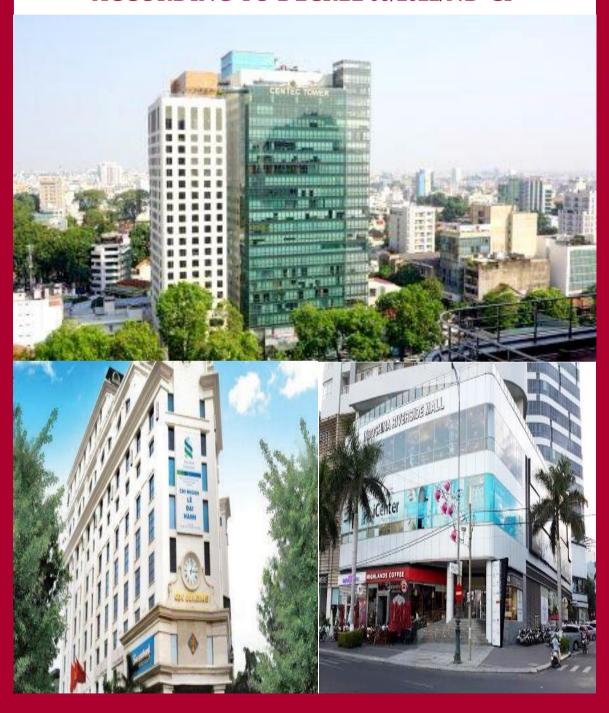


LEGAL ALERT

RESPONSIBILITY FOR RECYCLING PRODUCTS AND PACKAGES OF MANUFACTURERS AND IMPORTERS ACCORDING TO DECREE 08/2022/ND-CP



On 10 January 2022, the Government issued Decree 08/2022/ND-CP ("**Decree 08/2022**") detailing a number of articles of the Law on Environmental Protection, including notable contents on the expanded responsibilities of manufacturers and importers for the recycling and disposal of products and packages, specifically as follows:

1. Objects and roadmap for implementing recycling responsibility

Decree 08/2022 stipulates manufacturers and importers of products and packages on the list of electrical and electronic industries; battery - accumulator; lubricating oil; tires and tubes; vehicles; and packaging of the types specified in Column 3, Appendix XXII of Decree 08/2022 to bring to the market Vietnam 2. must carry out the responsibility for recycling according to the rate and mandatory recycling specifications for each such type of product, package.

Accordingly, the compulsory recycling rate (except for recycling of imported scraps as raw production materials) is promulgated by the Prime Minister for the first 3 years and adjusted every 3 years to apply to the next 3-year cycle with the specific recycling schedule as follows: (i) Packaging products and battery and battery products; lubricating oil; tires and tubes: from 01 January 2024; (ii) Electricity and electronics: from 01 January 2025; and (iii) Vehicles: from 01 January 2027.

However, manufacturers and importers in one of the following three cases are not required to carry out the responsibility for recycling:

(1) Manufacturers and importers of products and packages for export or temporary import for re-export or production or import for research, study or testing purposes.

- (2) The manufacturer of packaging has less than VND 30 billion in revenue from sales and service provision in the previous year.
- (3) Importers of packaging whose total import value (calculated according to customs value) of the previous year is less than VND 20 billion.

2. Forms of implementing recycling responsibility

Manufacturers and importers of products and packages subject to the responsibility for recycling as mentioned above may choose to recycle products and packages in one of the following forms:

- (1) Organizing the recycling: manufacturers and importers themselves decide to recycle in one of the following four ways:
 - (i) Do their own recycling.
 - (ii) Hire a recycling company.
 - (iii) Authorize an intermediary to carry out the recycling.
 - (iv) Combine methods (i), (ii) and (iii).

However, manufacturers and importers may only hire recycling units or authorize an intermediary organization to recycle according to the list of units and organizations announced by the Ministry of Natural Resources and Environment.

The manufacturer, importer or an authorized party must register an annual recycling plan according to volume of manufactured products and packages put on the market and report the previous year's recycling results according to the form to the Ministry of Natural Resources and Environment before 31 March of each year and take responsibility for the accuracy of information on registration recycling and plan report recycling results. Accordingly, depending on the volume products and packaging actually produced and put on the market and imported more or less than the registered recycling plan, manufacturers and importers must supplement bv including difference in the recycling plan of the following year, or implement, report the results of recycling according to volume of products and **3**. packaging actually produced, put on the market and imported.

(2) Financial contribution to Vietnam Environmental Protection Fund

If this method is selected, manufacturers and importers are not required to register, implement a recycling plan and report the results of recycling, but must make financial contributions to the Vietnam Environmental Protection Fund for each type of product, packaging according to the recycling cost norms submitted by the Ministry of Natural Resources and Environment to the Prime Minister for promulgation and adjusted every 3 years.

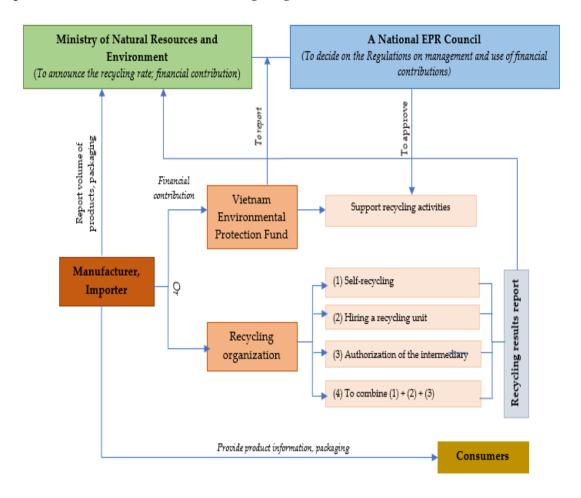
Manufacturers and importers may choose to contribute financial support for recycling to the Vietnam Environmental Protection Fund in the form of (i) *once* before 20 April every year, or (ii) *paying in two installments*: firstly, paying at least 50% of the total amount before 20 April and secondly, paying the amount balance before 20 October of the same year.

Depending on the fact that the declared volume of products or packages is *lower or higher* than the actual production put on the market and imported, the manufacturer or importer must pay the difference in the following year, or may deduct from the amount already paid for the difference in the following year.

3. Responsibility for providing information about products and packages

Manufacturers importers and are responsible for publicizing information about products and packages they manufacture or import, including: ingredients, fuel, materials; guiding the classification, collection, reuse, recycling and treatment; warning of risks in the process of recycling, reuse, treatment; responsible for registering, declaring, reporting, summarizing and managing on the National EPR portal.

Thus, the responsibility for recycling products and packages of manufacturers and importers can be shown in the following diagram:



In addition, Decree 08/2022 also stipulates the responsibility for waste collection and management as well as the level of financial contribution to the Vietnam Environmental Protection Fund to support the waste treatment activities of manufacturers, import and cases exempted from responsibility for waste collection and management.

Decree 08/2022 will take effect immediately from the date of signing, i.e. 10 January 2022.



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