

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary  Public

**Date:** 11/16/2012

**GAIN Report Number:** VN2057

## **Vietnam**

**Post:** Hanoi

## **Vietnam Customs Adjusts Import Reference Prices for U.S. Ag Products**

### **Report Categories:**

Trade Policy Monitoring

Livestock and Products

Poultry and Products

Wine

### **Approved By:**

Michael Ward

### **Prepared By:**

Bui Thi Huong

### **Report Highlights:**

On October 10, 2012, the Vietnamese Ministry of Finance's (MOF) General Department of Customs (GDC) published Letter Number 5486/TCHQ-TXNK, which provides reference prices for certain imported products, or revises the reference prices of products previously identified in GDC's original reference prices list issued in January 2011, or a subsequent list issued in May 2011. The purpose of these reference price lists is to manage import tax calculation and to prevent or mitigate trade fraud through under-invoicing.

## **General Information:**

On January 25, 2011, Vietnam's GDC issued official Letter No. 348/TCHQ-TNXK identifying a list of product lines and reference prices subject to risk management by the GDC. Regarding agricultural and food products exported from the United States, Letter No. 348 covers a number of specific branded alcoholic products (see details in Table 1).

On May 25, 2011, the GDC subsequently issued official Letter No. 2334/TCHQ-TXNK, with a list of additional product lines subject to reference prices. At that time, numerous frozen beef, pork, and chicken products, as well as, fruits imported from the United States were added to the list (see Table 1). Presently, 17 U.S. agricultural products and 31 U.S. beverages have import reference prices.

Most recently, on October 10, 2012, the GDC issued official Letter No. 5486 which provides reference prices for newly added products, or revises the reference prices of products stated in GDC's previous two lists.

Post has attached the original Letter No. 5486/TCHQ-TXNK in Vietnamese, which lists all products subject to reference prices, to this report for reference. Further, an unofficial English translation of Letter No. 5486 follows at the end of this report.

## **Comments:**

Importers, exporters, and agricultural trade associations have already reported that the recent change in reference prices has caused problems and uncertainty for the trade.

In brief, if an importer brings a product in with an import price (listed on an invoice) lower than the reference price, GDC has the right to consult with the importer over the prices on the invoice and require the importer to provide more information/evidence as to why the import price is listed as is, on the invoice. If GDC continues to believe that the invoice price is uncharacteristically lower than the reference price and that the evidence presented does not support the stated invoice price, GDC will use the reference price to assign the value of the import duty.

In practice, traders pay the full import tax based on the reference price to have the shipment clear customs and then, if the trader believes meeting with GDC would yield a duty drawback, they consult with Customs. However, this approach ties up trader / importer financing for a period of time and likely limits the ability of Vietnamese importers of engaging in future transactions until the duty drawback is received.

**Table 1: List of Reference Prices Set for U.S. Food Product Lines Subject to Risk Management at General Department of Customs**

No	HS Code	Product	Unit	Price/ Unit (\$) (Oct-2012 list)*	Price/ Unit (\$) (May -2011 list)**	Price/ Unit (\$) (Jan. 2011 list)***
1	0202	Beef Creekstone Tenderloins Frozen CT choice 37963	kg		25.50	Not included
2	0202	Beef Creekstone Export Rib Frozen MC choice 24131	kg	-	15.80	Not included
3	0203	Pork shoulder	kg	2.8	2.5	Not included
4	0203	Pig thigh (frozen)	kg	-	2.38	Not included
5	0203	Pork ribs	kg	1.79	Not included	Not included
6	0207	Drumstick (frozen chicken)	kg	0.87	0.83	Not included
7	0207	Frozen chicken feet	kg	-	1.5	Not included
8	0207	Leg quarter (frozen chicken)	kg	1.4	Not included	Not included
9	0804	Avocados	kg	6.15	5.75	Not included
10	0804	Dates (fresh)	kg	-	4.0	Not included
11	0805	Orange (fresh)	kg	-	0.8	Not included
12	0805	Mandarins (fresh)	kg	-	0.8	Not included
13	0806	Grapes (red)	kg	2.0	1.45	Not included
14	0806	Grapes (black)	kg	2.0	1.4	Not included
15	0806	Dried yellow grapes	kg	-	2.13	Not included
16	0809	Cherry (fresh)	kg	-	8.0	Not included
17	0810	Strawberry	kg	5.52	Not included	Not included
18	2203	Beer –Budweiser 5%; 24 bottle per box, 330 ml/bottle	Box	-	-	4.0
19	2204	Pinebrook Napa California Syrah 12.5%; 750 ml	Bottle	-	-	1.4
20	2204	Pinebrook Napa California Cabernet Sauvignon 12.5%; 750 ml	Bottle	-	-	1.4
21	2204	Pinebrook Napa California Merlot 12.5%; 750 ml	Bottle	-	-	1.4
22	2204	Napa Angel Cabenet sauvignon 2006 14.5% 750 ml	Bottle	-	-	1.81
23	2204	Napa Angel Cabenet sau Aurelio's 2006 15% 750 ml	Bottle	-	-	1.81
24	2204	Sutter Home Chardoney alcohol 12.5% - 0.75 l	Bottle	-	-	1.98
25	2204	Sutter Home Chardoney alcohol 13% - 0.75 l	Bottle	-	-	1.98
26	2204	Robert Mondavi Woodbridge White Zindanfel, less than 14% 2009 12 bottle/box	Box	-	-	45.28
25	2204	Wente Morning Fog Chardonay 2007, 0.75 l*12 chai/bottle; 13.5%	Box	-	-	63.0
28	2204	Wente Morning Fog Chardonay 2008, 0.75 l*12 chai/bottle; less than 20%	Box	-	-	64.2
29	2204	Twenty rows the grapper 2006 14.4%, 750 ml	Bottle	-	-	1.8
30	2204	Twenty rows Napa valley merlot 2008 15.6%, 750 ml	Bottle	-	-	1.8

31	2204	Twenty rows Napa valley cabenet sauvignon 2008 15.6%, 750 ml	Bottle	-	-	1.8
32	2204	Zindafel bearfoot 15%, 750 ml	Bottle	-	-	3.18
33	2204	Coastal vintner cabenet sauvignon, 750 ml	Bottle	-	-	1.8
34	2204	Diamond sauvignon blanc, 750 ml, 13.5%	Bottle	-	-	3.69
35	2204	Diamond malbec, 750 ml, 13.5%	Bottle	-	-	3.67
35	2204	Diamond cabenet, 750 ml, 13.5%	Bottle	-	-	3.67
37	2208	Smirnoff Orange Twist 75cl/bottle, 35%	Bottle	-	-	2.8
38	2208	Smirnoff vanilla Twist 75cl/bottle, 35%	Bottle	-	-	2.8
39	2208	Whisky Phap GLEN Scanlan 40%, 0.75l/bottle	Bottle	-	-	1.6
40	2208	Whisky Jack Daniel 40%, 0.75 l/bottle* 12 bottle/box	Box	-	-	28.35
41	2208	Vodka 40%, 0.75 ml/bottle* 12 bottle/box	Box	-	-	11.25
42	2208	Whisky Southern Comfort 40%, 0.75l/bottle *12 bottle/box	Box	-	-	20.0
43	2208	Whisky Pepe Lopez 40%, 0.75 l/bottle *12 bottle/box	Box	-	-	20.0
44	2208	Whisky gentlemen Barrel 40%, 0.75 l/bottle *12 bottle/box	Box	-	-	35.0
45	2208	Whisky single Barrel 40%, 0.75l * 12 bottle/box	Box	-	-	50.0
46	2208	Whisky Woodford Reserve 40%, 0.75l* 12 bottle/box	Box	-	-	50.0
47	2208	Whisky Chambord 40%, 0.75l*12 bottle/box	Box	-	-	42.5
48	2208	Bourbon Whisky Jim Bean 40%, 450 cl	Bottle	-	-	13.44

Source:

- (\*): Vietnam GDC's official letter No.5486/TCHQ-TXNK dated October 10, 2012
- (\*\*): Vietnam GDC's official letter No.2334/TCHQ-TXNK dated May 23, 2011
- (\*\*\*) : Vietnam GDC's official letter No. 348/TCHQ-TXNK dated January 21, 2011

**Reference:**

Un-official translation of -first two pages of GDC's Official Document No. 5486/TCHQ-TXNK dated October 10, 2012

**MINISTRY OF FINANCE  
GENERAL DEPARTMENT OF CUSTOMS**

No. 5486/TCHQ-TXNK

**SOCIALIST REPUBLIC  
OF VIETNAM  
Independence- Freedom-  
Happiness**

On amendment, addition to the prices used for inspection of the List of risks of imported goods at the General Department level

\*\*\*

*Hanoi, October 10, 2012*

To: Customs Departments of Provinces, Cities

To improve the efficiency of the management of dutiable prices of imported goods, step by step to prevent and limit commercial fraud through pricing; simultaneously using the price data information with reliability for inspection, consultation and treatment of cases in which the declaration of value of imported goods does not match the actual payable prices.

Pursuant to Article 6 of the Decree No. 40/2007/ND-CP dated March 16, 2007 of the Government on the development, management and use of the price database;

Pursuant to Article 23, Section II, Chapter III of Circular No. 205/2010/TT-BTC December 15, 2010 of the Ministry of Finance on specifying objects, competence, criteria for formulation of the List of risks of imported goods.

Pursuant Decision No. 1102/QD-BTC May 21, 2008 of the Minister of Finance on the development, management and use of the price database.

1. General Department of Customs hereby amends, adds the prices [used] for inspection, which are promulgated in conjunction with Official letter No. 348/TCHQ-TXNK dated January 21, 2011; Official letter No. 2334/TCHQ-TXNK on May 23, 2011 of the General Department of Customs, to be the new inspection prices issued together with this Official letter.

2. The exploitation and use of the inspection prices issued in conjunction with this Official letter shall be implemented in accordance with the provisions of Circular No. 205/2010/TT-BTC dated December 15, 2010; Decision No. 1102/QD-BTC dated May 21, 2008 of the Minister of Finance and guidelines in Official letter No. 348/TCHQ-TXNK dated January 21, 2011 of the General Department of Customs.

3. The proposal for additional formulation and amendment of the inspection prices for the imported goods falling within the List of risks of the importing goods at the General Department level shall be implemented in accordance with the guidelines in Clause 2, Official letter No. 348/TCHQ-TXNK dated January 20, 2011 of the General Department of Customs. In which, it is noted that the name of goods proposed for formulation of its prices must include all the detailed information in accordance with the provisions of the Annex to Decision No. 1102/QD-BTC dated May 21, 2008 of the Minister of Finance and the guidelines in Appendix 3 of Decision No. 103/QD-TCHQ dated January 20, 2011 of the Director of the General Department of Customs.

4. The inspection prices issued in conjunction with this Official letter shall be applicable to imported goods, the customs declarations of which are registered from October 18, 2012.

5. To assign to Directors of Customs Departments of the provinces or cities to bear the responsibilities to disseminate it to each division or sub-department of their Departments as well as organize the deploying and implementation of the exploitation and use of the inspection prices issued in

conjunction with this Official letter in order to inspect the prices declared by the enterprises, to classify in order to organize the consultation and determination of dutiable prices in accordance with the provisions of Circular No. 205/2010/TT-BTC dated December 15, 2010, Decision 1102/QD-BTC dated May 21, 2008 of the Ministry of Finance and guidelines in Official letter No. 348/TCHQ-TXNK dated January 21, 2011; Decision No. 103/QD-TCHQ dated January 24, 2011 of the General Department of Customs. To note the implementation of inspection, classification in order to organize the consultation to ensure the consistency and avoid the failure to identify the suspicious signs, or [avoid] cases in which no consultation is held in order to reject the lowly-declared and unreasonable prices, as compared with dutiable database.

General Department of Customs shall notify the Customs Departments of provinces and cities for its knowledge and implementation.

**ON BEHALF OF DIRECTOR OF GENERAL DEPARTMENT OF CUSTOMS  
DEPUTY DIRECTOR**

(signed)

**Hoang Viet Cuong**