



LEGAL UPDATE

DECREE ON AMENDMENT TO PREFERENTIAL EXPORT AND IMPORT TARIFF SCHEDULES UNDER CPTPP

On 21 January 2025, the Government of Vietnam promulgated Decree No. 13/2025/ND-CP (“**Decree 13**”), amending and supplementing specific provisions of Decree No. 115/2022/ND-CP dated 30 December 2022 (“**Decree 115**”). Decree 115 established Vietnam's Preferential Export Tariff Schedule and Special Preferential Import Tariff Schedule for implementing the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) for the period from 2022 to 2027. Decree 13 primarily addresses the accession of the United Kingdom of Great Britain and Northern Ireland (the “**UK**”) to CPTPP.

This legal update highlights key amendments introduced by Decree 13.

1. Inclusion of the UK in tariff schedules

Decree 13 introduces preferential tariff rates for goods exported to and imported from the UK (including the territories of Guernsey, Jersey, and the Isle of Man) for the years 2024 through 2027. Specific tariff rates are detailed in Annex I and Annex II of Decree 115.¹

This initiative aims to strengthen trade relations between Vietnam and the UK, facilitating smoother and more cost-effective trade flows between the two countries. These preferential rates are expected to benefit both Vietnamese exporters by enhancing their competitiveness in the UK market and importers by lowering the costs of sourcing key goods from the UK, thereby boosting bilateral trade volumes and economic cooperation.

2. Effective term for UK tariff rates²

For the period from 15 December 2024 to 31 December 2024, the applicable tariff rates are explicitly provided under column “(IV)” of Annex 1 of Decree 115. In the subsequent years, spanning from 01 January to 31 December of each

respective year, tariff rates are detailed in a structure manner: specifically, under columns “(V)” for the year 2025, “(VI)” for the year 2026, and “(VII)” for the year 2027. This systematic categorization aims to provide clarity and facilitate compliance by businesses engaging in international trade activities with the UK and its associated territories.

3. Inclusion of UK in the list of CPTPP Member List import and export tax incentive³

Additionally, Decree 13 recognises the UK as a member of CPTPP alongside existing members, comprising Australia, Canada, Japan, Mexico, New Zealand, Singapore, Peru, Malaysia, Chile, and Brunei Darussalam. As a result, goods exported from or imported into Vietnam from these countries, including the UK, may benefit from import and export preferential tax rate, provided that certain conditions are met.

4. Conditions for preferential tariff treatment⁴

Goods exported to or imported from the UK must meet the rules of origin and other relevant requirements stipulated in the CPTPP and Vietnamese domestic regulations to qualify for preferential tariff rates. This includes meeting specific origin criteria, providing necessary documentation such as certificates of origin, and adhering to customs procedures and verification protocols. Compliance with these stringent standards ensures that only eligible goods benefit from reduced tariffs, thereby promoting fair trade practices and preventing misuse of preferential treatment.

5. Implementation and retroactive application⁵

Decree 13 took effect on 21 January 2025 and will remain in force until 31 December 2027, and some businesses may be eligible for refunds for excess taxes. If (1) the goods were UK exports or imports, (2) the goods were registered between

¹ Articles 1.1 and 1.3 of Decree 13

² Articles 1.1 and 1.3 of Decree 13

³ Articles 1.2 and 1.4 of Decree 13

⁴ Articles 1.2 and 1.4 of Decree 13;

Articles 4.5 and 5.7 of Decree 115

⁵ Article 2.3 of Decree No. 13



15 December 2024 and the effective date of Decree 13, and (3) the business paid at a higher tax rate, then the business will be eligible for a refund for excess tax. These refunds will be processed by customs authorities in accordance with applicable tax management regulations.

To facilitate the uniform implementation of Decree 13, the Import-Export Duty Department issued Official Letter No. 144/TXNK-PL on 24 January 2025, which provides the following guidance:

- **Data Integration & Public Announcement:** The Customs IT and Statistics Department and the General Department Office are required to promptly update the customs website with data related to Decree 13. A red banner announcement will be displayed to inform relevant agencies and businesses.
- **System Updates for VNACCS/VCIS:** The VNACCS/VCIS system must be updated to include new tariff codes for UK-related imports, specifically:
 - (i) Code B21: General imported goods from the UK, including Guernsey, Jersey, and the Isle of Man.
 - (ii) Code B22: Used automobiles imported from the UK under tariff quotas.

These updates must be accurately reflected on the customs website and within the VNACCS system.

- **Tax Rate Implementation for UK Imports:** Import duties on UK goods will follow the CPTPP special preferential tariff schedule from 2022 to 2027 as outlined in Decree 13.

6. Conclusion

These amendments introduced by Decree 13 underscores Vietnam's commitment to fulfilling its obligations under the CPTPP, enabling businesses trading with the UK to effectively utilise agreed preferential tariff rates. Businesses are encouraged to carefully review the relevant tariff schedules and ensure compliance with all specified conditions to fully leverage on these advantages.

Contact Information

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