



Global Tax Update

Vietnam

Deloitte Tohmatsu Tax Co.

July 2016

Update on General Department of Vietnam Customs Workshop in April 2016

In April 2016, the General Department of Vietnam Customs (“GDC”) has held an internal workshop in Binh Duong with the attendance of all provincial customs authorities and the involvement of Deloitte Vietnam as the independent customs advisor. The workshop focused on obstacles in the implementation of Circular 38 and the new approach in customs audit with the highlights as follows:

(1) Late submission of FY15 Finalization report

As shared by several provincial customs authorities, the submission ratio of the Finalization report (“Form 15”) as of April 2016 was less than 50% and many enterprises are still confused about the content of the Form.

Understanding the difficulties met by enterprises in their first attempt, the leader of Customs Control and Supervision Department (“CCSD”) of the GDC suggested local customs agencies to extend the deadline and temporarily not impose administrative sanction for late submission at this stage.

(2) Determination to put Circular 38 into practice

The leaders of CCSD once again reaffirmed the GDC’s determination to put Circular 38 into practice, especially in the new management

regime for export manufacturing and export processing activities.

Accordingly, customs authorities should be more adaptable in understanding the accounting system, inventory monitoring, production process, internal control system of enterprises and ready to anticipate potential risks purely via Form 15 and attached documents, rather than request additional data or documents from customs declarants.

CCSD is also open to the possibility of revising the Form 15 prior to the next finalization period for better risk management.

(3) Improvements required for new customs audit approach

Given the new approach for customs audit, it is crucial to understand the accounting systems and internal production process of the taxpayers to exactly assess their compliance practice. Therefore, customs authorities urgently need to improve accounting knowledge and build a fair mechanism to assess inventory data/explanation of enterprises. These were also the key messages that Deloitte Tax Partner & Customs Services Leader - Bui Ngoc Tuan brought up to the GDC’s leaders and provincial customs authorities in the workshop.

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