



VIETNAM



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Vehicle Import Business Licence required in Vietnam

Being one of the most noticeable legal documents issued by Vietnam's government at the end of 2017, Decree No. 116/2017/ND-CP dated October 17, 2017 regulates the statutory conditions of vehicle manufacture, assembly, import and warranty & maintenance services (Decree 116). These regulations only apply to companies operating in automobile manufacture assembly, import, warranty, and maintenance services in Vietnam, and for related authorities, organisations and individuals.

In the whole, Decree 116 provides regulations on responsibilities along with statutory conditions for (i) the manufacture / assembly of vehicles; (ii) importation of vehicles; and (iii) vehicle warranty and maintenance services. This article will focus on key points relating to vehicle import.

Requirement of Import Licence

Unlike expired Circular No. 20/2011/TT-BCT, dated May 12, 2011, which stipulates additional procedures for imported cars from nine seats or less, Decree 116 requires that, as of January 1, 2018, all types of automobile vehicles being passenger cars, buses, trucks, and specialised use vehicles defined in Vietnamese standards TCVN6211 and TCVN7271 shall only be imported into Vietnam by enterprises which have already been granted a Vehicle Import Business Licence (the Import Licence).

Compulsory conditions applicable to vehicle importers comprise the following: (i) operation or rental of a vehicle warranty and maintenance facility or such facility belonging to the importer's authorised dealer system and satisfying the provisions in

this Decree; and (ii) having a written certificate or document proving that they are authorised to represent offshore vehicle manufacturers/ assemblers to recall vehicles imported into Vietnam.

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The Ministry of Industry and Trade is the agency authorised to issue the Import Licence. Approval should be received within 10 business days after the receipt of a complete and valid application dossier, or no more than 20 business days if it is necessary to conduct a check of the accuracy of the mentioned conditions.

When granted an Import Licence, the importers must maintain business conditions and assure their fulfilment of liabilities relating to warranty, maintenance, and recall of imported cars in line with Decree 116. Unless such Import Licence shall be incurred with a suspension of validity or revocation.

Responsibility of importers

For the sake of consumer protection, importers must discharge their responsibility to the vehicles' warranty and maintenance. For imported unused vehicles, the minimum

term of a warranty shall be three years or 100,000 km for passenger cars, two years or 50,000 km for buses / coaches, and one year or 30,000 km for the remaining types of vehicle, whichever comes first. Imported used vehicles must have a warranty term of at least two years or 50,000 km for passenger cars, and at least one year or 20,000 km for the remaining types of vehicle, depending on whichever comes first.

Notably, technical safety quality and environmental protection are closely managed by competent authorities. Accordingly, besides the set of documents issued by foreign authorities / entities (ie, copy of quality certificate; original ex-factory quality inspection slip; valid certificate of registration of circulation of the used vehicle; etc) that are required to be submitted to the quality control agency, importers must conduct a quality inspection on every batch of imported unused vehicles or each imported used vehicle.

The Decree comes into effect immediately, but also provides some grace periods for compliance. Particularly, vehicle importers established prior to the issue date of Decree 116 may continue their operation until December 31, 2017, but are only permitted to import vehicles after obtaining an Import Licence from January 1, 2018 onwards in line with this Decree.

The validity of Decree 116 looks to cause drastic changes to the vehicle import market in Vietnam beginning from early 2018. Despite the current decrease of imported automobiles into the country, there is hope that these new regulations will benefit consumers to secure product quality as well as better warranty and maintenance services from trustworthy vehicle importers.