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New Circular on VAT of imported goods to form fixed assets

On 17 June 2010, the Ministry of Finance has issued **Circular 92/2010/TT-BTC** providing guidance on VAT payment extension and VAT refund for goods which cannot be produced domestically imported to form fixed assets. This Circular shall replace Circular 205/2009/TT-BTC and came into force on the signing date.

Below is our summary of the key issues in Circular 92 for your consideration:

- Pursuant to this Circular, newly set-up business establishments under investment stage, or existing business establishments carrying out an expansion project, when importing machineries, equipment, specialized means of transports included in technology lines and construction materials which are not yet domestically producible to form fixed assets of the investment projects, shall be allowed to apply for import-VAT **payment extension or refund** as instructed in this Circular.
- Imported goods that satisfy certain conditions can be entitled to VAT payment extension of **up to 60 days** from the regular deadline. The extension shall be applied from the first lot of imported goods arriving at the port with the value of **lower than VND 200 billion** (instead of VND 200 million of VAT pursuant to old Circular 205).
- Goods entitled to VAT payment extension shall be cleared from customs procedures right after the customs office completes their inspection. Payment extension and goods clearance shall **not either depend on any outstanding import duties or be subject to warranty of credit institutions**.

We are willing to discuss with you to share your concerns in the implementation of the provisions mentioned above.

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