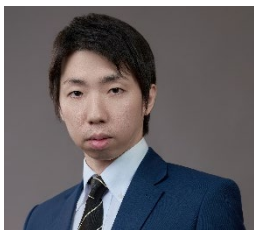


Vietnam's Extended Producer Responsibility Regulations: Guidelines for Producers and Importers



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Vietnam has recently introduced comprehensive Extended Producer Responsibility (**EPR**) regulations aimed at enhancing environmental sustainability and waste management. These regulations impose significant responsibilities on producers and importers to manage the lifecycle of their products, particularly focusing on waste collection and disposal, and recycling. Here are the notable points of these new regulations.

1. Entities subject to EPR

Entities subject to recycling responsibility

Producers and importers of the following products have the recycling responsibility within a specific timeframe:

Products	Timeframe
Packaging materials; batteries and accumulators; lubricants; tires	From 01 January 2024
Electrical and electronic products	From 01 January 2025
Vehicles	From 01 January 2027

Entities subject to waste collection and disposal responsibility

Producers and importers of packaging of finished pesticides; disposable batteries of all kinds; disposable diapers, sanitary napkins, wet wipes; chewing gum; tobacco; and products containing synthetic resin have the waste collection and disposal responsibility.

2. Scope of EPR

Recycling responsibility

- **Registration and reporting obligations:** Producers and importers must register the recycling plan and report the quantity of products placed on the market and the corresponding waste management activities to the Ministry of Natural Resources and Environment (**MONRE**) via the National EPR Electronic Information Portal.
- **Recycling organisation and compulsory recycling rates:** These rates vary from 0.5% to 22% of the total products placed on the Vietnamese market, depending on the type of products and packages, and will be increased every three years. Compliance can be achieved by:
 - (i) self-recycling;
 - (ii) hiring a licensed recycling entity;
 - (iii) authorizing an organisation to arrange/organize the recycling; or
 - (iv) combination of the methods (i) to (iii).
- **Financial contribution:** producers and importer can contribute financially to the Vietnam Environment Protection Fund (“**VEPF**”) every year as an alternative for organizing the recycling of products and packaging, which is determined according to the formula:

$$F \text{ (financial contribution)} = R \text{ (mandatory recycling rate)} \times V \text{ (weight of the total products placed on the market)} \times Fs \text{ (recycling cost for a unit of weight of the product, which will be announced by MONRE)}$$

Waste collection and disposal responsibility

Producers and importers subject to waste collection and disposal responsibility must contribute financially to VEPF every year, which is a fixed amount provided by MONRE depending on the type of product.

Disclosure obligation

For all EPR products, producers and importers are required to publicly disclose information of the EPR products via websites or product labels.

3. National EPR Electronic Information Portal

The National EPR Electronic Information Portal (available at epr.monre.gov.vn) has been put into operation. Producers and importers can perform the registration, declaration, and report requirements online via this portal. In addition, the producers and importers can access this portal to update information on legal regulations and legal answers related to the implementation of product and packaging recycling and waste treatment responsibilities.

4. Penalties for non-compliance with EPR regulations

Depending on the nature and severity of the violation, an offending organisation being an organisation may be subject to a monetary fine ranging from VND 100 million to VND 2 billion (equivalent to USD 4,000 to USD 80,000), along with additional remedial measures for violations on ERP regulations.¹

5. Recommendations for enterprises

Producers and importers of EPR products should consider the followings:

- Identifying if they manufacture relevant EPR products and estimating EPR compliance costs.
- Developing a comprehensive EPR plan, such as (i) setting up efficient systems for the collection, transportation, recycling of end-of-life products, waste data collection; (ii) partnering with licensed recycling companies or authorised organisations (which are announced by the MONRE); (iii) launching the green campaigns to the consumers (e.g. product packaging return) etc.
- Actively communicating with the MONRE (via seminars, public consultation for draft regulations, formal meetings, asking questions on the National EPR Electronic Information Portal, etc.) to understand their expectations and requirements.
- Since the Fs (one element to calculate financial contribution in recycling responsibility) has not been announced yet, the financial contribution for recycling responsibilities has not been determined yet. However, entities which are subject to ERP from 1 January 2024 and 1 January 2025 should actively organize recycling using the allowable methods.
- Observing the draft regulations on EPR:

¹ Decree No. 45/2022/ND-CP

The information provided in this bulletin is summary in nature and does not purport to be comprehensive or to render legal advice.

Please contact our lawyers if you would like to obtain advice about specific situations.

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- (i) Draft Circular on the promulgation of rules on the management and use of the financial contribution of producers and importers into the VEPF for supporting recycling and waste treatment; and
- (ii) Draft Decision of the Prime Minister on the promulgation of the norms of waste collection and disposal, and recycling costs for products and packaging. This Decision provides the relevant costs (especially Fs) to calculate the financial obligations to the VEPF.