

LEGAL ALERT

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New Law on Foreign Trade Management in Vietnam

On 12 July 2017, the National Assembly of Vietnam passed the Law on Foreign Trade Management (“Law on Foreign Trade”) to regulate the management or administrative components of foreign trade in line with the country’s international commitments.

Many expect that when the law finally comes into force on 1 January 2018, its introduction will help boost the development of foreign trade activities in Vietnam and provide clarity on foreign trade-related dispute resolutions.

The key points of the Law on Foreign Trade are summarised as follows:

a) Administrative measures

The Law on Foreign Trade will regulate the state management measures involved in the international trade of goods. It will stipulate administrative measures relating to the foreign trade management of:

- Export prohibition, export suspension, import prohibition and import suspension
- Export and import restrictions
- Management measures based on permits and regulatory conditions
- Certification of origin of goods
- Certification of free circulation
- Other measures for foreign trade management
- Management of foreign trade activities with countries sharing the same border
- Management of goods in specialised customs areas.

b) Permits and regulatory conditions

In addition to general administrative measures, the Law on Foreign Trade also regulates administration based on export/import permits and regulatory requirements as follows:

- The administrative measures based on regulatory requirements are employed only when necessary for reasons of social security, safety, moral standard, community health, traditional customs and environmental protection.
- The method of administration based on permits or regulatory requirements must: be made known to the public, ensure transparency and help state regulatory authorities and traders save their time and costs.
- The method of administration based on permits and regulatory requirements must comply with the international treaties that Vietnam is a member state to.

c) Import and export prohibitions

One of the primary considerations that went into the development of the Law on Foreign Trade was the specification of goods prohibited from import and export in the country.

Goods prohibited from import

- Goods which may not be imported for national defence and security reasons
- Goods which are likely to harm the health and safety of consumers
- Goods which are likely to cause adverse effects on social order, safety, moral standards and traditional values
- Goods which are likely to endanger the environment; affect biodiversity; possess high risk of importing harmful organisms; threaten food safety, manufacturing and export industries, and infringe intellectual property rights.
- Goods which are prohibited from import under international treaties of which Vietnam is a member state.

Goods prohibited from export

- Goods which may not be exported for national defence and security reasons
- Goods which are prohibited from export because of conservation of national relics, antiques and treasures as prescribed by the law on cultural heritage
- Goods which are prohibited from export under international treaties of which Vietnam is the member state.

In summary, the Law on Foreign Trade is expected to provide an efficient tool for the state to manage and boost foreign trade in Vietnam.

If you have any questions or require any additional information, please contact [Phuc Nguyen](#), [Duc Tran](#) or the ZICO Law partner you usually deal with.

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