results of the inspection of the following goods will be valid for six months: imports of goods used for manufacturing, such as chemicals for producing cosmetics, soap or leather products.

The list of goods subject to State quality control is published by the Ministry of Science and Technology; those products are grouped according to their nature under the relevant agency, including the Ministry of Health, the Ministry of Agriculture and Rural Development, the Ministry of Industry, and the Ministry of Fisheries.

Under regulations that took effect on 1 of April 2003, the following agricultural goods must undergo mandatory inspection: live animals, animal products such as meat, hides, milk, honey etc., plants and plant products i.e. rice, flour, oilseed meal, seeds, fiber, tobacco, yeast, wood, straw etc.; agents impacting plants such as fungus and insects. In addition soil and

fishery products must undergo mandatory inspection as well upon arrival in Vietnam, the inspection includes packaging and transport materials for these products.

Inspection requirement by the Center for Technical Examination of imported machinery and components deemed hazardous to occupational safety.



83 Special customs formalities

Customs clearance formalities are linked with regulations governing the inspection and handling of goods described in the customs declaration; when the inspection of goods is required to calculate the payable tax, or if the owner of the shipment has followed customs declaration regulations, the goods will be cleared immediately without having to wait the results of the inspections, otherwise the customs clearance formalities will be completed after the results of the inspection of goods.

