

No: 1171/TCT-MKT

Ho Chi Minh City, June 21st, 2018

Ref. The new regulations on procedures for transshipment and transit cargos under the new Decrees and Circulars.

Respectfully to:

- Shipping Lines, Shipping Agents;
- Customers.

Recently, the Government has issued **Decree No. 59/2018/ND-CP** on amendments to some articles of the Decree No. 08/2015/ND-CP dated January 21st, 2015 of the Government providing specific provisions and guidance on enforcement of the Customs Law on customs procedures, inspection, supervision and control procedures (effective from June 5th, 2018); **Decree No. 69/2018/ND-CP** on guidelines for the Law on Foreign Trade management (effective from May 15th, 2018). At the same time, the Ministry of Finance has issued the **Circular No. 39/2018/TT-BTC** on amendments to number of articles of Circular No. 38/2015/TT-BTC on customs procedures; customs inspection and supervision; import/export tax, tax management for import and export cargos (effective from June 5th, 2018).

Through the study of the relating main contents in the above-mentioned documents as well as consultations from the customs, Saigon Newport Corporation (SNP) would like to inform customers, shipping lines some **new points about procedures for transshipment and transit cargos** according to Decree 59/2018/ND-CP, Circular No. 39/2018/TT-BTC and Decree No. 69/2018/ND-CP for better understanding and implementing procedures for this type of cargos as follows:

1. Transshipment cargos are allowed to be transported between ports.

Previously, the Decree No. 08/2015/ND-CP stipulated that ““Transshipment cargos are goods brought from abroad into the transshipment zone and then exported to foreign countries directly from this transit area; **it is not permitted to transport the transshipment cargos within Vietnam territory** for export through other border gates, except for cases where they comply with treaties to which Vietnam is a contracting party or the decision of the Prime Minister”.

Decree No. 59 as mentioned above has made the amendments to this point, specifically: At Article 44 of Decree 59/2018/ND-CP stipulates that "transshipment cargoes are transported by sea from abroad into transshipment areas of a seaport and

then exported from **this transshipment areas of this seaport or transported to the transshipment areas of other terminals and seaports** for export to other countries”, enclosed with some conditions such as: the transshipment cargoes must be transported by domestic waterway, seaway; the transshipment area in Vietnam seaports must belong to **the seaports of type IA** under the Prime Minister's Decision (Decision No. 70/2013/QĐ-TTg dated November 19th, 2013), **Ho Chi Minh City seaport** and these facilities should have sufficient technical infrastructure as prescribed.

2. Transshipment cargoes are not required to obtain permits from the Ministry of Industry and Trade.

In Clause 2, Article 35 of Decree No. 69/2018/ND-CP, the transshipment activities are stipulated that, for goods banned from import or export, goods temporarily suspended from export or import, goods prohibited for business in accordance with the provisions of the law, "transported by sea from abroad into the transshipment area of a seaport and then exported from this transshipment areas, or transported to the transshipment areas of other terminals, seaports for export to other countries, the transshipment procedures shall be conducted in accordance with the guidance of the Ministry of Finance, **without any permits from the Ministry of Industry and Trade**".

3. Customs seals are not required for transit cargoes:

At point c, clause 4 and point a, clause 7, Article 43 of Decree 59/ND-CP; point e and g, clause 4, Article 50 of the Circular 39/2018/TT-BTC, the problems relating to the customs seals has been settled, specifically:

- “For cargoes carried by seaway, domestic waterway, airway, railway, customs sealing are implemented only when intact carriers’ seals are not available.

In case it is impossible to inspect the carrier’s seal condition and conduct customs seals for cargos transported by domestic waterway into Vietnam, the customs delcaration party is responsible for preserving the status quo of cargos”.

- “Transit cargoes must be sealed by either customs or carrier. **In case the cargos can not be sealed, the customs declaration party is responsible to preserve the status quo of cargos.”**

In the following cases, the cargos are free from customs sealing (as per point e, clause 4, Article 50 of Circular 39/2018/TT-BTC):

- “Transit cargoes transported by seaway, domestic waterway, air and railway into Vietnam with the intact seals of carriers as declared on the transportation

manifest, transit cargos via international airway into Vietnam and and brought abroad at the same international airport”.

- “Containerized transshipment cargos transported between seaports with the intact seals of carriers; containerized transshipment cargos transported between terminals of the same seaport by seaway, domestic waterway with the intact seals of carriers, transshipment cargos transported from oversea into transshipment terminal and exported to foreign contries from this transshipment terminal”.

Above are some new points on procedures for transshipment and transit cargos according to the new regulations which will facilitate the business of shipping companies and import-export enterprises. Saigon New Port Corporation would like to recap these changes for customers, shipping lines/ agents so that you can actively adopt these new policies into operation and business as well as further enhance the transit and transshipment cargoes via Vietnam seaports. We shall continue to support and accompany with shipping lines/agents and customers to coordinate with customs and relating governmental authorities to handle the obstacles or difficulties during the implementation of the above –mentioned regulations.

We look forward to your valuable cooperation and support as always.

Best regards./.

Recipient:

- As above (by emails, website);
- Board of Directors;
- Archive: Clerical Office, MKT Dept, D5.

**O/B PRESIDENT
EXECUTIVE VICE PRESIDENT
*(Signed & stamped)***

Tran Khanh Hoang