

**THE GOVERNMENT**

**Decree No. 87/2010/ND-CP of August 13, 2010,  
detailing a number of articles of the Law on Import  
Duty and Export Duty**

**THE GOVERNMENT**

*Pursuant to the December 25, 2001 Law on Organization of the Government;*

*Pursuant to the June 14, 2005 Law on Import Duty and Export Duty;*

*Pursuant to the June 29, 2001 Law on Customs, and the June 14, 2005 Law Amending and Supplementing a Number of Articles of the Law on Customs;*

*At the proposal of the Minister of Finance,*

**DECREES:**

**Chapter I**

**GENERAL PROVISIONS**

**Article 1. Dutiable objects**

Except for goods defined in Article 2 of this Decree, goods in the following cases are liable to import duty or export duty:

1. Goods imported or exported through Vietnam's border gates or border, including goods imported or exported through land or riverway border gates, seaports, airports, transnational railway stations, international post offices or other places of customs clearance set up under decisions of competent state agencies.
2. Goods brought from the domestic market into non-tariff zones or vice versa.

Non-tariff zones include export processing zones, export processing enterprises, warehouses and storing zones of goods pending duty payment, bonded warehouses, special economic-trade zones, trade-industrial zones, and other economic zones which are established under Prime Minister decisions and have their relations of goods sale and purchase with the outside regarded as import-export relations.

3. Other sold, purchased and exchanged goods which are considered imports or exports.

**Article 2. Non-dutiable objects**

Goods in the following cases are not liable to import duty or export duty:

1. Goods transited through Vietnam's border gates or borders in accordance with law.
2. Humanitarian aid goods, non-refundable aid goods provided by foreign governments, United Nations organizations, intergovernmental organizations, international organizations, foreign non-governmental organizations (NGOs), foreign economic organizations, or foreigners for Vietnam and vice versa for socio-economic development or other humanitarian purposes under official documents between the two parties approved by competent authorities; humanitarian aid and emergency relief to remedy consequences of wars, natural disasters and epidemics.
3. Goods exported from non-tariff zones to foreign countries; goods imported from foreign countries into non-tariff zones for use in non-tariff zones only; goods transported from one non-tariff zone to another;
4. Goods being oil and gas volumes paid to the State as royalties upon exportation.

**Article 3.** Duty payers; subjects authorized to pay duty, guaranteeing duty payment, and paying duty for others

1. Duty payers specified in Article 4 of the Law on Import Duty and Export Duty include:

- a/ Owners of imports or exports;
- b/ Organizations importing and exporting goods under others' consignment;
- c/ Individuals carrying imported or exported goods upon entry or exit, or sending or receiving goods through Vietnam's border gates or border.

2. Subjects authorized to pay duty, guaranteeing duty payment or paying duty for others include:

- a/ Customs procedure clearance agents, if authorized by duty payers to pay import duty or export duty;
- b/ Enterprises providing international post services or express delivery services, if paying duty on behalf of duty payers;
- c/ Credit institutions or other organizations operating under the Law on Credit Institutions, if guaranteeing duty payment or paying duty on behalf of duty payers under the law on tax administration.

**Article 4.** Application of treaties

In case a treaty to which the Socialist Republic of Vietnam is a contracting party contains provisions on import duty and export duty different from those of this Decree, the provisions of such treaty will prevail.

**Article 5.** Duty on goods traded or exchanged by border residents

Goods traded or exchanged by border residents are exempt from duty within set quotas; duty must be paid under this Decree for goods in excess of these quotas. The Ministry of Finance shall assume the prime responsibility for, and coordinate with People's Committees of border provinces or centrally run cities and relevant agencies in, submitting to the Prime Minister for promulgation duty-free quotas for goods traded or exchanged by border residents in each region.

Chapter II

DUTY BASES AND TARIFFS

**Article 6.** Duty bases

1. For goods items subject to duty rates expressed in a percentage (%), duty bases include:

- a/ Actually imported or exported quantity of each goods item indicated in the customs declaration;
- b/ Dutiable price of each goods item;
- c/ Duty rate applicable to each goods item.

2. For goods items subject to specific duty, duty bases include:

- a/ Actually imported or exported quantity of each goods item indicated in the customs declaration;
- b/ Specific duty rate set for a goods unit.

3. For goods items which are used for a purpose other than the one for which they are exempt from duty or allowed to be exempt from duty, duty bases include the quantity, dutiable price and duty rate at the time of change of the use purpose.

**Article 7.** Dutiable prices and exchange rates used for duty calculation

1. Dutiable prices of imports and exports shall be determined under the law on customs valuation.

2. For exports under purchase and sale contracts which have no official price at the time of registration of the customs declaration form or exports without purchase and sale contract, their dutiable prices comply with regulations of the Ministry of Finance.

3. Exchange rates between Vietnamese dong and foreign currencies used to determine dutiable prices are average exchange rates on the inter-bank foreign exchange market announced by the State Bank of Vietnam at the time of duty calculation and published on the “Nhan Dan” daily and the website of the State Bank of Vietnam; for days when the “Nhan Dan” daily is not published or the website is not updated or when foreign exchange rates are not published therein, the foreign exchange rate used for duty calculation will be that of the preceding day.

For foreign currencies of which the average exchange rates on the inter-bank foreign exchange market are not yet announced by the State Bank of Vietnam, the exchange rates shall be determined based on the cross-reference rate between the exchange rate between US dollar (USD) and Vietnam dong (VND) and the exchange rate between US dollar and such a foreign currency announced by the State Bank of Vietnam at the time of duty calculation.

#### **Article 8. Duty payment currency**

Import duty and export duty shall be paid in Vietnam dong. In case duty is paid in a foreign currency, duty payers shall pay it in a freely convertible one. Foreign currencies shall be converted into Vietnam dong at the average exchange rates on the inter-bank foreign exchange market announced by the State Bank of Vietnam at the time of duty calculation.

#### **Article 9. Duty rates**

1. Duty rates applicable to exports are specified for each goods item in the Export Tariff.

2. Duty rates applicable to imports are specified for each goods item, including preferential duty rates, special preferential duty rates and ordinary duty rates:

a/ Preferential duty rates apply to imports originating from countries, groups of countries or territories which offer the most favored nation treatment in their trade relations with Vietnam. Preferential duty rates are specified for each goods item in the Preferential Import Tariff;

b/ Special preferential duty rates apply to imports originating from countries, groups of countries or territories which offer the most favored nation treatment in their trade relations with Vietnam under the free-trade-area or tariff-alliance regime in order to facilitate border trade, and other cases of special preferential treatment;

Conditions for application of special preferential duty rates:

- Being specified in agreements signed between Vietnam and countries, groups of countries or territories on the implementation of special duty preferences and meeting all conditions stated in such agreements.

- Originating from countries, groups of countries or territories with which Vietnam has reached agreements on special duty preferences.

c/ Ordinary duty rates apply to imports originating from countries, groups of countries or territories which do not offer the most favored nation treatment or special import duty preferences to Vietnam.

Ordinary duty rates are equal to 150% of preferential duty rates applicable to the same goods items specified in the Preferential Import Tariff.

**Article 10.** Duty-related measures for safeguard, anti-dumping, anti-subsidy and anti-discrimination in the import of goods

In addition to being subject to duty under Clause 2, Article 9 of this Decree, goods excessively imported into Vietnam, subsidized imports, imports dumped into Vietnam, and goods imported from places practicing discrimination against exports of Vietnam are also subject to any of the following duty-related measures:

1. Increasing import duty rates for goods excessively imported into Vietnam as stipulated in the Ordinance on Safeguards in the Import of Foreign Goods into Vietnam;
2. Imposing anti-dumping duty on imports dumped into Vietnam as stipulated in the Ordinance on Anti-Dumping of Imports into Vietnam;
3. Imposing anti-subsidy duty on subsidized imports into Vietnam as stipulated in the Ordinance on Anti-Subsidy of Imports into Vietnam;
4. Imposing anti-discrimination duty on goods imported into Vietnam from countries, groups of countries or territories which practice import duty discrimination or apply other discriminatory measures according to the law on most favored nation treatment and national treatment in international trade.

**Article 11.** Competence to set export duty rates, import duty rates, specific duties and duty-related measures against discrimination in the import of goods

1. The Ministry of Finance shall set the following duty rates:

- a/ On the basis of state policies on import and export of goods in each period, orientations for development of production industries, market price fluctuations in each period and proposals of organizations and individuals, the Ministry of Finance shall, after consulting ministries and commodity

line associations, promulgate legal documents on preferential export duty rates and import duty rates on the following principles:

- Being consistent with the list of dutiable commodity groups and falling within the duty rate brackets promulgated by the National Assembly Standing Committee;
- Contributing to ensuring state budget revenues and stabilizing the market;
- Protecting domestic production in a selective and conditional manner for a certain period of time in conformity with treaties to which the Socialist Republic of Vietnam is a contracting party.

b/ On the basis of agreements on special duty preferences for imports already committed by Vietnam, the Ministry of Finance shall, after consulting ministries and commodity line associations, promulgate legal documents on special preferential import duty rates.

2. The Ministry of Finance shall assume the prime responsibility for, and coordinate with concerned agencies in, proposing the Prime Minister to decide on the application of specific duties and anti-discrimination duties in case of necessity.

### Chapter III

#### DUTY EXEMPTION, CONSIDERATION OF DUTY EXEMPTION, DUTY REDUCTION AND DUTY REFUND

##### **Article 12.** Duty exemption

Imports or exports are exempt from import duty or export duty in the following cases:

1. Goods temporarily imported for re-export or temporarily exported for re-import for participation in trade fairs, exhibitions or display; machinery, equipment and professional instruments temporarily imported for re-export or temporarily exported for re-import to perform work within a certain period of time.

After the end of trade fairs, exhibitions or displays or after the completion of work according to law, temporarily exported goods must be re-imported into Vietnam and temporarily imported goods must be re-exported.

2. Movable assets brought into or out of Vietnam by Vietnamese or foreign organizations or individuals within allowable quotas, including:

a/ Movable assets brought into Vietnam by organizations or individuals that are permitted to reside or work in Vietnam or brought abroad upon the expiration of their residence or working duration in Vietnam;



b/ Movable assets brought to foreign countries by Vietnamese organizations and individuals for business and working purposes and re-imported into Vietnam upon the expiration of their business or working duration;

c/ Movable assets brought into Vietnam by overseas Vietnamese families or individuals that are permitted to settle in Vietnam or brought abroad by Vietnamese families or individuals that are permitted to settle abroad; movable assets brought into Vietnam by foreigners who are permitted to settle in Vietnam or brought abroad when they are permitted to settle abroad.

3. Imported goods and exported goods of foreign organizations or individuals entitled to diplomatic privileges or immunities in Vietnam;

4. Goods imported for processing for foreign parties are exempt from import duty (including those allowed to be destroyed in Vietnam under laws after liquidation of processing contracts) and processed products exported back to foreign parties are exempt from export duty. Goods exported to foreign countries for processing for Vietnamese parties are exempt from export duty and when processed products are re-imported, they are exempt from import duty on the value of goods exported to foreign countries for processing under contracts.

5. Imported goods and exported goods within duty-free luggage quotas of persons on entry or exit; postal matters and parcels sent by express delivery services which have the minimum dutiable value prescribed by the Prime Minister.

6. Goods imported to create fixed assets of investment projects in domains entitled to import duty preferences listed in Appendix I to this Decree or in geographical areas entitled to import duty incentives, and investment projects funded with official development assistance (ODA) which are exempted from import duty, including:

a/ Equipment and machinery;

b/ Special-use means of transport included in technological lines which cannot be domestically manufactured yet; worker-transporting vehicles including cars of 24 seats or more and waterway crafts;

c/ Components, details, knocked down parts, spare parts, fittings, molds and accessories accompanying machinery, equipment and special-use means of transport stated at Points a and b of this Clause for assembly into complete units;

d/ Raw materials and supplies which cannot be domestically produced yet, to be used for manufacturing equipment and machinery included in

technological lines or for manufacturing components, details, knocked down parts, spare parts, fittings, molds and accessories accompanying equipment and machinery stated at Point a of this Clause for assembly into complete units;

e/ Building materials which cannot be domestically produced yet.

7. Plant varieties and animal breeds permitted to be imported for the execution of investment projects in the sectors of agriculture, forestry and fishery.

8. Exemption from import duty for imports specified in Clauses 6 and 7 of this Article also applies to cases of project scale expansion and technology replacement or renewal.

9. Equipment and devices listed in Appendix II to this Decree which are imported for the first time to create fixed assets of projects entitled to import duty incentives and investment projects funded with official development assistance (ODA) capital on hotels, office buildings, apartments for lease, housing, trade and technical service centers, department stores, golf courses, tourist resorts, sports facilities, recreation and entertainment centers, medical examination and treatment, training, cultural, financial, banking, insurance, audit, and consultancy service establishments.

Projects with goods enjoying import duty exemption upon first-time importation specified in this Clause are not entitled to duty exemption provided in other clauses of this Article.

10. Goods imported in service of petroleum activities, including:

a/ Equipment and machinery; special-use means of transport necessary for petroleum activities; worker-transporting vehicles, including cars of 24 or more seats and waterway crafts, including components, details, knocked down parts, spare parts, fittings, molds and accessories accompanying the aforesaid equipment, machinery, special-use means of transport or worker-transporting vehicles for assembly into complete units or for use;

b/ Supplies necessary for petroleum activities which cannot be domestically produced yet;

c/ Medical equipment and devices and first-aid medicines for use on drilling platforms and floating works, which are certified by the Ministry of Health;

d/ Office equipment and facilities for petroleum activities;

e/ Other goods temporarily imported for re-export for petroleum activities.



11. Shipbuilding establishments are exempt from export duty on exported seagoing vessels, and from import duty on machinery and equipment imported to create their fixed assets; means of transport included in technological lines imported to create fixed assets; and raw materials, supplies and semi-finished products to serve shipbuilding activities, which cannot be domestically produced yet.

12. Raw materials and supplies imported to directly serve the production of software products, which cannot be domestically produced yet, are exempt from import duty.

13. Goods imported for direct use in scientific research and technological development, including machinery, equipment, spare parts, supplies and means of transport which cannot be domestically produced yet, technologies which cannot be domestically produced yet; scientific documents, books and newspapers and journals and electronic scientific and technological information sources are exempt from import duty.

14. Raw materials, supplies and accessories which cannot be domestically produced yet and are imported for production activities of investment projects in domains in which investment is specially encouraged in Appendix I to this Decree or in geographical areas with extremely difficult socio-economic conditions (excluding projects to manufacture and assemble automobiles, motorcycles, air conditions, electric heaters, refrigerators, washing machines, electric fans, dish washers, disc players, audio systems, electric irons, water kettles, hair dryers, hand dryers and other articles as decided by the Prime Minister) are exempt from import duty for 5 (five) years after the date of commencement of manufacture.

15. Goods produced, processed, re-processed or assembled in non-tariff zones without the use of raw materials and accessories imported from abroad, when imported into the domestic market, are exempt from import duty; in case of using raw materials and accessories imported from abroad, when imported into the domestic market, only imported raw materials and supplies constituting these goods are liable to import duty.

16. Machinery, equipment and means of transport (excluding under 24-seat cars and cars designed for passenger-cum-cargo transport equivalent to under 24-seat cars) temporarily imported for re-export by foreign contractors for the execution of ODA-funded projects in Vietnam are exempt from import duty upon their temporary import and exempt from export duty upon their re-export.

17. Goods imported for sale at duty-free shops under decisions of the Prime Minister.

18. Geographical areas eligible for import duty preferences mentioned in Clauses 6, 9 and 14 of this Article are those on the list of geographical areas eligible for enterprise income tax preferences (promulgated together with the Government's Decree No. 124/2008/ND-CP of December 11, 2008, detailing and guiding the implementation of a number of articles of the Law on Enterprise Income Tax) and Decree No. 53/2010/ND-CP of May 19, 2010, stipulating geographical areas eligible for investment incentives and enterprise income tax incentives for administrative units newly established from the Government's adjustment of administrative boundaries.

19. Organizations and individuals importing or exporting goods specified in Clauses 6 thru 17 of this Article shall, when registering customs declarations, determine by themselves and take responsibility before law for the accuracy and truthfulness of goods items eligible for duty exemption.

20. For duty payers meeting with objective difficulties and other cases, the Ministry of Finance shall submit these cases to the Prime Minister for consideration and decision on import duty or export duty exemption on a case-by-case basis.

**Article 13.** Consideration for duty exemption

Imported goods or exported goods in the following cases may be considered for duty exemption:

1. Special-use goods imported to directly serve national defense, security, education and training, or scientific research (except for the case stated in Clause 13, Article 12 of this Decree) may be considered for import duty exemption.
2. Gifts, presents or sample products given by foreign organizations or individuals to Vietnamese organizations or individuals or vice versa may be considered for duty exemption within allowable quotas.

**Article 14.** Consideration for duty reduction

Imported goods or exported goods which are damaged or lost in the course of customs supervision, which is certified by competent assessment agencies or organizations, may be considered for duty reduction in proportion to their actual loss or damage. Customs offices shall consider duty reduction on the basis of the assessed and certified quantity of lost goods and the actual damage rate of goods.

**Article 15.** Import duty or export duty shall be refunded in the following cases:

1. Imported goods currently stored in border-gate warehouses or storing yards and under customs supervision, for which import duty has been paid, are re-exported.
2. Goods for import or export, for which import duty or export duty has been paid, are not imported or exported.
3. Goods for which import duty or export duty has been paid are actually imported or exported in a smaller quantity;
4. For goods imported for export production or export into non-tariff zones, if import duty has been paid, duty amounts corresponding to their percentages in actually exported products shall be refunded, and they are not liable to export duty when they are exported and meet all conditions for determining that they are wholly processed from imported materials.
5. Goods for which import duty has been paid are exported in the following cases:
  - a/ Goods imported and then delivered or sold to foreign parties through Vietnam-based agents;
  - b/ Goods imported and then sold to vehicles of foreign carriers operating on international routes via Vietnam's ports, and Vietnam's vehicles operating on international routes according to the Government's regulations.
6. Goods temporarily imported for re-export or temporarily exported for re-import, goods imported under consignment for foreign parties then re-exported, for which import duty or export duty has been paid, including imported goods re-exported into non-tariff zones (except for cases specified in Clause 1, Article 12 of this Decree).
7. Exported goods which must be re-imported into Vietnam may be considered for the refund of paid export duty amounts and exemption from import duty.
8. Imported goods which must be re-exported back to their foreign owners or to a third country may be considered for the refund of import duty amounts already paid for the actually re-exported quantity of goods and exemption from export duty.
9. For machinery, equipment, tools and means of transport of organizations or individuals which are permitted to be temporarily imported for re-export (excluding leased ones) for the execution of investment projects, and construction and installation of works to serve production activities, for which import duty has been paid, import duty shall be refunded upon re-export from Vietnam or export to non-tariff zones. To-be-refunded import

duty amounts shall be determined on the basis of the residual use value of the goods upon re-export calculated according to the duration in which such goods are used and kept in Vietnam. In case such goods are no longer usable, the paid duty amounts shall not be refunded.

10. For goods imported or exported through international postal services or express delivery services, for which duty has been paid by service providers on behalf of goods owners but which cannot be delivered to recipients and must be re-imported or re-exported, or which are confiscated or destroyed according to law, the paid duty amounts shall be refunded.

11. Imported goods and exported goods for which import duty or export duty has been paid, but are later exempt from duty under decisions of competent state agencies.

#### Chapter IV

### IMPLEMENTATION PROVISIONS

#### **Article 16.** Effect

1. This Decree takes effect on October 1, 2010, and replaces the Government's Decree No. 149/2005/ND-CP of December 8, 2005, detailing the implementation of the Law on Import Duty and Export Duty.

2. Enterprises that make re-registration or registration for change of investment certificates under the Government's Decree No. 101/2006/ND-CP of September 2006, stipulating the re-registration, transformation and registration for change of investment certificates of foreign-invested enterprises under the Law on Enterprises and the Law on Investment are allowed to further enjoy import duty and export duty incentives stated in their investment licenses or certificates granted before the time of re-registration or registration for change of investment certificates. In case an investment license or certificate granted before the time of re-registration or registration for change of the investment certificate does not state any import duty or export duty incentives, the provisions of law on import duty and export duty effective at the time of registration of export and import customs declaration forms will apply. In case an enterprise makes re-registration or registers for change of its investment certificate concurrently with for expansion of the scale of a project or investment in a new project, or extension of the project implementation time, import duty or export duty incentives applicable to the expanded project scale, investment in a new project or the extended time of project implementation will comply with the provisions of law on import duty and export duty effective at the time of re-registration or registration for change of the investment certificate.

3. For projects eligible for investment promotion which possess investment licenses or investment incentive certificates stating import duty and export duty incentives higher than the levels provided in this Decree, they will be allowed to enjoy such incentives for the remaining duration; in case their investment licenses or investment incentive certificates state import duty and export duty incentives lower than the levels provided in this Decree, they will be allowed to enjoy the levels provided in this Decree for the remaining duration.

4. For investment projects which possess investment licenses, business registration certificates or investment certificates before the date when the Socialist Republic of Vietnam officially became a member of the World Trade Organization (January 11, 2007) and enjoy import duty and export duty incentives (except for export garments and textiles) because they meet the export rate condition stated in legal documents on foreign investment in Vietnam, domestic investment promotion and import duty and export duty, they will be allowed to enjoy such import duty and export duty incentives provided in these legal documents through the end of 2011.

**Article 17.** Implementation responsibilities

1. The Ministry of Planning and Investment shall promulgate a list of goods items which can be domestically manufactured for use as a basis for import duty exemption provided in Article 12 of this Decree, including:

a/ Materials and supplies used for manufacturing equipment and machines included in technological lines or for manufacturing components, details, knocked-down parts, spare parts, fittings, molds and accessories to be assembled with equipment and machines stated at Point a into complete units; and special-use means of transport stated at Point b and construction supplies stated at Point e, Clause 6 of Article 12;

b/ Supplies necessary for petroleum activities stated at Point b, Clause 10 of Article 12;

c/ Materials, supplies and semi-finished products to serve shipbuilding stated in Clause 11 of Article 12;

d/ Materials and supplies to directly serve the development of software stated in Clause 12 of Article 12;

e/ Machines, equipment, spare parts, supplies, means of transport and technologies to be directly used in scientific research and technology development activities stated in Clause 13 of Article 12;

f/ Materials, supplies and components imported for production activities under projects stated in Clause 14 of Article 12.

2. The Ministry of Science and Technology shall promulgate a list of or standards for determining special-use means of transport included in technological lines stated at Point b, Clause 6, Point a, Clause 10, and Clause 11, Article 12 of this Decree, and issue criteria for identifying projects on the list of sectors eligible for import duty incentives provided in Appendix I to this Decree, including:

- a/ Projects to produce precious and rare materials;
- b/ Projects to apply high technologies or new technologies not yet used in Vietnam;
- c/ R&D investment projects accounting for 25% or more of turnover.

3. The Ministry of Agriculture and Rural Development shall promulgate a list of plant varieties and livestock breeds stated in Clause 7, Article 12 of this Decree, and issue criteria for identifying projects on the list of sectors eligible for import duty incentives provided in Appendix I to this Decree, including:

- a/ Projects to build, renovate and upgrade establishments slaughtering, preserving and processing poultry or cattle on a consolidated and industrial scale;
- b/ Projects to build and develop consolidated material zones to serve the processing industry.

4. The Ministry of Industry and Trade shall issue criteria for identifying investment projects on the list of sectors eligible for import duty incentives provided in Appendix I to this Decree, including:

- a/ Projects to manufacture high-grade steel;
- b/ Projects to manufacture lifting devices of large capacity;
- c/ Investment projects to manufacture power generators of large capacity;
- d/ Projects to manufacture equipment and machines for textile, garment and leather industries.

5. The Ministry of National Defense and the Ministry of Public Security shall promulgate lists of goods to be exclusively used for defense and security purposes as a basis for import duty exemption consideration under Clause 1, Article 13 of this Decree.

6. The Ministry of Education and Training shall promulgate a list of goods to be exclusively used for education and training as a basis for import duty exemption consideration under Clause 1, Article 13 of this Decree.

7. The Ministry of Finance shall:



a/ Issue criteria for equipment and machines stated at Point a, components, details, knocked-down parts, spare parts, fittings, molds and accessories to be assembled with equipment, machines and special-use means of transport stated at Point c, Clause 6 of Article 12, and conditions for identifying exports wholly produced from imported materials to be free from export duty stated in Clause 4, Article 15 of this Decree.

b/ Guide in detail the implementation of this Decree.

8. Ministers, heads of ministerial-level agencies and government-attached agencies, chairpersons of provincial-level People's Committees and concerned organizations and individuals shall implement this Decree.-

On behalf of the Government  
Prime Minister  
NGUYEN TAN DUNG

**Appendix I**  
**LISTS OF SECTORS ELIGIBLE FOR IMPORT DUTY**  
**INCENTIVES**

*(To the Government's Decree No. 87/2010/ND-CP of August 13, 2010)*

**A. LIST OF SECTORS IN WHICH INVESTMENT IS PARTICULARLY PROMOTED:**

*I. Production of new materials and new energies; production of hi-tech, biotechnology and information technology products; mechanical engineering*

1. Production of composite materials, light construction materials, and precious and rare materials.
2. Manufacture of high-grade steel, alloys, special metals and porous iron.
3. Investment in the building of power source projects operated by solar energy, wind energy, biogas, geothermal energy and tide.
4. Manufacture of medical equipment used in medical analytical technologies and extracting technologies; orthopedic instruments, wheelchairs and special-use equipment for people with disabilities.
5. Production of semi-conducting substances and hi-tech electronic components; production of key software products and information technology products, and digital information contents.
6. Investment in the production and manufacture of precision tools, industrial production safety inspection and control equipment; industrial robots.

*II. Rearing and processing of agricultural, forest and fisheries products; salt making; production of new artificial breeds and plant varieties and livestock breeds*

7. Afforestation and forest tending.
8. Agricultural production, afforestation and aquaculture in unclaimed land areas and unexploited water areas.
9. Off-shore fishing.
10. Production of new artificial breeds and plant varieties and livestock breeds.
11. Salt production, mining and refining.

*III. Use of high technologies and modern techniques, protection of eco-environment; hi-tech research, development and nursery*

12. Application of high technologies and new technologies not yet used in Vietnam; application of biotechnologies.

13. Pollution treatment, environmental protection; manufacture of equipment for treating environmental pollution and for environmental observation and analysis.

14. Collection and treatment of wastewater, exhaust gas and solid wastes; recycling and reuse of wastes.

15. Hi-tech research, development and nursery.

*IV. Building and development of infrastructure facilities and important projects*

16. Investment in the building and development of infrastructure facilities in hi-tech parks and economic zones and other important projects decided by the Prime Minister.

*V. Development of education and training, health, physical training and sports*

17. Investment in the building of drug and smoking detoxification establishments.

18. Investment in the setting up of anti-epidemic hygiene establishments.

19. Investment in the establishment of geriatric centers, social relief centers and care centers for the disabled and orphans.

20. Investment in the building of high-achievement sports training centers and sports training centers for people with disabilities; building of sports facilities with training and competition equipment meeting requirements of international competitions.

21. Software services, information technology research and training of human resources for information technology.

*VI. Other production and service sectors*

22. Investment in research and development accounting for 25% or more of turnover.

23. Sea rescue services.

24. Investment in the building of student dormitories; condominiums for workers of industrial parks, export processing zones and hi-tech parks and low-cost houses for low income earners meeting with housing difficulties in urban centers.

**B. LIST OF SECTORS IN WHICH INVESTMENT IS PROMOTED**

*I. Production of new materials and new energies; production of hi-tech, biotechnology and information technology products; mechanical engineering*

1. Manufacture of nonferrous metals and cast iron metallurgy.
2. Manufacture of molds for metal products.
3. Investment in the building of power plants and power distribution and transmission networks.
4. Manufacture of medical equipment, building of pharmaceutical preservation storehouses and storehouses of reserve medicines for human use in preparation for natural disasters, catastrophes and dangerous epidemics.
5. Manufacture of equipment for testing food toxins.
6. Development of the petrochemical industry.
7. Production of coke and activated charcoal.
8. Production of plant protection drugs, pesticides; drugs for prevention and curing animal and aquatic animal diseases; veterinary drugs; and materials thereof.
9. Production, investment and development of medicines for preventing and treating social diseases; vaccines; bioproducts; medicines from medicinal materials; oriental medicines; and materials thereof; application of advanced technologies and biotechnologies to produce medicines for human use reaching international GMP standards; production of antibiotic materials.
10. Investment in the building of medicine bio-test and usability assessment facilities, pharmaceutical establishments satisfying goods practice standards in the production, preservation, test and clinical trial of medicines; and rearing, growing, harvest and processing of medicinal materials.
11. Development of medicinal material sources and the production of medicines from medicinal materials; projects to research and prove scientific grounds of oriental remedies and development of standards for testing oriental remedies.
12. Manufacture of machines, equipment and detail assemblies in the sectors of oil and gas exploitation, mining, energy and cement; manufacture of large-capacity lifting equipment; manufacture of metal-working machines and metallurgical equipment.

13. Investment in the manufacture of medium- and high-voltage electric equipment and high-capacity power generators.

14. Investment in the manufacture of diesel motors; investment in the building and repair of ships; spare parts for freighters and fishing ships; manufacture of machines and spare parts for dynamic and hydraulic machines, and compressors;

15. Manufacture of construction equipment, vehicles and machines; technical equipment for the transport industry; locomotives and carriages,

16. Investment in the manufacture of machine tools, machines, equipment, spare parts and machines for agriculture, silviculture and fishery, food processing machines and irrigation equipment.

17. Investment in the manufacture of equipment and machines for the textile, garment and leather industries.

II. Rearing and processing of agricultural, forest and fisheries products; salt making; production of new artificial breeds and plant varieties and livestock breeds

18. Planting of trees for use as medicinal materials.

19. Investment in the post-harvest preservation of agricultural products, preservation of farm and aquatic products and food.

20. Production of bottled and canned fruit juices.

21. Production and refining of feeds for cattle, poultry and aquatic animals.

22. Technical services of planting industrial and forest trees, husbandry, aquaculture, plant and livestock protection.

23. Production, propagation, cross-breeding and hybridization of plant varieties and animal breeds.

24. Investment in agricultural, forest and fishery product processing.

25. Building, renovation and upgrade of establishments slaughtering, preserving and processing poultry and cattle on a consolidated and industrial scale.

26. Building and development of consolidated material zones to serve the processing industry.

III. Use of high technologies, modern techniques; protection of the eco-environment; hi-tech research, development and nursery

27. Manufacture of equipment to respond to and remedy oil spills.

28. Manufacture of waste-treating equipment.

29. Investment in the building of technical facilities and works: laboratories and testing stations to apply new technologies to production; investment in the establishment of research institutes.

#### IV. Building and development of infrastructure

30. Investment in the building and development of infrastructure, investment in production to serve the building and development of infrastructure facilities in industrial clusters and points.

31. Investment in building and developing water plants, power plants and water supply and drainage systems; bridges, roads and railways; airport terminals, seaports and river ports; airfields and railway stations.

#### *V. Development of education and training, health, sports, physical training and folk culture*

32. Investment in building infrastructure facilities of education and training institutions; investment in building people-founded and private schools and education and training institutions at the levels: preschool education, general education, secondary professional education, vocational training and higher education.

33. Establishment of people-founded and private hospitals.

34. Building of physical training and sports centers, practicing facilities, physical training and sports clubs; and establishments manufacturing, creating and repairing equipment for physical training and sports practicing.

35. Establishment of folk cultural houses; folk song, dance and music troupes; theaters, films studios, film development and printing establishments; production, creation and repair of traditional musical instruments; embellishment and conservation of museums, folk cultural houses and cultural and arts schools.

#### VI. Other production and service sectors

36. Development of public transport, including transportation by sea and air; transportation by rail; passenger transportation by cars of 24 or more seats; transportation by modern and high-speed inland waterway ships; transportation by container.

37. Production of children's toys.

38. Production of pulp.

39. Weaving, finishing of textile products; production of silk and yarns; leather tanning and preliminary processing.-



## Appendix II

### LIST OF GROUPS OF EQUIPMENT AND FACILITIES EXEMPT FROM DUTY ON FIRST-TIME IMPORTATION ONLY

(To the Government's Decree No. 87/2010/ND-CP of August 13, 2010)

1	Water supply systems of all types.
2	Air conditioning and ventilation systems.
3	Fire prevention and fighting systems.
4	Garbage and wastewater treatment systems.
5	Lifting systems (lifts).
6	Washing and laundering systems.
7	Protection equipment systems.
8	Medical machines and equipment
9	Automatic teller machines.

THE END