

Proposed amendments to EPR regulations under draft Environmental Protection Decree

27 October 2023



At a glance...

The 2020 Environmental Protection Law and Decree 08/2022/ND-CP introduced the concept of Extended Producer Responsibility (“**EPR**”), which specifies the responsibilities of manufacturers and importers with regard to the recycling and treatment of discarded products and packages (*please refer to our previous NewsBriefs for further details in this regard*).

The Government is now developing a draft decree (“**Draft**”) amending Decree 08.



In details

Key proposed amendments in the current Draft include:

1. Recycling responsibilities (starting from 2024)

- There are some more cases which will be granted exemption from recycling responsibilities.
- If they do not fulfil their recycling responsibility by way of financial contribution, manufacturers/importers can select one of three methods, i.e., self-performing, hiring, or authorising another entity to perform the recycling. A combination of two or more of these methods is not allowed under the Draft.
- Entities that perform recycling under authorisation of manufacturers/importers must have legal status and operate for non-profit purposes. Notwithstanding the scope of such authorisation, certain responsibilities would always rest with the manufacturers/importers (e.g., being responsible for the accuracy of declared information).

2. Waste treatment responsibility (starting from 2022)

- Currently, 50% of financial contributions for waste treatment are required to be paid by 20 April and the balance by 20 October. The Draft provides only one payment deadline, i.e., 20 October.



In details

3. Proposed changes applicable to both recycling and waste treatment responsibilities

- Under Decree 08, EPR is not applicable to manufacturers whose annual revenue from the related products/packages is less than VND 30 bn., and to importers with annual import values of less than VND 20 bn. The Draft increases the threshold for importers from VND 20 bn. to VND 30 bn.
- The Draft provides definitions of "manufacturer" and "importer", according to which, those that hire others to process their products are also considered as a "manufacturer", and those that use import entrusters are also considered as an "importer", and accordingly are subject to EPR.
- EPR costs and financial contributions are deductible for corporate income tax purposes.
- Regulations on the management and use of financial contributions collected by VEPF Fund will be jointly issued by MOF and MONRE Ministers rather than being proposed by the National EPR Council.

The Government is currently calling for public comments on this Draft on its website. Please access this [LINK](#) to provide your opinions.

Contact us

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