

MINISTRY OF FINANCE

No. 44/2017/TT-BTC

SOCIALIST REPUBLIC OF VIETNAM

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Hanoi, May 12, 2017

CIRCULAR

ON IMPOSING THE TAXABLE PRICE BRACKETS FOR GROUPS/TYPES OF NATURAL RESOURCES WITH SIMILAR PHYSICAL AND CHEMICAL PROPERTIES

Pursuant to the Law on Royalties No. 45/2009/QH12 dated November 25, 2009;

Pursuant to the Law on Prices No. 11/2012/QH13 dated June 20, 2012 and guiding documents;

Pursuant to the National Assembly Standing Committee's Resolution No. 1084/2015/UBTVQH13 dated December 10, 2015 on promulgating the royalty tariff;

Pursuant to the Government's Decree No. 50/2010/NĐ-CP dated May 14, 2010 on detailing and guiding a number of articles of the Law on Royalties;

Pursuant to the Government's Decree No. 12/2015/NĐ-CP dated February 12, 2015 on Amendments to tax laws and amendments to some Articles of Decrees on taxations;

Pursuant to the Government's Decree No. 215/2013/NĐ-CP dated December 23, 2013 on defining the functions, tasks, powers and organizational structure of the Ministry of Finance;

At the request of the Director of the General Department of Taxation;

The Minister of Finance promulgates a Circular to impose the taxable price brackets for groups/types of natural resources with similar physical, chemical properties as follow:

Chapter I

GENERAL PROVISIONS

Article 1. Scope

1. This Circular prescribes the taxable price brackets for natural resources in accordance with Point b Clause 5, **Article 4** of the Government's Decree No. 12/2015/NĐ-CP dated February 12, 2015 on Amendments to tax laws and amendments to some Articles of Decrees on taxations.

2. Groups/types of natural resources not regulated by this Circular include:

Natural water resources used for hydropower generation: Taxable price of natural water used for hydroelectricity generation shall be classified in accordance with Point a Clause 3, **Article 4** of the Government's Decree No. 50/2010/NĐ-CP dated May 14, 2010 on detailing and guiding a number of articles of the Law on Royalties.

Crude oil, natural gas and coal gas: Taxable price of crude oil, natural gas and coal gas shall be classified in accordance with Point a Clause 3, **Article 4** of the Government's Decree No. 50/2010/NĐ-CP dated May 14, 2010 on detailing and guiding a number of articles of the Law on Resource Royalties.

Article 2. Regulated entities

1. Provincial Departments of Natural Resources and Environment, Provincial Departments of Finance and tax authorities at all levels.
2. Relevant organization and individuals.

Article 3. Definitions

1. Groups/types of natural resources with similar physical, chemical properties refers to natural resources that have similar names, features, characteristics, physical properties and chemical composition.
2. Taxable price bracket refers to the maximum and minimum taxable prices for groups/types of natural resources with similar physical, chemical properties (hereinafter referred to as taxable price bracket).
3. Taxable price schedule refers to the schedule of prices for natural resources on which resource royalties is charged promulgated by the People's Committees of centrally-affiliated cities and provinces (hereinafter referred to as "provincial People's Committee") in accordance with the taxable price brackets promulgated by the Ministry of Finance.

Chapter II

SPECIFIC PROVISIONS

Article 4. Taxable price brackets

1. The Minister of Finance encloses together with this Circular the taxable price bracket for groups/types of natural resources with similar physical, chemical properties as follow:

Taxable price bracket for metallic minerals (Annex I);

b) Taxable price bracket for non-metallic minerals (Annex II);

Taxable price bracket for natural forest products (Annex III);

d) Taxable price bracket for natural aquatic resources (Annex IV);

dd) Taxable price bracket for natural water (Annex V);

e) Taxable price bracket for natural edible birds' nest (Annex VI).

2. Taxable price bracket shall contain:

a) Code of a group/type of natural resource: the number of group/type in the price bracket, composed of 6 levels, numbered and arranged in accordance with group/type specified in the Standing Committee of National Assembly's resource royalties schedule (except crude oil, natural gas and coal gas) at specific periods as follow:

a.1) Level 1 includes groups of natural resources specified in Point 1 of the Standing Committee of National Assembly's Resolution No. 1084/2015/UBTVQH13 dated December 10, 2015 (hereinafter referred to as Resolution No. 1084/2015/UBTVQH13) represented by the roman numerals.

a.2) Level 2 includes more specific groups/types of natural resources of level 1 specified in Point 1 of the Resolution No. 1084/2015/UBTVQH13 dated December 10, 2015 represented by 2-digit numbers after those of the corresponding level 1 group.

a.3) Level 3 includes more specific groups/types of natural resources of level 2; each group/type is represented by 2-digit numbers after those of the corresponding level 2 group.

a.4) Level 4 includes more specific groups/types of natural resources of level 3; each group/type represented by 2-digit numbers after those of the corresponding level 3 groups.

a.5) Level 5 includes more specific groups/types of natural resources of level 4; each group/type represented by 2-digit numbers after those of the corresponding level 4 groups.

a.6) Level 6 includes more specific groups/types of natural resources of level 5; each group/type represented by 2-digit numbers after those of the corresponding level 4 groups.

b) Name of group/type of natural resources: the names of group/type of level 1, 2 and a number of level 3 natural resources are determined according to the name of group/type of natural resources in the resource royalties schedule enclosed together with the Resolution No. 1084/2015/UBTVQH13; the names of groups/types of level 3, 4, 5 natural resources are determined in consideration of the names of groups/types of natural resources and products derived from natural resources nationwide.

c) The unit of measurement is determined as the unit of measurement defined by law or the common unit of measurement of the resource.

d) Maximum price, minimum price.

Article 5. Application of taxable price brackets

Pursuant to the taxable price bracket enclosed herein this Circular, the Provincial People's Committees shall promulgate a taxable price schedule applicable in their provinces ensuring the following principles:

1. The codes of natural resources on taxable price schedule must have their levels corresponding to levels specified in the price bracket.
2. The codes and names of natural resources on the taxable price schedule must belong to one of the groups/types of natural resources from level 3 to level 5 specified in the price bracket.

In case the taxable price schedule is more specific than the price bracket, the Provincial People's Committee shall detail and number it at the next level according to the principle of resource coding specified in **Article 4** of this Circular. More specific resource of level 5 shall be detailed in level 6.

3. The unit of measurement in the taxable price schedule is the unit of measurement of the corresponding group/type of resource specified in the taxable price bracket. In case the unit of measurement of the province is different from the unit of measurement in the taxable price schedule, the Provincial People's Committee shall convert it into the unit of measurement specified in the taxable price schedule.
4. The unit of measurement in the taxable price schedule must comply with the taxable price bracket and be equal to or higher than the minimum price of the corresponding group/type of natural resources specified in the taxable price bracket.

If extracted natural resources undergo further processing instead of being sold, their price is exclusive of processing cost in accordance with regulations of the Government's Decree No. 12/2015/NĐ-CP dated February 12, 2015 on Amendments to tax laws and amendments to some Articles of Decrees on taxations and guidance of the Ministry of Finance's Circular No. 152/2015/TT-BTC dated October 2, 2015 on Royalties provided that it must be within the taxable price bracket.

Article 6. Amendments of taxable price bracket

1. Cases of amendments to the taxable price bracket:

Price of popular natural resources of high market volatility: increase more than 20% compared to the maximum price or decrease more than 20% compared to the minimum price of the taxable price bracket promulgated by the Ministry of Finance;

- b) There is a new type of natural resource that has yet been specified in the taxable price bracket.
2. In case of major changes of natural resource price, the adjustment shall be made beyond the taxable price bracket, within 30 days, the Provincial Department of Finance shall take charge and

cooperate with Department of Tax, Provincial Department of Natural Resources and Environment in requesting the Provincial People's Committee to send a written request to the Ministry of Finance before deciding to promulgate the written adjustment of the taxable price schedule.

3. In case of a new type of natural resource that have yet been specified in the taxable price bracket, the Provincial Department of Finance shall take charge and cooperate with Department of Tax, Provincial Department of Natural Resources and Environment in, according to its normal market price of selling price, requesting the Provincial People's Committees to promulgate the additional document on taxable price schedule for this natural resource.

4. Provincial Department of Finance shall provide information for the cases that need adjustments in the taxable price schedule specified in Clause 1 of this Article and send a written document to the Ministry of Finance for using as a basis for the adjustment of taxable price schedule within 30 days from the day on which the adjustment of taxable price schedule arise.

Article 7. Database of taxable prices

1. Database of taxable prices is the information related to taxable prices of natural resources collected, aggregated and classified by the tax authorities.

2. Database of taxable prices shall be developed and updated by the General Department of Taxation.

3. Source of establishment of database of taxable prices:

a) Taxable price bracket in this Circular;

b) Taxable price schedules promulgated by the Provincial People's Committees;

c) Information from the available declaration of natural resource tax on the natural resource tax return declared by the taxpayer;

d) Custom declaration sheets of corresponding natural resources which is connected to the database of e-customs declarations of customs authorities.

dd) Accounting statements and financial statements of enterprises;

e) Selling prices and buying prices of natural resources listed on domestic and international markets.

g) Information of tax authorities about the compliance with the laws by taxpayers.

h) Other sources of information: information collected by tax authorities or provided by other relevant agencies that is verified.

4. Database of taxable prices is used for:

Establishing the taxable price bracket and taxable price schedules;

b) Serving the risk management, inspection and examination of taxable price of natural resources.

Chapter III

IMPLEMENTATION AND EFFECT

Article 8. Transitional clause

1. If a natural resource is included in the effective taxable price schedule promulgated by provincial People's Committee and compatible with the taxable price brackets enclosed herein, it shall be applied the price schedule promulgated by the provincial People's Committee.

2. If a natural resource included in the effective taxable price schedule promulgated by provincial People's Committee is not compatible with the taxable price bracket enclosed herein, the provincial People's Committee shall promulgate an adjusting written for conformity at least 90 days from the day on which this Circular takes effect.

Article 9. Implementation

1. The General Department of Taxation shall:

Cooperate with responsible units in establishing, managing and using the database of taxable prices.

b) Regularly update the database of taxable prices on the basis of the information sources that formulate the database specified in Clause 3 **Article 7** of this Circular. The Director of the General Department of Taxation shall establish the regulations on development, management and use of taxable prices database.

c) Request the Ministry of Finance to issue the documents on amendments to the taxable price bracket apply to the aforementioned cases according to regulations in **Article 6** of this Circular.

2. The Provincial Department of Finance shall:

Based on the taxable price bracket enclosed herein, review and determine the taxable price of each natural resource.

b) If extracted natural resources undergo further processing instead of being sold, the Provincial Department of Finance shall take charge and cooperate with the tax authority, Provincial Department of Natural Resources and Environment and relevant professional agencies of the Provincial People's Committees in establishing taxable prices of natural resources in accordance

with regulations prescribed in Clause 4 **Article 4** of the Government's Decree No. 50/2010/NĐ-CP dated May 14, 2010 and Clause 4 **Article 4** of the Government's Decree No. 12/2015/NĐ-CP dated February 12, 2015.

Article 10. Effect

1. This Circular takes effect on July 01, 2017.
2. Any amendment or replacement to documents referred to in this Circular shall prevail over all previous documents.
3. Difficulties that arise during the implementation of this Circular should be reported to the Ministry of Finance for study and resolution./.

**PP. MINISTER
DEPUTY MINISTER**

Do Hoang Anh Tuan