

### 1.3.3 Turnover Tax

**Name:** Law on Turnover Tax (plus 1993 Amendments).  
**Date:** Original in Summer, 1990. Amendments on September 5, 1993.  
**Agency:** National Assembly.  
**Details:**

The Law and recent amendments stipulate that foreign invested enterprises and BCCs must pay a turnover tax on goods and services sold in Vietnam. The tax does not apply to goods manufactured for export. According to the Law, the actual tax rate ranges from 1% to 40%, depending on the type of good or service. For example, machinery, charcoal, and medical instruments are taxed at 1%, whereas ship brokering is taxed at 40%.

The recent amendments address various issues. the definition of turnover in the case of credit activities and other banking services; the conditions to qualify for a tax reduction of up to 50%; and fines for late payers.

### 1.3.4 Import and Export Duties

The legislation presented here deals with import and export duties for foreign invested companies and BCCs outside of the few Export Processing Zones (EPZs). For information on duties for Export Processing Enterprises in the EPZs, turn to part 11 of this Section, which gives information on a separate piece of legislation that deals solely with EPZs.

\*\*\*\*\*

**Name:** Law on Export and Import Duties  
**Agency:** National Assembly  
**Date:** March 1, 1993  
**Details:**

The Law addresses the import and export of goods and stipulates that such goods shall be subject to import and export duties. The Law also addresses actual duties, and outlines exemptions.

The duties are divided into "standard" and "preferential" rates. Preferential rates shall not be lower than 50% of the standard rate for the same good. The Government is responsible for setting a specific rates for groups of commodities and individual products.

A variety of goods may be exempted from duty, including goods and materials imported for the processing of export products, and some goods imported and exported by enterprises with foreign investment and foreign partners to BCCs. It is not clear if the Law exempts equipment and other materials to be used in the capital construction of a foreign invested enterprise, or to be used as fixed assets in a BCC (but see next entry).

\*\*\*\*\*

**Name:** Chapter 9 of Decree 18: Regulations Governing in Detail the Implementation of the Law on Foreign Investment in Vietnam.  
**Agency:** Government.  
**Date:** April 16, 1993  
**Details:**

Chapter 9 complements the Law on Import and Export Duties by clarifying the import tax exemptions available to both foreign-invested enterprises and BCCs. Note, however, that the chapter does not comment on the actual import tax rates or export duties charged — this information is only in the Law.