

MINISTRY OF FINANCE

No. 5533/TCHQ-TXNK

On import duties of solar projects

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

Hanoi, August 20th 2020

Respectfully to: Provincial Departments of Customs

After reviewing the management of duties imposed on imported goods to serve the operation of renewable energy (solar power) projects, the General Department of Customs would like to have some following reflections:

1. Based on clause 11 of Article 16 in the Law on Import and Export Duties No. 107/2016/QH13, Article 14 in Decree No. 134/2016/ND-CP dated 1st September 2016 by the Government on exempting the import duty for imported goods to create fixed assets for subjects who are eligible for investment incentives in accordance with regulations of the law on investments, including:

- Machines and equipment; components, details, moving parts and accessories for synchronous assembly or use with machines and equipment; materials and supplies for the manufacturing of machines, equipment or components, details, moving parts and accessories of machines and equipment;

- Specialized means of transportation in the technological chain directly used for the production of the projects.

- Building materials which the country still fails to produce.

Building materials which the country still fails to produce shall be identified in accordance with regulations of the Ministry of Planning and Investment (MPI); and specialized means of transportation in the technological chain directly used for the production of the projects shall be identified in accordance with regulations of the Ministry of Science and Technology (MOST).

2. Based on point 3, Section III, Part A of Appendix I on the list of industries which are entitled to special investment incentives issued in attachment to Decree No. 118/2015/ND-CP dated 12th November 2015 by the Government stipulating investments in developing power plants to be eligible for special investment incentives.

3. Based on Circular No. 01/2018/TT-BKHDT dated 30th March 2018 by the Ministry of Planning and Investment (MPI) on issuing the list of machines and equipment; components, alternative accessories, specialized means of transportation, materials, supplies, half-finished products which have been manufactured in the country.

4. According to the MPI's reflections at Dispatch No. 2119/BKHDT-KTCN dated 3rd April 2019, "PV panels" and "PV racking system" are in the list of domestic goods manufactured in accordance with regulations of Circular No. 1/2018/TT-BKHDT dated 30th March 2018; and "PV racking system" is a building supply which can be manufactured domestically at Dispatch No. 4456/TT-BKHDT dated 1st July 2019.

The General Department of Customs requests provincial departments of customs to review and properly apply tax policies for imported goods based on the above-mentioned regulations to serve renewable energy (solar power) projects in the process of import duty exemption and report to the General Department of Customs before October 1st 2020.

The General Department of Customs would like to notify provincial departments of customs for your information and implementation./.

Recipients:

- As above;
- Department of Post Clearance Audit;
- Department of Examination and Inspection;
- Archive: Document Servicing Department,
Department of Import and Export Duties (3 copies).

**ON BEHALF OF GENERAL DIRECTOR
DEPUTY GENERAL DIRECTOR**

Luu Manh Truong

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