

THE GOVERNMENT

**DECREE No. 76/2002/ND-CP OF SEPTEMBER
13, 2002 AMENDING AND SUPPLEMENTING
A NUMBER OF ARTICLES OF DECREE No.
79/2000/ND-CP OF DECEMBER 29, 2000
DETAILING THE IMPLEMENTATION OF THE
VALUE ADDED TAX LAW**

THE GOVERNMENT

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

Pursuant to May 10, 1997 Value Added Tax Law No. 02/1997/QH9;

Pursuant to Point 1, Section II of Resolution No. 50/2001/QH10 of November 29, 2001 of the Xth National Assembly, 10th session, on the 2002 State budget estimates;

At the proposal of the Finance Minister,

DECREES:

Article 1.- To amend, supplement a number of articles of the Government's Decree No. 79/2000/ND-CP of December 29, 2000 detailing the implementation of the Value Added Tax (VAT) Law as follows:

1. To amend Clause 20 of Article 4 on the subjects not liable to VAT as follows:

"20. Goods imported in the following cases: humanitarian aids and non-refundable aids; gifts for State bodies, political organizations, socio-political organizations, social organizations, socio-professional organizations, people's armed force units; gifts and donations for individuals in Vietnam within the limits set by the Government; belongings and personal effects of foreign organizations and individuals brought within the diplomatic immunity limits; hand luggage within the duty-free quotas; belongings of overseas Vietnamese brought along upon their return to the country. The goods imported in the above-mentioned cases shall be determined according to the State-prescribed regime.

Goods sold to international organizations and foreigners for humanitarian aid or non-refundable aid to Vietnam; projects funded by non-refundable ODA capital."

2. To amend and supplement Clause 1 of Article 7 on VAT rates as follows:

"1. The tax rate of 0% shall be applicable to: export goods, including those subject to special consumption tax and goods processed for export; the service of repairing machines, equipment and transport means for foreign countries; computer software for export; labor export service; construction and installation activities in foreign countries and for export-processing enterprises.

Export means export to foreign countries, export into export-processing zones or to export-processing enterprises and other specific cases considered as export under the Government's regulations.

Business establishments exporting the above-mentioned goods and/or services, which are entitled to apply the tax rate of 0%, must comply with all procedural and dossier regulations for export and pay proceeds from export goods sale and service provision via banks."

3. To amend Point d, Clause 1 of Article 9 on the deduction of input VAT as follows:

"d. Production and/or business establishments paying VAT by the tax deduction method shall be entitled to calculate the deducted input VAT amount at the rate of 1% of the prices of the goods and/or services purchased without VAT invoices for:

- Goods being unprocessed agricultural, forest or aquatic products; soil; stones; sand; gravel and discarded materials bought without invoices. Business establishments purchasing the above-mentioned goods items must make purchasing vouchers and goods lists under the tax agencies' guidance.

- VAT-liable goods and services purchased from or provided by production and/or business establishments that pay tax by the method of direct calculation on the added value with sale invoices; goods being unprocessed agricultural, forest or aquatic products, which are purchased from production establishments with VAT invoices but not liable to VAT at the production stage; goods liable to special consumption tax and purchased by trading establishments from production establishments for sale; indemnities of insurance business activities."

4. To amend and supplement Clause 5 of Article 15 on VAT reimbursement as follows:

"5. Vietnam-based organizations that use humanitarian or non-refundable aid money from foreign organizations and/or individuals to purchase goods in Vietnam for aid purposes; and subjects enjoying diplomatic immunities and privileges under the provisions of the Ordinance on diplomatic immunities and privileges, which purchase goods and/or services in Vietnam for use, shall be reimbursed the already paid VTA amounts as inscribed in the VAT invoices."

Article 2.- This Decree takes effect as from October 1, 2002.

Article 3.- The Finance Minister shall guide the implementation of this Decree.

Article 4.- The ministers, the heads of the ministerial-level agencies, the heads of the agencies attached to the Government and the presidents of the People's Committees of the provinces and centrally-run cities shall have to implement this Decree.

On behalf of the Government
Prime Minister
PHAN VAN KHAI