

Client Alert

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Ministry of Finance to develop legal framework for cross-border e-commerce in customs operations

The Ministry of Finance ("**MOF**") has released a draft decree promulgating the management of exported and imported goods in cross-border e-commerce ("**Draft Decree**"). This is considered a positive Government initiative designed to facilitate, and ultimately expedite, the flow of e-commerce goods into Vietnam.

An alternative for e-commerce transactions in customs clearance procedures

The Draft Decree, as introduced by the MOF, acts as an alternative for exporters and importers in conducting customs clearance of goods purchased and sold on e-commerce platforms via an E-commerce Activity Management System ("**Management System**"). Entities including:

- Traders, organizations providing services on e-commerce marketplaces;
- Owners of online shopping websites;
- Transportation enterprises;
- Customs agents;
- Enterprises doing business in bonded warehouses / owners of e-commerce goods stored in bonded warehouses; and
- Individuals, organizations importing and exporting goods through e-commerce platforms;

are entitled to utilize this system to facilitate their customs clearance procedure for the e-commerce goods.

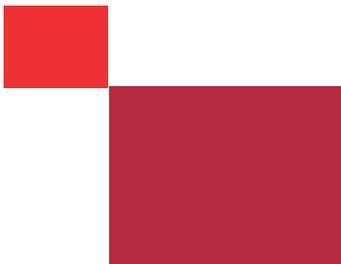
The Management System serves as an information exchange hub, connecting users with the General Department of Customs, credit institutions, National Single Window and other related systems in order to exchange and process information for the management of exported and imported goods transacted via e-commerce platforms.

Usage conditions of the Management System

In order to utilize the Management System, users are required to (i) register an account to connect with the Management System via <http://www.customs.gov.vn>; and (ii) equip their platform with standardized technical infrastructure for e-commerce trading to secure access and allow for information exchange with the Management System.

How the Management System operates

The Management System is a customs data processing e-system that receives, shares, and stores information related to the export and import of goods traded





via e-commerce platforms. Users are required to provide information depending on their role in the transaction, as follows:

- i. E-commerce marketplaces and online shopping websites shall provide Purchase Order information, including any changes or updates, if any, to the Management System after receiving payment from customers, or before delivering goods to transportation entities;
- ii. Transportation entities, after receiving information from e-commerce marketplaces, and online shopping websites shall provide Purchase Order Information, delivery methods, vessel identification number, delivery route, transportation duration, estimated arrival time, and destination.

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The Customs authority shall then receive and process the information for customs clearance purposes. The Customs Declaration Dossier will only include a customs declaration form, import permit, inspection result (where applicable), and the information as provided in the Management System.

Specialized inspection

All goods, except for those exempted from inspection and those at value of VND 1 million or less (approx. USD 45), are subject to specialized inspection.

Goods with a value greater than VND 1 million may be exempted from inspection not more than 3 times per year, and the exemption is only applied to 1 product for each consignment if the goods are listed in Annex II of the draft.

If you have any questions, please do not hesitate to get in touch with the team.