



CALCULATE YOUR IMPORT TAX FROM VIETNAM

BY CHRIS WALKER
Vietnam Sourcing Expert

HO CHI MINH CITY, VIETNAM



FIRST THREE STEPS

1. Figure out your HS Code
2. Look up your HS Code in the Harmonized Tariff Schedule
3. You will see the import tax you must pay for that HS Code

What is the Harmonized Tariff Schedule?

The Harmonized Tariff Schedule is the master index of HS Codes. This schedule (index) was created by the World Customs Organization (WCO) to categorize goods into approximately 5,000 commodity groups. This system is accepted and implemented by more than 200 countries worldwide.



What is a HS Code?

Every product that is traded around the world has a specific HS Code.

Ladies Waterproof Windbreaker

HS Code: 6202.92.30

Ski Boots HS Code:

6402.12.00

Coffee not Roasted

HS Code: 0901.11.00

Teak Chairs

HS Code: 9401.61.20

HS Codes usually consist of a 6-10 digit number

Chocolate bar HS CODE: 1806.32



[18]

CHAPTER

[06]

HEADING

[32]

SUBHEADING

[18] - Chapter: cocoa and cocoa preparation

[06] - Heading: chocolate & other food preparations containing cocoa

[32] - Subheading: not filled



CHAPTERS/SECTIONS IN THE Harmonized Tariff Schedule (HTS)

Section I	LIVE ANIMALS; ANIMAL PRODUCTS	>
Section II	VEGETABLE PRODUCTS	>
Section III	ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPA...	>
Section IV	PREPARED FOODSTUFFS; BEVERAGES, SPIRITS AND VINEGAR; TOBACCO AND MA...	>
Section V	MINERAL PRODUCTS	>
Section VI	PRODUCTS OF THE CHEMICAL OR ALLIED INDUSTRIES	>
Section VII	PLASTICS AND ARTICLES THEREOF; RUBBER AND ARTICLES THEREOF	>
Section VIII	RAW HIDES AND SKINS, LEATHER, FURSKINS AND ARTICLES THEREOF; SADDLERY ...	>
Section IX	WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL; CORK AND ARTICLES OF CO...	>
Section X	PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL; RECOVERED (WA...	>
Section XI	TEXTILES AND TEXTILE ARTICLES	>
Section XII	FOOTWEAR, HEADGEAR, UMBRELLAS, SUN UMBRELLAS, WALKING-STICKS, SEAT-S...	>
Section XIII	ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATERIALS; ...	>
Section XIV	NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, PRECIO...	>
Section XV	BASE METALS AND ARTICLES OF BASE METAL	>
Section XVI	MACHINERY AND MECHANICAL APPLIANCES; ELECTRICAL EQUIPMENT; PARTS TH...	>
Section XVII	VEHICLES, AIRCRAFT, VESSELS AND ASSOCIATED TRANSPORT EQUIPMENT	>
Section XVIII	OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISI...	>
Section XIX	ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF	>
Section XX	MISCELLANEOUS MANUFACTURED ARTICLES	>
Section XXI	WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES	>



The easiest way to figure out your HS Code it go to this website:

<https://www.wcotradetools.org/en/harmonized-system>

Click down into the index until you get to last window and you will see your HS Code

The screenshot displays the WCO Trade Tools website interface for the Harmonized System. It shows a hierarchical index with four levels highlighted by red arrows:

- Section XI**: TEXTILES AND TEXTILE ARTICLES. Includes buttons for 'Add to folder', 'See ROO', 'Compare', 'Legal Notes', 'Explanatory Notes', 'Classification Opinions', 'Add comment', and 'Add tag'. A red circle highlights the dropdown arrow on the right.
- Chapter 50**: Silk. Includes buttons for 'Add to folder', 'See ROO', 'Compare', 'Legal Notes', 'Explanatory Notes', 'Classification Opinions', 'Add comment', and 'Add tag'. A red circle highlights the dropdown arrow on the right.
- Heading 5001**: Silk-worm cocoons suitable for reeling. Includes buttons for 'Add to folder', 'See ROO', 'Compare', 'Legal Notes', 'Explanatory Notes', 'Classification Opinions', 'Add comment', and 'Add tag'. A red circle highlights the dropdown arrow on the right.
- 5001.00**: Silk-worm cocoons suitable for reeling. Includes buttons for 'Add to folder', 'See ROO', 'Compare', 'Legal Notes', 'Explanatory Notes', 'Classification Opinions', 'Add comment', and 'Add tag'. A red circle highlights the dropdown arrow on the right.

Below the '5001.00' level, a red arrow points to the text 'HS CODE IS Here'.



USA Example Continued

Let's say you want the import tax for a t-shirt made in Vietnam and shipped to the USA.















You know the HS Code is 6109.10 because you looked it up at www.wcotradetools.org/en/harmonized-system

You have the USA HTS (Harmonized tariff schedule)

Go to: <https://hts.usitc.gov/current>

Section XI:

Textile and Textile Articles

 Chapter 50	Silk
 Chapter 51	Wool, fine or coarse animal hair; horsehair yarn and woven fabric
 Chapter 52	Cotton
 Chapter 53	Other vegetable textile fibers; paper yarn and woven fabric of paper yarn
 Chapter 54	Man-made filaments
 Chapter 55	Man-made staple fibers
 Chapter 56	Wadding, felt and nonwovens; special yarns, twine, cordage, ropes and cables and articles thereof
 Chapter 57	Carpets and other textile floor coverings
 Chapter 58	Special woven fabrics; tufted textile fabrics; lace, tapestries; trimmings; embroidery
 Chapter 59	Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use
 Chapter 60	Knitted or crocheted fabrics
 Chapter 61	Articles of apparel and clothing accessories, knitted or crocheted
 Chapter 62	Articles of apparel and clothing accessories, not knitted or crocheted
 Chapter 63	Other made up textile articles; sets; worn clothing and worn textile articles; rags



USA Example Continued

Here you see the HS Code and description of a t-shirt made of cotton. The import tax is 16.5%.

Chapter 61.pdf
Trang 49 trong số 91

Phân loại theo: Hạng Tìm kiếm Thứ tự Trang Được tìm thấy trên 2 trang < > Xong

Chapter 61.pdf									
6109	T-shirts, singlets, tank tops and similar garments, knitted or crocheted:								
6109.10.00	Of cotton.....		16.5%		Free (AU, BH, CL, CO, IL, JO, KR, MA, OM, P, PA, PE, S, SG)	90%			
	Men's or boys':								
04	T-shirts, all white, short hemmed sleeves, hemmed bottom, crew or round neckline, or V-neck with a mitered seam at the center of the V, without pockets, trim or embroidery (352).....	doz. kg							
07	Singlets, all white, without pockets, trim or embroidery (352).....	doz. kg							
11	Thermal undershirts (352).....	doz. kg							
	Other T-shirts:								
12	Men's (338).....	doz. kg							
14	Boys' (338).....	doz. kg							
	Tank tops and other singlets:								
18	Men's (338).....	doz. kg							
23	Boys' (338).....	doz. kg							
27	Other (338).....	doz. kg							

You then multiply 16.5% x the FOB price of your product.

Most countries assess the import tax based on CIF price.



Every country has their own unique Harmonized Tariff Schedule (HTS)

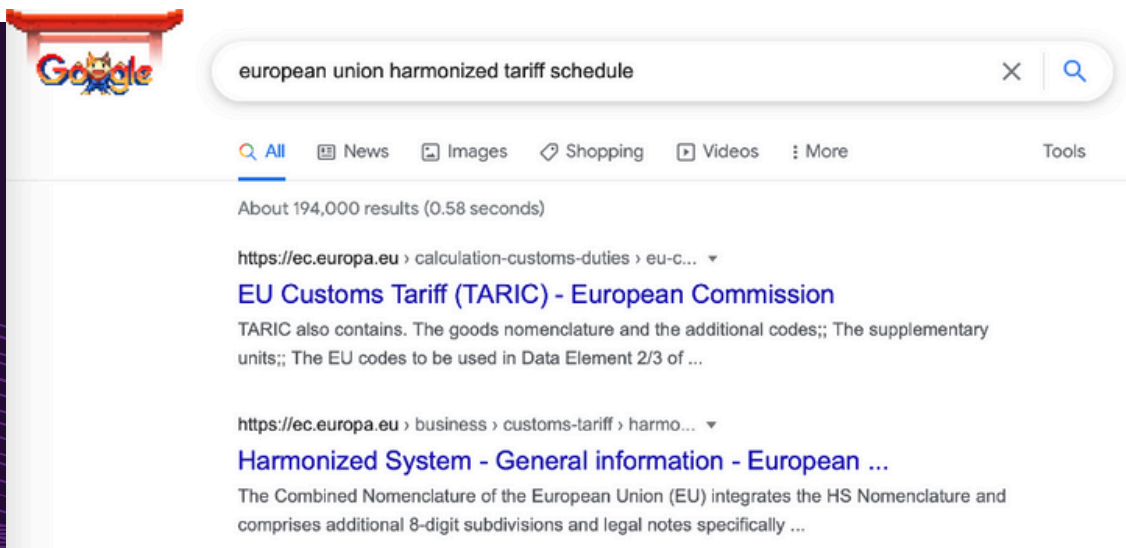
I don't know which product you are importing and I don't know which country you are importing into so I can only give you examples. You will have to figure out your HS Code and find your country specific HTS to find out your import tax.

USA EXAMPLE: google US Harmonized Tariff Schedule You will see: <https://hts.usitc.gov/current>

If you are importing into England then look up the HTS for UK

If you are importing into India then look up the HTS for India

BE AWARE that some countries give the HTS a different name. For example Australia calls it: Combined Australian Customs Tariff Nomenclature and Statistical Classification or 'Working Tariff'.





What are Incoterms?

Incoterms provide a universal set of rules and guidelines that help facilitate trade. In essence, they provide a common language traders can use to set the terms for their trades.

Note the difference between FOB and CIF. The infographic defines FOB and CIF.

When factories quote you a price they will say: \$5 FOB or \$5.76 CIF as an example.

You can negotiate whatever Incoterms you want. Most factories sell on FOB terms.

INCOTERMS 2020

Point of Delivery and Transfer of Risk





TWO OPTIONS FOR GETTING HELP

Most governments offer a free service to determine your import tax. You just need to email them and ask for help.

For example in the USA you can go to https://www.usitc.gov/tariff_affairs/hts_help

...where you will see this contact form that you can use to ask for help.

Questions regarding the Harmonized Tariff Schedule of the United States Annotated

IMPORTANT -- If you are seeking help in finding where your product(s) may be classified, please search the online US Customs database of legal rulings [to see if any prior rulings exist](#). (note: you will be leaving the USITC.gov web site) Once you find a valid HTS classification, you can find the tariff rates [by clicking on the appropriate chapter \(the first two digits of the HTS number\)](#).

This is an email contact form. Users wishing to ask questions related to tariff rates or seeking help with the content or hierarchy of the HTSA or its notes and appendices should select the appropriate topic from the drop-down list. The email is sent directly to a staff member who can help answer the question.

When you have finished your question(s), click the submit button below only once. Please be patient; someone will email, usually within a few days.

* indicates required fields

Your name: (First, Last)

Your E-mail Address: *

Select a subject: *

Question: *



CONCLUSION

You need your FOB or CIF Price

You need your product specific HS Code

You get your HS Code and tax rate from the Harmonized Tariff Schedule which is different for every country.

JOIN WEEKLY WEBINAR

7 ROOKIE MISTAKES to Avoid when Making in Vietnam



<https://calendly.com/manufacturing-consultant-in-vietnam/webinar>

+84 783378422



sales@vietnam-factory-tours.com

