



REPORT

***Support MOIT to improve the Certificates of Origin, and launch of
ASEAN program on self-certification of origin
(Activity Code ICB-4 PE2)***

Final version

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1 EXECUTIVE SUMMARY

The first mission of the two senior experts took place from 28 March to 14 April 2016. Senior Expert (DMI1) held a second mission in May 2016 to facilitate and participate the two workshops in Ho Chi Minh City (24th May 2016) and Ha Noi (26th May 2016).

During the first mission, the first official kick-off meeting was held on March 29, 2016 with the representative of the Ministry of Industry and Trade, the local experts and representatives from the private sector.

The main goals of the assignment were slightly changed, as the MOIT already issued a Circular on a self-certification scheme in August 2015. However, MOIT requested the experts to provide analysis and feedback on said legislation as some enterprises expressed interest in the system of self-certification, at the same time raised concerns about some strict dispositions therein.

2 OVERVIEW OF THE ASSIGNMENT

2.1 Recap of the activity held in early 2015

Under *Activity Code ICB-4 PE1*, a first activity in the area of rules of origin was implemented. This activity had two objectives:

- Identify costs, benefits and challenges brought about by the introduction of self-certification of origin for the Government and the business community; and
- Analyse the best international practices in origin self-certification.

In accordance with the ToRs for that activity, a report was submitted and a workshop was presented. These materials were also made available to the experts selected to implement this follow-up activity under “PE 2”.

The background and trade needs identified in the Terms of reference for the self-certification activity approved in PE1 remain valid.

2.2 PE 2 - Mission goals according to Terms of Reference

The Government of Viet Nam is seeking to engage further the private sector on the process of implementation of self-certification, by gathering its views. Taking into account information collected, the Government already developed a legislation to implement the self-certification scheme. However, the legislation, issued in August 2015, couldn't be implemented yet due to some constraints in its layout.

2.3 Mission outputs requested by the terms of reference

Outputs

1. A detailed self-certification questionnaire for the private sector: it should include draft self-certification regulatory framework and self-certification application form and address specific questions related to self-certification including but not limited to:
 - Ways and means to keep a registry of self-certifying companies and the information required of companies to register (i.e. tax ID numbers, corporate structure and the obligation to notify MOIT of any changes of same);

- Application Form & Content: The above mentioned registration information but also information and supporting documentation relating to:
 - Previous record of violations, if any.
 - A recap of the last several years of certificates of origin applied for (i.e. how many applied for, how many rejected, how many returned, how many verified and did they pass verification...).
 - Additional proof of origin knowledge: origin courses attended, origin software, origin management systems, business process manuals for origin determination and certification, origin mentoring, the use of third party origin expertise and Harmonized System expertise.
 - Records requirements.
 - Self-certification undertakings with regards to records, origin certifications and verifications.
 - Facilitative measures such a voluntary disclosure of errors.
 - Sanctions and penalties for violations.
 - Methodologies to periodically verify the origin knowledge of self-certifiers and the accuracy of their certifications as may be required under the TPP and/or the EU Registered Exporter regimes.
 - Provisions to allow for future amendments
 - Related Issues for the Private Sector and Trading Partners
2. Report containing a summary and analysis of the comments given by the private sector to the draft self-certification regulatory framework and self-certification application form;
 3. Final proposals for a general regulatory framework on self-certification and for a self-certification application form;
 4. Written advice to agreed questions formulated by the beneficiary regarding the implementation of the 2cd ASEAN self-certification pilot project, including assistance on the selection of the companies that will participate;
 5. Report containing advice regarding the implementation of an origin training needs analysis;
 6. Two seminars to introduce the draft general regulatory framework and self-certification application forms to the private sector presented;
 7. A concise report (1 page max.) with the main findings and achievements of the activity, to be published in the MUTRAP newsletter; and
 8. A concise report (2 pages max.) with the main achievements obtained as well as the difficulties encountered and recommended follow-up actions.

The mission report should include a brief summary of the participants evaluation form, with a concise indications of specific follow-up actions and requests for future capacity building activities focused on the specific topic of the seminar.

2.4 Slightly changed Mission goals according to first meeting(s) with Beneficiary, ADMI experts and private sector stakeholders

The first mission of the two senior experts took place from 28 March to 14 April 2016. Senior Expert (DMI1) held a second mission from 25 to 29 May 2016.

During the first mission, two important meetings took place at MUTRAP premises. The first coordination meeting with MOIT, EU-MUTRAP staff and the DMI and AMDI experts took place March 29, and a second one on April 6, 2016. According to those meetings, the following factors lead to a change in the mission goals:

- Time factor: MOIT already issued a regulation to deal with self-certification under ASEAN pilot project 2 (*Circular No. 28/2015/TT-BCT dated August 20, 2015*);
- No more selection of a restricted group of corporations that would participate in the pilot project 2. MOIT already acknowledged limitations in their own circular as not practical.
- Review instead of drafting regulatory framework only, and focus on ASEAN self-certification scheme and not pilot project 2, work to be based on private sector inputs and international best practices. In a second moment, focus on implementation of EVFTA.
- Change in goal Vietnam acknowledges that the first regulation is too restrictive and the revision of the circular should aim at implementing the challenges ahead which are:
 - o ASEAN - ATIGA self-certification scheme;
 - o EU – Vietnam Free trade agreement implementation including the approved exporter scheme;
 - o In a third step, implementation issues with the TPP that also includes elements of self-certification already;
 - o According to the ToR, also Korea – Vietnam FTA might require Vietnam to introduce self-certification.

Activity ICB-4 was implemented by two senior experts (called “DMI1” and “DMI2”) and five local experts (called “AMDI experts 1 – 5”). The specific matrix is detailed in *Annex I*.

Since the beneficiary has requested a reorientation of the activity, the tasks and content of the outputs were different to those mentioned in the PE2. This, however, neither affected the general objective of the activity nor the resources allocated to it. In sum, DMI1 and AMDI1 shared the overall responsibility over the mission performed by the DMI2 and AMDI2-5, respectively.

The latter were directly responsible for some key tasks and oversaw the implementation of others. DMI2 assisted DMI1 in several tasks and was directly responsible for the preparation

of task 10. AMDI2 also focused on task 10, in addition to assisting AMDI1 on several tasks. AMDIs3-5 were mainly involved in tasks 5 and 7 – by preparing a comprehensive, written summary and analysis of the replies received – and assist in the organisation of the seminars and preparation of materials to be distributed to the private sector.

3 SELF-CERTIFICATION ISSUES

3.1 *The present system of self-certification of origin in Vietnam*

The conventional scheme entails certificates of origin to be issued – on application by the exporter – by the MOIT (see Annex A). Under the ASEAN Economic Community (AEC), ASEAN recognized the crucial role that rules of origin play in making the free flow of goods in the region a reality. Towards this end ASEAN agreed to put in place rules of origin which are responsive to the dynamic changes in global production processes, so as to: facilitate intra-regional trade and investment; promote a regional production network and to encourage the development of SMEs.

Recognising the need to streamline the rules of origin procedures to facilitate trade of ASEAN originating goods, the 23rd AFTA Council (Bangkok, August 2009) endorsed the “*Work Plan toward Operationalization of Self Certification*”.

According to this Work Plan, all Member States would implement an ASEAN Self Certification Scheme by 2012. On 1 November 2010, three participating Member States, Brunei Darussalam, Malaysia and Singapore commenced on a pilot project to kick-start the ASEAN Self Certification System for a period of one year. Thailand joined the project in October 2011. Philippines, Indonesia and Lao signed the MOU to implement the 2nd SC pilot scheme in August 2012 with some amendments to the initial SC pilot scheme (i.e. restricted to “producers” that can designate a maximum of three authorized signatories for “invoice” declarations only and whose names will be shared with the ASEAN Secretariat). Viet Nam joined the 2nd SC pilot scheme as well and issued corresponding *Circular No. 28/2015/TT-BCT dated August 20, 2015*.

3.2 *Comparison of the certification systems*

Conventional Certification	ASEAN Self-Certification PP2
1. Domestic Producer wants to export under preferential program/FTA	Domestic Producer wants to export under preferential program/FTA
2. Domestic producer may be visited by authorities to determine eligibility of products	Domestic producer must apply for certified exporter status and may be visited by authorities to determine eligibility of the producer

3. The domestic producer determines if his goods originate and if they do he prepares an origin declaration based on supporting documentation – the producer is responsible/liable for their origin declaration	Domestic producer determines if his goods originate or not and secures related supporting documentation – the producer is responsible/liable for their origin statements
4. The domestic producer's origin declaration is certified by domestic authorities and the goods exported	The domestic producer who has been approved as a certified exporter makes an invoice declaration for originating goods that are exported
5. Authorities in the country of export monitor preferential declarations from time to time	Authorities in the country of export monitor preferential declarations from time to time
6. Authorities in the country of import monitor preferential imports and request verification where risk is suspected and/or on a random basis	Authorities in the country of import monitor preferential imports and request verification where risk is suspected and/or on a random basis
7. Verification performed by authorities in country of export and results shared with country of import – in case of origin fraud penalties and sanctions may apply	Verification performed by authorities in country of export and results shared with country of import – in case of origin fraud penalties and sanctions may apply

3.3 Review of the regulatory framework in Vietnam

(Circular No. 28/2015/TT-BCT dated August 20, 2015)

The Review of the regulatory framework is contained in **Annex 4** hereafter.

It can be added to the analysis contained there, that the recommendations given by the senior experts during the first mission were fully confirmed by the questionnaire responses from enterprises (as seen in Annex 6) that were gathered afterwards, during the workshops held in May 2016.

To recap, the main recommendations are:

- The self-certification scheme should be open to all producers but also to exporters and traders;
- Delete the USD limit as prerogative to apply for the self-certification;
- Instead, introduce a requirement of export records to apply for the scheme to benefit more enterprises, thus a flexible requirement of past documentation and volume of future exports should be found, i.e. 30 applications per month;

- The self-certification scheme should apply to genuine Vietnamese enterprises and also to Foreign direct investment. This is above all very important for the textiles sector counting a great number of FDIs;
- Introduce a certain flexibility to handle minor violations in the application of rules of origin; only major violations should lead to the withdrawal of the self-certification scheme;
- Abolish mandatory training needs and substitute with a flexible “proof of origin knowledge” that would be required however;

3.4 Review self-certification application form

The experts put major emphasis on the development of a self-certification application form as developed and contained in **Annex 2**.

The experts considered different approaches for self-certification in the different ASEAN pilot projects 1 and 2, i.e. from Malaysia, Thailand, the Philippines and Vietnam. The experts also acknowledged, that some countries had far reaching self-certification for exporters/producers already, which is above all true in the case of South Korea.

Furthermore, the EU and EFTA conditions to get approved exporter status were also taken into account. Last but not least, a clear indication on how self-certification could work were taken from the REX system of the EU, meaning the registered exporter scheme for developing countries, and the possible application of self-certification from the Trans Pacific Partnership Agreement (TPP).

The new application form is a comprehensive document that strikes three goals in one document:

- Primarily, the form is the main application form and contains all information about the applicant, its products and its manufacturing processes;
- Secondly, the form can also be used for origin verification (and not only in the case of self-certification but also for the ordinary certificate of origin);
- And last but not least, the comprehensive form allows to test the origin knowledge of the applicant.

It might be argued the form is very complex. But it is a one-time exercise for the applicant to go through. It will also give the applicant a certainty that he applies correctly the origin determination under the free trade agreements of his choice as during the application process, the MOIT can also verify easily all information provided and give appropriate feedback if necessary.

The reward for the initial enhanced paperwork is the self-certification option for the exporter, which then represents the great facilitation in establishing proofs of origin directly on the invoice or other commercial document.

Last but not least, it is also important for Vietnam to introduce a leak-proof system of self-certification, to increase acceptance of self-issued origin certifications in ASEAN above all. Acceptance should be less problematic under the future EVFTA as “approved exporters” are a

common practice since over 40 years in Europe (with some fluctuation among the EU Members).

4 SEMINARS AND INTERVIEWS

4.1 Meetings in Ho Chi Ming City

During the kick-off meeting on March 29th, Mr. Hoai Nam of the Vietnam Association of Seafood Exporters & Producers (VASEP) suggested that the objectives of the project could be better realized with a face-to-face meeting with the VASEP General Secretary and several VASEP members in Ho Chi Ming City (HCMC). Mr. Nam then offered an invitation for the project team to come to their HCMC VASEP Headquarters which Mr. Claudio Dordi conditionally accepted his invitation.

Once travel authorization was granted, Ms. Bui Hoang Linh immediately began trying to set up a similar meeting with representatives of the textile and apparel sector (Vietnam Textile & Apparel Association – VITAS) in HCMC given that apparel representatives at the kick-off meeting had expressed similar concerns to those of Mr. Nam.

Ms. Linh was able to arrange the required meetings with VITAS on April 11th and VASEP on April 12th. Ms. Linh accompanied Mr. Staples to HCMC for these meetings - providing logistical and translation support throughout the two days. The following is a recap, in point form, of these two productive encounters.

4.1.1 April 11th, 2016 – VITAS

Mr. Claudio Dordi launched the meeting with a general introduction to the overall MUTRAP project and a detailed outline of the origin project. This was followed by a “tour de table” wherein all meeting participants explained their company and/or association in detail and their specific role in their organization. Several of the participants were suppliers to major brands in the USA and the EU – ASEAN trade was limited

At this point Mr. Staples stated the project’s objective of supporting MOIT in determining and designing a Vietnamese self-certification position paper for the ASEAN’s final self-certification (SC) policies and undertakings with a particular emphasis on the Approved Exporter/Certified Exporter application and verification processes. The following issues were raised and discussed:

- Although the full self-certification provisions of the Trans-Pacific Partnership (TPP) were recognized and discussed as impending obligations, the clear focus of the VITAS meeting was on an ASEAN self-certification template that reflected upcoming implementation of the EU Vietnam Free Trade Agreement (EVFTA)
- There was also detailed discussions concerning the provisions of Circular 28 – many felt that could never be able to satisfy the SC provisions of this Circular
- The very structure of the apparel sector prevents the full utilization of the SC provisions of Circular 28. Approximately 70% of all apparel exports are made by FDI enterprises. The remainder are produced by CMT/CMP producers (<https://qualityinspection.org/cmt-cut-make-trim/>) and this alone would exclude them from taking advantage of the circular.

- It should be noted that in the majority of CMT/CMP operations that the sourcing of the fabric is decided by the supplier – the supplier will actually ship the required fabric to the CMT/CMP operator and in some cases allow them to purchase the specified product from the specified fabric mill. This means that identifying the source of fabrics for origin determination purposes is a very straightforward and traceable process for CMT/CMP operators who wish to become Approved Exporters/Certified Exporters.
- After long and detailed discussions it was determined that the ideal SC template should include the following features:
 - No dollar limit on applicants
 - Definition of valid applicants must include CMT/CMP operations (i.e. physical producers as well as legal manufacturers, traders, exporters...)
 - Improved definition of “violations” – exclude minor or technical violations
 - The use of audits by brands as one form of documentation to support applicant’s origin literacy
 - Allow new entrants to apply for SC if anticipated production is sufficiently large
 - Clear sanctions
 - Transitional flexibilities and voluntary amendment provisions

4.1.2 April 12th, 2016 – VASEP

This was a well-attended gathering with a wide range of seafood representatives – including one that thought they might be able to satisfy the provisions of Circular 28.

Mr. Staples stated the project’s objective of supporting MOIT in determining and designing a Vietnamese self-certification position paper for the ASEAN’s final self-certification (SC) policies and undertakings with a particular emphasis on the Approved Exporter/Certified Exporter application and verification processes. This was followed by a “tour de table” wherein all meeting participants explained their company and/or association in detail and their specific role in their organization. Several of the participants were suppliers to major brands in the USA and the EU – ASEAN trade was limited.

At Mr. Nguyen Binh An provided a very useful overview of the sector: the shrimp and catfish farming sectors as opposed to seafood fishing. Although there are some fully and vertical operations most of the products (ready to eat and ready to cook) are sold to brokers who in turn supply the goods to processors who are in most cases the exporter of record. It is interesting to note that most of the actual fishing operations are performed by Vietnamese vessels.

We discussed at length the origin and traceability difficulties associated with such a diverse supply chain that must provide fresh fish to processors/fish factories. These difficulties are further complicated by the fact there in some cases and during some seasons domestic supply is complemented with off-shore goods – which creates not only traceability but also fungibility challenges.

The unique features of the seafood sector make it next to impossible for the majority of parties in the seafood sector to ever become approved under Circular 28.

VASEP was primarily focussed on the upcoming EVFTA and shared most of the recommendations previously expressed by VITAS:

- No dollar limit on applicants
- Definition of valid applicants must include all seafood operations (i.e. physical producers as well as legal manufacturers, traders, brokers, processors, exporters...)
- Improved definition of “violations” – exclude minor or technical violations
- Allow new entrants to apply for SC if anticipated production is sufficiently large
- Clear sanctions
- Transitional flexibilities and voluntary amendment provisions.

In the final phase of the meeting, the idea came up that associations like VASEP could develop sectoral best practices or standards for origin management. This way MOIT could have more confidence when a member who meets these standards applies for Approved Exporter/Certified Exporter status.

In a related vein, there was a very interesting discussion about marginal amendments to existing traceability regimes to accommodate proof of origin purposes. See also the following link:

<http://www.brcglobalstandards.com/Manufacturers.aspx>

4.2 Meetings in Ha Noi

4.2.1 Meeting with the Origin Certification Unit (EcoSys) of MOIT

Mr. Brian Staples and Stefan Moser had the opportunity to meet Mr. Vu Hung Thinh, Export – Import Management Office in Hanoi City, Agency of Foreign Trade, MOIT on April 6, 2016.

The Export – Import Management Office is the main agency under the MOIT establishing preferential certificates of origin to enterprises. Enterprises will have the option to apply online for issuance of certificates of origin. However, due to acceptance issues, the COs are still issued paper based, in original. Enterprises can fetch the printed and signed COs, after they got approved.

During the interview, Mr. Vu Hung explained that most enterprises use now the so-called Ecosys, which is the electronic, online application system for the issuance of certificates of origin (COs). The software was developed by MOIT itself and got almost stopped due to lack of funding as per Government decree, all fees had to be waived until further notice. Thus, Ecosys, and the certification itself, is free of charge. Fortunately, things could be implemented as planned. The system is fully accessible for manufacturers that comply with the origin criteria “Change in tariff heading” or fulfil a manufacturing rule. Thus, the system is not functional for enterprises using the regional value content criteria as this needs more documentation in original.

Mr. Vu Hung confirmed that exporters in Ho Chi Minh city and in Hanoi basically understand the rules of origin, or are at least willing to learn more. There is however a certain carelessness further in the North, where exporters often tend to ignore the rules.

MOIT would like to enhance the functionalities of the Ecosys but cannot finance it as there is no more income with issuing COs. Furthermore, Vietnamese Government should still pass the E-Commerce Law that would allow, among other, the electronic signature.

4.2.2 Meeting with the VCCI

On April 7, 2016, the senior experts met with Mrs. Tran Thi Thu Huong, Director, in charge of ROO and C/O issue of the Vietnamese Chamber of Commerce and Industry (VCCI), in her premises.

Mrs. Tran Thi explained to Mr. Staples and Mr. Moser the process of establishing certificates of origin Form D (used for non-reciprocal GSP granted for developing countries) and for non-preferential certificates of origin. VCCI established around 300'000 COs Form B (non-preferential) a year. Such certificates are not mandatory upon export in Vietnam, are thus requested on a voluntary basis or because requested by the importing country. The VCCI is also the sole entity entitled to issue so-called COs Form A, for the purpose of the GSP. VCCI establishes around 200'000 Form A, mostly for the trade with the EU. Most items cover textiles, seafood and handicraft articles. As the EU – Vietnam FTA will soon enter into force and consequently Vietnam be graduated (by the end of the year 2018 eventually), Form As will lose their importance, above all considering that also in the GSP, the EU wants to introduce the “REX” (registered exporter) scheme, a much similar system to the approved exporter in FTAs.

Upon question by Mr. Staples, she confirmed that VCCI gets frequently verification requests, mostly because anti-dumping measures against China and possible circumvention suspicion. Upon her opinion, enterprises need a lot of help for establishing Form A certificates of origin [nota: EU GSP rules of origin are very similar to the rules contained in the FTA]. VCCI is eager to provide also help through seminars.

As VCCI cannot raise fees for the same reason as Ecosys cannot do, they rely on financial support, mostly from the textiles industry.

4.3 “Face-to-face” interviews with Priority Enterprises

Leading enterprises were interviewed during outreach exercises (i.e. VITAS, VASEP), at coordination meetings at EU MUTRAP offices and in conjunction with the two workshops held in Ho Chi Minh City and Ha Noi. During the meetings, industrial leaders confirmed their great interest into exploiting the most of preferential trade agreements. But private industries are afraid to commit mistakes and fear the sanctions imposed through *Circular No. 28/2015/TT-BCT dated August 20, 2015*. Industries also raised concerns with the mandatory origin training obligations.

Please refer to the other points concerning the several meetings/workshops held, and to **Annex 7** concerning the textiles & garment industries.

4.4 Reflection of the results and recommendation

The industry and associations much welcome self-certification schemes. They clearly favour an open system, for both exporters and producers.

The second big issue is how to treat violations. For the private sector it looks like there is no specific mention of violations in the normal certification scheme; on the other hand, the MOIT Circular from August 2015 appears quite overloaded with fearful violations and penalties. It is thus important for the MOIT, to amend the circular in a way to strike the balance between attracting business to go the way of self-certification, without scaring them away with a harsh punishment.

Self-certification should be introduced on a large scale in Vietnam, above all for ATIGA and EVFTA and other agreements, where applicable. The facilitation will be noticeable both for business and for Government.

For the penal section, continuous monitoring and training by Government agencies and regional offices should be much favoured instead of inflicting penalties on the enterprises. Severe violations should be tackled however. Verifications, record analysis and risk assessment should also be carried out to ensure there is no circumvention and deceptive practices by enterprises profiting from self-certification.

5 ORIGIN TRAINING NEEDS ASSESSMENT

5.1 Training needs prerogatives and preparation

As stated in the terms of reference for the PE2 assistance, the implementation of the activity on self-certification, in particular the discussions with senior officials from the beneficiary agency and the comments from the private sector during the workshop presented on 29 January 2015, has unearthed a new set of practical needs during PE1 activity (*Activity Code ICB-4 PE1*). The said workshop and discussions with Government officials, revealed that there is a need for **comprehensive rules of origin and origin certification training**. A draft programme, and materials, for the training of the public and private sector should be prepared.

The main and most urgent need is to gather information from the private sector. A survey, based on a comprehensive and practical questionnaire, is the appropriate tool to collect the information needed. The views collected should be accompanied by recommendations that assist the Government in preparing the basic regulatory framework.

Following PE1, it should be added at this point, that Vietnam already introduced the relevant legislation through “Circular No. 28/2015 / TT-BCT regulating the pilot implementation of self-certification of origin of goods in accordance with the ASEAN Trade in Goods Agreement” in August 2015. The implementation of this circular got however stuck due to several reasons as explained in this mission report.

5.2 Design of the Needs Assessment

The Training needs assessment got developed based on the self-certification application form developed under the same activity “PE 2”. The TNA questionnaire is contained in **Annex 3**.

Instead of a multiple choice form, it was preferred to interact with the potential enterprises that would eventually qualify as self-certified exporters, in the same manner as the application for the afore mentioned facilitation. The TNA is thus designed to fulfil a needs assessment for exporters and producers that want to be self-certified and should enhance their rules of origin knowledge but not only.

5.3 *Collection of Data and results of the origin needs assessment of the seminars held in Ha Noi and in Ho Chi Minh City and the interviews held*

Two workshops were held in Ho Chi Minh City (24th May 2016) and Ha Noi (26th May 2016) where the training needs assessment questionnaire as well as the self-certification questionnaire were distributed.

AMDI experts gathered and evaluated subsequently the questionnaires returned. Thus, results and evaluation of the feedbacks from the two workshops are contained in **Annex 6** of this report.

The results show a clear need for further training in rules of origin. There is a great interest of enterprises and associations to expand their knowledge, from value-added rules of origin, tariff shift rules, combination of both and all the additional general rules that could apply, i.e. cumulation, tolerance rules, minimal operations.

The interviews held in Hanoi reflected a similar result, above all the interview with VCCI, where Form A's are issued, which entails certificates and rules of origin comparable to the EVFTA. There, a clear need of training was expressed for Form A which can easily be transposed into further need of trainings for the almost identical rules of origin system in the EVFTA.

5.4 *International experiences*

Rules of origin form a particularly difficult area for enterprises that operate in international trade. European practice shows that even after 40 years of experience and continuously similar rules of origin, enterprises still commit errors on purpose or by negligence or just by pure lack of understanding.

Chambers of commerce and industry, Customs and other organisations developed different approaches to spread the knowledge. The approaches go from online training, workshops, through verification of proofs of origin, interviews, books, software development until the professional education as "certified export experts", brokers, agents etc, which undergo vocational training for accessing the professional certificate or diploma in import/export business management.

Many of the larger firms that represent foreign direct investment in Viet Nam have origin management teams: it would be beneficial if these corporations were directly involved in origin training, eventually even with people attending from abroad. This is very important, as FDI enterprises in Vietnam often have no authority to decide on their own on the sourcing of the raw materials and the manufacturing processes. They basically have to follow "orders" from abroad. But exactly those factors, to source the correct material, input and decide the origin-conferring manufacturing process, are primordial in application and fulfilment of rules of origin in FTAs. Thus, if rules of origin are important for Vietnamese enterprises, it is even more important for the investors to understand them. This could be true and essential for the

textiles & garment sector, where FDI owned businesses represent a high percentage of total enterprises in Vietnam. Only by involving the owner(s), origin can be taught and influenced the right way.

5.5 Recommendations

The specific training needs assessment (TNA) is contained in Annex 5 to this report. It entails several substantial needs for specific origin trainings for Vietnamese business owners and exporters.

To recap also the TNA tables, it basically suggests several intervention logics:

- I. General information and training on the EVFTA and other agreements, with special focus on rules of origin, with eventual additional information on non-tariff barriers to trade (TBTs/SPS issues).
- II. General training on rules of origin, without specificity to any sector, thus explaining the core principles of rules of origin under different agreements and focussing more deeply on general rules from tariff classification, value content criteria under ATIGA, EVFTA and other agreements (including short introduction to customs valuation), cumulation options, minimal operations, tolerance rules, etc.. A part of the training will be dedicated to administrative issues, i.e. proofs of origin, self-certification, bookkeeping, and verification. If time allows, there could be a special training session dedicated to non-tariff barriers to trade (TBTs/SPS issues).
- III. Sector specific training on rules of origin, specifically targeted to the main sectors of Vietnamese industry, ranging from Agricultural sector (including processed food), chemical sector and plastics/rubber, textiles and garment, footwear, machinery sector including automotive. For agricultural sector, a set of training focussing on non-tariff barriers to trade (TBTs/SPS issues) is essential too.
- IV. Training in the application of the Harmonised System (HS): introduction to the HS, function and rationale of the HS, correct product and material classification, general interpretative rules (GIRs).
- V. Separate or in conjunction with the training in the HS, additional focus on the Customs evaluation, WTO agreement and customs practices.
- VI. Development of training materials for Government officials and local authorities that will use those materials to train associations and enterprises.
- VII. Development of training materials and fact-sheets for private sector stakeholders.
- VIII. Eventually, development of an online training course on rules of origin, in cooperation with MOIT and external training centre(s).
- IX. Eventually, introduce or enhance the vocational training and working curricula offered in Vietnam at University or College level to include a “Master” or other degree in the application of free trade agreements, above all for trade in goods (tariff concessions, customs dismantling, HS classification and rules of origin as essential ingredients), ultimately to achieve a highly skilled personnel in enterprises dealing with import-export business.

During some discussions held in Ha Noi and Ho Chi Minh City, Mr. Staples expressed also the option, that further training materials could be made available to Vietnamese Government and business community, for instance the [3CE](#) online HS classification system. Furthermore, Mr. Staples also suggested that assistance projects for MOIT should join forces to eventually convince international centers like the “Inter-American Development Bank (IADB)”, to disclose some of their origin training materials, that could then be translated into Vietnamese.

6 CONCLUSIONS AND RECOMMENDATIONS

6.1 General Recommendations

TPP/EVFTA and other FTAs are really opportunities if enterprises master the rules of origin, choose appropriate origin criteria and apply the correct origin procedures.

On the other hand, these FTAs will become challenges and a pitfall, if enterprises don't know exactly the HS code, don't know how to apply precisely relevant ROO and OCP / Self-certification/ Self-declaration.

For reference, Viet Nam is having hundreds of thousands of textile and garments companies/factories but not more than 1% among them is well equipped with sufficient knowledge on this issue. The same is true for other very important sectors in Vietnam, i.e. raw and processed agricultural goods, chemicals, machinery.

Therefore the origin training needs are essentially necessary and urgent, in the context that these FTAs will take into effect in a couple of years. If not, the tariff rate imposed on goods exporting from Viet Nam to the EU or TPP Partners will still be MFN rate instead of FTA rate. By then, the utilization of the benefit from such FTAs will not be as meaningful as being expected by the Government as well as by the business community.

The senior experts also floated the idea to MOIT to create a sort of “Origin Committee” with key private sector stakeholders eventually to deal with origin matters, or generally with movement of goods, meaning tariff barriers to trade.

Many of the larger firms that represent foreign direct investment in Viet Nam have origin management teams: it would be beneficial if these corporations were directly involved in origin training, eventually even with people attending from abroad.

Intensive origin training and origin awareness activities for both the private sector and public sector across the country – possibly in cooperation with the national colleges and/or universities, should be facilitated.

6.2 Operational recommendations for Vietnam's self-certification scheme

Under the present mission goals, a thorough questionnaire – covering among others the registration and application form and content – was designed, distributed and explained. The responses to this questionnaire and information gathered through interviews was processed and analysed, presenting the requests/comments of the private sector. Recommendations and concrete proposals for the revision of the regulatory framework, and its implementation, have been provided based on all the information collected as well as international experience.

Thus, Vietnam should push forward for the introduction of a full-fledged, open self-certification system. Frequent training activities and verifications should guarantee that Vietnam accomplishes both certainty and trust for the enterprises but also for the other

ASEAN members as well as for the EU. As explained, the existing regulatory framework should be heavily revised, eliminating cumbersome requirements to apply and over-ambitious sanctions on minor violations.

Self-certification is also compatible with the soon to be introduced Asean Single Window pushed forward by ASEAN with the help of international donors. Altogether, it will offer great facilitation for private sector stakeholders and enhance their business opportunities.

7 ANNEXES

Annex 1 – Matrix of activities implementation

Annex 2 – Self-Certification Form

Annex 3 – Self-Certification workshops questionnaire

Annex 4 – Review of the regulatory framework

Annex 5 – Training needs assessment (TNA)

Annex 6 – Evaluation of the questionnaires

Annex 7 – Special evaluation – FTA and their impact on Vietnam’s textile and garment [sectors] through the rules of origin (ROO)

7.1 Annex 1 – Matrix of activities implementation

The key tasks and deliverables were provided based on the following matrix approach:

Main task / sub-tasks	Responsible	MAN-DAYS				
		DMI1	DMI2	AMD11	AMD12	AMD13-5
1. With the support of MOIT-Foreign Trade Agency, contact ASEAN Members and free-trade partners for self-certification implementation “lessons-learnt”. Interact (phone call and email) with them to collect relevant information	AMD11 and DMI1	5		5		
2. Draft general regulatory framework	DMI1, DMI2 and AMD11, reviewed and commented by AMD12	5	5	5	2	

3. Draft self-certification application form	DMI1 and AMDI1	6	3	3		
4. Once 1) and 2) have been approved by MoIT, host two seminars to explain the process and issues to the private sector	Presentation by DMI1, DMI2, AMDI1 and AMDI2, other AMDI experts support the organisation of the seminars and the preparation of materials	4	4	4	4	
5. The draft self-certification application forms and regulatory framework are explained and distributed in two seminars in Hanoi and HCMC. The Foreign Trade Agency of MOIT will cooperate in all the activities regarding the application forms	AMDI3-5					4 (two-day preparation and one attending x 2 seminars for each expert)
6. "Face-to-face" interviews with Priority Enterprises to see if they would conditionally qualify as ASEAN's 2cd Self-certification Pilot Project. Interviews will take place either at the end of the seminars or at a	AMDI-1 and AMDI-2 In case representative of enterprises are not available during the seminars, the experts will interview them at			8 (this activity may require missions in different part of Vietnam)	6 (this activity may require missions in	5 for each expert (assist AMDI1 and 2 in collecting the information and revising the

later stage. Experts shall travel to interview selected stakeholders in North and South Vietnam.	a later stage. AMDI-1 will cover the companies in North Vietnam and AMDI-2 in south Vietnam (one mission in south Vietnam). AMDI 3-5 (collect and process information)				different part of Vietnam)	questionnaires).
7. Gather results of comments to the questionnaire / draft application at the end of the two seminars and process them in the format requested by Foreign Trade Agency and DMI and other AMDI experts> Further revisions requested to adjust the format to the needs of Foreign Trade Agency	AMDI3-5					7 each expert
8. Fine-tune the draft regulatory framework in light of the comments received	DMI1 and DMI2, AMDI1-2 and reviewed and commented by AMDI2	5	5	5	3	
9. Assist MOIT in the process of	DMI1 and AMDI1-5	5 (for the		10 (assist the Foreign	4 (assist	10 each (assist

<p>determining the companies that may approved as self-certifiers for purposes of the ASEAN's 2cd Self-certification Pilot Project (this requires analysis of all the past performances of companies in term of compliance with import-export procedures, interviews with companies-representatives, etc.)</p>		<p>international best practices in selecting companies in EU and other selected countries)</p>		<p>Trade Agency in the investigations, analysis, interviews, criteria for inclusions and exclusions, etc.). This requires also interviews with relevant institutions to verify the reliability of companies (including banks, insurance companies, etc.) . This activity requires missions in different part of the countries (at least 3 mission, one in the south, one in center and one in north Vietnam)</p>	<p>the Foreign Trade Agency and DMI1 and 2 in developing criteria in Vietnam based on the best practices)</p>	<p>Foreign Trade Agency in collecting all the relevant data from customs, business associations (also with interview), Courts, banks, and other relevant stakeholders. This includes also desk-researches and phone-calls (to relevant international stakeholders)</p>
<p>10. Report on Origin training needs analysis and recommendations</p>	<p>DMI2, AMDI1-5</p>		<p>6</p>	<p>10</p>	<p>10</p>	<p>5 for each expert to collect information and statistical data from different</p>

						stakeholders (including interviews)
11. Revision of the report on origin training needs analysis after the comments from stakeholders	AMDI2				3	
TOTAL		30	20	50	32	31 each x 3= 93
TOTAL ACCORDING TO PER		50 DMI EXPERTS		175 AMDI EXPERTS		

7.2 *Annex 2 – Self-Certification Form*



SELF CERTIFICATION AND VERIFICATION OF ORIGIN QUESTIONNAIRE

The attached questionnaire is developed under ICB-4 PE2 activity.

The Senior experts took into account several processes and forms from other countries, but also the drafts issued by the MOIT. Especially helpful were drafts from Switzerland (for EU standard approved exporter scheme), South Korea, Indonesia, NAFTA (Canada) and Malaysia. Application process for self-certification were also considered from Singapore, Thailand and the Philippines.

Main rationale for establishing a comprehensive questionnaire is helping the Ministry of Industry and Trade (MOIT) in the declared goal of establishing an ASEAN-wide self-certification system, thus going further than the current 2 pilot projects that got implemented by a few ASEAN Members (i.e. Vietnam joined PP2).

The questionnaire will help not only MOIT but also private sector to well learn about all implications of self-certification, meaning assuring MOIT and also the trading partners about full compliance with rules of origin requirements. It also helps the applicant tracing his own origin information and record keeping as well as, up to a certain point, leading towards enhancing the applicant's origin knowledge.

The draft V.5 is usable for both the application as well as the verification process, where similar information is needed. Further, at a later stage, it could serve as importer questionnaire when Vietnamese importers get goods from the NAFTA zone which basically works only with self-certification, thus the Vietnamese importer will have to fill in the information needed (eventually, with the help of the exporter in the NAFTA-zone).

Ultimately, the questionnaire serves for the future implementation of the approved exporter scheme under the EU-Vietnam Free Trade Agreement.

The Senior experts are welcoming any suggestion and comments from the local experts and from MOIT.

Kind regards,

Claudio Dordi

TAT Team Leader

SELF CERTIFICATION OF ORIGIN QUESTIONNAIRE

(FOR EXPORTER, IMPORTER OR PRODUCER)

*(Issued in accordance with [Circular No. 28/2015/TT-BCT dated August 20, 2015] [Reviewed version 2016] and
Circulars [implementing self-certification ASEAN][implementing EU-VN FTA][implementing TPP]
of the Minister of the Ministry of Industry and Trade)*

OBJECTIVE OF THE QUESTIONNAIRE

Please mark (✓) where applicable and complete the following questionnaire.

Application for Self-Certification Scheme

Verification of Origin of materials or goods falling under a self-certification scheme:

.....

SECTION A ► APPLICANT INFORMATION

Please mark (✓) where applicable.

Applicant Status	Description
<input type="checkbox"/> Exporter	You are the exporter of the good(s) subject to this questionnaire.
<input type="checkbox"/> Exporter/Producer	You are the exporter and also the producer of the good(s) subject to this questionnaire.
<input type="checkbox"/> Producer of Good(s)	You are the producer of the good(s) subject to this questionnaire.
<input type="checkbox"/> Producer of Material(s)	You are the producer of the materials used in the production of the good(s)

	subject to this questionnaire.		
<input type="checkbox"/> Importer	You are the importer of the goods into Vietnam subject to Importer certification scheme under the Trans-Pacific Partnership agreement.		
Company Name		Country	
Name of CEO			
Tax Code of business / Taxpayer Identification Number		Company status: <input type="checkbox"/> FDI (※ Please specify): <input type="checkbox"/> DDI (※ Please specify): <input type="checkbox"/> Cooperation <input type="checkbox"/> Non FDI/DDI <input type="checkbox"/> Manufacturing (※ Please complete below) Industrial category: International Standard Industrial Classification/Version (ISIC/Rev.2/3/4):	
Other registration certificate(s) (if applicable):	<input type="checkbox"/> Industrial Business License <input type="checkbox"/> Export License <input type="checkbox"/> Import License <input type="checkbox"/> Other (※ Please specify):		
Manufacturing Identification Number (MID) (※ for TPP - Textiles only)			
Physical Address	(Head office)	Tel	
		Fax	
		Website / Social media site(s)	
	(Factory 1)	Tel	
	(Factory 2)	Tel	
Personnel	(Total) _____persons (Board of Directors) _____persons (Managers) _____persons (Production) _____persons (Others) _____persons		
Production	Does your company have manufacturing plant(s) and/or equipment involved <input type="checkbox"/> Yes		

	<p>in the production of the exported good(s) entitled to the preferential tariff <input type="checkbox"/> No treatment?</p> <p>(Mark (√) where applicable. If you mark yes, please fill in the following information)</p>			
Facilities for goods subject to this questionnaire	Description of Equipment	Production capacity	Use	Location
Storage of goods and materials	Description of Storage:	Capacities / Unit	Managed by (Please specify Department/Section, Goods and paper handling, Data processing, workflow description):	
	<input type="checkbox"/> In-House Warehouse			
	<input type="checkbox"/> Free Zone Warehouse			
	<input type="checkbox"/> Yard			
	<input type="checkbox"/> Silo			
	<input type="checkbox"/> Refrigerator / Cold storage facility			
	<input type="checkbox"/> No or minimal storage – just in time delivery			
(※ Attached continuation pages may be used if additional space is needed for your response)				
Relationship	<p>What is your contractual relationship with the producer of (please mark (√) where applicable) materials integrated or the goods exported?</p> <p><input type="checkbox"/> Sub-contractor</p> <p><input type="checkbox"/> Franchising</p> <p><input type="checkbox"/> Licensed producer of the materials:</p> <p style="padding-left: 20px;"><input type="checkbox"/> Licenced by exporter – rights owner in the country of exportation</p> <p style="padding-left: 20px;"><input type="checkbox"/> Licenced by importer – rights owner in the country of destination</p> <p><input type="checkbox"/> Own Branch / intracompany transaction</p> <p><input type="checkbox"/> Other (please specify):</p>			

SECTION B ► GENERAL INFORMATION OF GOODS

Applied FTA or Agreement	<input type="checkbox"/> ATIGA	<input type="checkbox"/> EUVFTA	<input type="checkbox"/> TPP – TEXTILES	<input type="checkbox"/> TPP – NON-Textiles
	<input type="checkbox"/> ASEAN-JP	<input type="checkbox"/> ASEAN-KR	<input type="checkbox"/> VN-KR	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. DETAILS OF GOOD(S) SUBJECT TO THIS QUESTIONNAIRE

Description of good(s)	HS Code (6-digit)	Price / Unit	Unit/Measure used	Other

2. HS TARIFF CLASSIFICATION

2-1.	How did you determine HS code of the materials used and exported good(s)?	<input type="checkbox"/> Exporter's determination <input type="checkbox"/> Consulting customs broker <input type="checkbox"/> Advance Ruling(s)/Customs information <input type="checkbox"/> Others; please specify:
2-2.	For tariff classification, please mark (√) where applicable and provide a copy of the documents	
	<input type="checkbox"/> Transaction Contract <input type="checkbox"/> Information of Production Process <input type="checkbox"/> Bill of Material (BOM) <input type="checkbox"/> Information of use	
	<input type="checkbox"/> Advance Rulings on Tariff Classification <input type="checkbox"/> Sample (※ Your sample might not be returned if it is used for further analysis)	

3. CERTIFICATES OF ORIGIN (C/O) AND TRADE

3-1.	Issuer of the Certificates of Origin (C/O) or other proofs of origin in your possession.	<input type="checkbox"/> Government agency <input type="checkbox"/> Exporter <input type="checkbox"/> Producer <input type="checkbox"/> Others (please specify:)
------	--	---

3-2.	Does the exporter keep C/O log book(s)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown																																																
3-3.	Does the producer keep C/O log book(s)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown																																																
3-4.	Which document is your determination of the preference rules of origin based on? Please mark √ where applicable and submit copy of supporting documents																																																	
	<input type="checkbox"/> Certificate of Origin (including C/Os issued by third countries)	<input type="checkbox"/> Invoice with certified origin <input type="checkbox"/> Cost and/or Production Statements by manufacturers of the materials integrated or the producer of the good(s)																																																
	<input type="checkbox"/> Origin certifying document (※Supplier's Declaration (including blanket-exportations), domestic manufacturing confirmation, Import Declaration etc.)	<input type="checkbox"/> Others ()																																																
3-5.	Statistics:																																																	
	How many Certificates of origin did you apply for in the past 2 years? If new exporter, how many exports with originating goods do you foresee?	Numbers per Months/Year/Type of CO																																																
	How many other certificates of origin did you apply for in the past 2 years?	Numbers per Months/Year/Type of CO																																																
3-6.	Provide the details trade volume for the goods and materials included in this questionnaire:																																																	
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">S/N</th> <th style="width: 30%;">Goods / materials</th> <th style="width: 15%;">HS Code*)</th> <th style="width: 20%;">Country of destination</th> <th style="width: 15%;">Quantity/Unit</th> <th style="width: 15%;">Trade value (please specify currency)</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">1</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">2</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">3</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">4</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">5</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">6</td><td></td><td></td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">7</td><td></td><td></td><td></td><td></td><td></td></tr> </tbody> </table>		S/N	Goods / materials	HS Code*)	Country of destination	Quantity/Unit	Trade value (please specify currency)	1						2						3						4						5						6						7					
S/N	Goods / materials	HS Code*)	Country of destination	Quantity/Unit	Trade value (please specify currency)																																													
1																																																		
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6																																																		
7																																																		
	*) HS code: 6 or 8 digit code to be indicated according to the relevant Agreement.																																																	
	※ Attached continuation pages may be used if additional space is needed for your response.																																																	

SECTION C ► PREFERENTIAL RULES OF ORIGIN

4. PRODUCTION DESCRIPTION

4-1 Please describe the production operation for the good(s) subject to self-certification application (※ Production Operation: Attached continuation pages may be used if additional space is needed for your response.)

a)

b)

4-2. Provide the details of raw materials used in the production of the good(s) in the table below.

S/N	Description of Material	Type	HS Code	Name/Address of Supplier	Country of Origin
1					
2					
3					
4					

※ HS code: 6 or 8 digit code to be indicated according to the relevant Agreement.

Attached continuation pages may be used if additional space is needed for your response.

5. ORIGIN DETERMINATION

Please mark (✓) indicating the appropriate preference rule(s) applied to the good(s) being verified, and complete the question(s) below.

Origin Preference Criterion	Please mark all the applicable rules that apply to the goods covered by the self-certification application.	<input type="checkbox"/> Wholly obtained <input type="checkbox"/> Change in tariff classification <input type="checkbox"/> RVC/Value content criteria (please complete point 5)	<input type="checkbox"/> Fungible goods / accounting segregation <input type="checkbox"/> Cumulation ASEAN <input type="checkbox"/> Other cumulation. Please specify: <input type="checkbox"/> Packaging and labelling (please complete point 8)
-----------------------------	---	---	--

		<input type="checkbox"/> Manufacturing process criteria (please complete point 6)	<input type="checkbox"/> Accessories, spare parts and tools (please complete point 9)
		<input type="checkbox"/> De minimis / tolerance rule applied (Please specify):	<input type="checkbox"/> Direct Transport fulfilled <input type="checkbox"/> Other: (please specify):

	Did you carry out production operations beyond the non-qualifying (minimal) operations stipulated in the relevant Agreement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
--	--	---

	Did you satisfy the direct transport rule (if applicable under the relevant agreements) and ship your goods directly?	<input type="checkbox"/> Yes <input type="checkbox"/> No (※ please provide supporting documents for proving identity and non-manipulation of goods during transport and storage abroad)
--	---	--

5-1. Provide the details of materials used in the production of good(s) in the table below and provide supporting documents. (※ Attached continuation pages or separate list(s) may be used if additional space is needed for your response.)

Good A ((Mark (√) where applicable)

	S/N	Description of Material	HS Code (6-digit)	Value / Unit (Incoterm / Currency)	Weight / Unit (if applicable)	Name/Address/ Contact Details of Supplier	Country of Origin*2
a)							

Good B

	S/N	Description of Material	HS Code (6-digit)	Value / Unit (Currency)	Weight / Unit (if applicable)	Name/Address/ Contact Details of Supplier	Country of Origin*2
b)							

(※ Attached continuation pages may be used if additional space is needed for your response)

*2 Please note that for wholly obtained products obtained from the sea (i.e. fisheries), specific rules related to the vessel, the flag, its crew members might apply.

6. MANUFACTURING PROCESS CRITERIA

6-1. Explain how this criterion is met and submit supporting documents. (※ Explanation on manufacturing process undertaken. Attached continuation pages may be used if additional space is needed for your response.)

7. FUNGIBLE GOODS/MATERIALS

- 7-1. Does the good(s) contain fungible materials/goods? Yes
 No
- 7-2. If yes, select the inventory management method used. FIFO LIFO
 Averaging
 Other acceptable accounting method
- 7-3. Provide the fungible good(s) used in the space below. (※ Description of fungible goods. Attached continuation pages may be used if additional space is needed for your response.)

8. Packaging materials, packaging and labelling

8-1. Explain briefly how and by whom your goods or materials are packed and labelled before shipping:

--

9. Accessories, Spare Parts and Tools

9-1. (※ Only if applicable.)

--

SECTION E ► CERTIFICATION OF ORIGIN

10. How does your enterprise determine and verify origin?

	<input type="checkbox"/> Third Party Consultants(Customs Broker, Consulting Firm, and/or Origin Specialist) Name: /☎: <input type="checkbox"/> Origin Advance Ruling/Information by MOIT (※ Please provide copy) Name: /☎: <input type="checkbox"/> In-house Origin Staff (※ please complete below)
10-1. Consultants and Staffs in Origin Management	Please provide information about human resources in charge of origin management (※ alternatively, please complete MOIT - ANNEX V) Name/Position: /☎: experienced for ____ year(s) Name/Position: /☎: experienced for ____ year(s) Name/Position: /☎: experienced for ____ year(s) Name/Position: /☎: experienced for ____ year(s)
10-2. Origin Management System	Do you have an origin management system? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please provide a short description of the system:

	Please provide a short description of your accounting and bookkeeping system (※ Attached continuation pages may be used if additional space is needed for your response)
10-3.	Purchase of materials and sale of the goods (※ Attached continuation pages may be used if additional space is needed for your response) :
	Please provide a description of how materials are purchased and which is the responsible department (if it is a different department, please describe how the origin staff asserts and secures the relevant information and documentation related to the origin of the materials)
	Please provide a description of how goods are advertised and sold.

SECTION F ► FINAL PROVISIONS

11. RECORD KEEPING

11-1.	The applicant undertakes to keep and maintain up-to-date accurate books and records for at least three years as shown below:												
	<table border="0"> <tr> <td><input type="checkbox"/> Commercial invoice</td> <td><input type="checkbox"/> Invoices of domestic materials</td> </tr> <tr> <td><input type="checkbox"/> Bill of lading or equivalent shipping documents</td> <td><input type="checkbox"/> Consumption records of materials used / Stock records</td> </tr> <tr> <td><input type="checkbox"/> Raw Materials Purchase Records, i.e. customs declaration of import of raw materials</td> <td><input type="checkbox"/> Sales and Stock of Finished Goods Records</td> </tr> <tr> <td><input type="checkbox"/> Export license</td> <td><input type="checkbox"/> Cash book</td> </tr> <tr> <td><input type="checkbox"/> A description of the production process</td> <td><input type="checkbox"/> Ledger Accounts</td> </tr> <tr> <td><input type="checkbox"/> Sales contract(s)</td> <td><input type="checkbox"/> Other documents (Please specify):</td> </tr> </table>	<input type="checkbox"/> Commercial invoice	<input type="checkbox"/> Invoices of domestic materials	<input type="checkbox"/> Bill of lading or equivalent shipping documents	<input type="checkbox"/> Consumption records of materials used / Stock records	<input type="checkbox"/> Raw Materials Purchase Records, i.e. customs declaration of import of raw materials	<input type="checkbox"/> Sales and Stock of Finished Goods Records	<input type="checkbox"/> Export license	<input type="checkbox"/> Cash book	<input type="checkbox"/> A description of the production process	<input type="checkbox"/> Ledger Accounts	<input type="checkbox"/> Sales contract(s)	<input type="checkbox"/> Other documents (Please specify):
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<input type="checkbox"/> A description of the production process	<input type="checkbox"/> Ledger Accounts												
<input type="checkbox"/> Sales contract(s)	<input type="checkbox"/> Other documents (Please specify):												

12. FINAL PROVISIONS

I.	The applicant certifies that the information on this document is true and accurate and he assumes the responsibility for proving such representations. He fully understands that he is liable for any false statements or material omissions made on or in connection with this document.
II.	The applicant extends the fullest co-operation to Ministry of Industry and Trade (MOIT), and he

is required to produce books and records for verification purposes at any time upon request by MOIT; the request might be made by written in advance or orally upon unannounced visit and inspection;

- III. He also undertakes to inform MOIT immediately of any changes in the particulars in this Questionnaire and the Application Form;
- IV. For products of ASEAN origin, he shall ensure that his manufacturer in the respective ASEAN country submits the necessary documents to MOIT for the eventual verification of origin.
- V. The applicant is fully aware that the penalty for making a false declaration, representation or furnish any false material information in respect of the above may include:
 - a) imprisonment for a term not exceeding x (x) years and shall also be liable to a fine pursuant to Section xx of the Penal Code read together with Section xx or xx of the Penal Code; or
 - b) fine not exceeding V Dxxx,000.00 (xxx Hundred Thousand Dong) or to imprisonment for a term not exceeding x (x) years or to both under Section x of Customs Act x. (or Commercial Law
- VI. The Applicant undertakes to report to the Ministry of Industry and Trade's Import-Export Department in the first week of the following month on commercial invoices containing origin declaration issued for exported goods in the previous month.
- VII. The Applicant understands that the self-certification facilitation might be revoked anytime by the competent authority in connection with fraud, misuse or when the requirements of the granting of such self-certification scheme are no longer fulfilled.

Company Name:	Date:	
Name of Representative:	Title:	Authorized Signature/Seal:
Name of Person who Completed this Form:	Title:	Authorized Signature/Seal:

13. MOIT Use Only

Name of MOIT officer(s) in charge:	Division:
------------------------------------	-----------

Title:	
【Additional question or information】	
<p>※ If you have any questions or comments please state below. If further space is needed use the continuation pages.</p>	

SECTION G ► LIST OF ADDITIONAL DOCUMENTS

S/N	Description of Documents	Re. Point No.
1		
2		
3		
4		
5		
6		
7		

8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		

14. Completion Instruction

1. In terms of the value (price) of the goods and/or materials, please convert the value (price) of FOB, EXW, adjusted price, net cost, etc. into USD or the currency used in commercial practice of the applicant. Please make sure to use the same currency throughout the documentation submitted or convert with appropriate exchange rates.
2. Please describe the unit of quantity of the good set out in the harmonized commodity description and coding system. e.g. kg, u, kg, 2u, m kg, m² kg, m³ kg, l kg, MW, etc.

15. Explanatory Notes to Approved Exporter Number under the EU – Vietnam Free Trade Agreement

3. Please note that the Vietnam – EU FTA rules of origin concerning value added criterion are based on the “ex-works price” of the good which might require a different value-content calculation than those used in other Free Trade Agreements.
4. Within the meaning of Article 20 of the “PROTOCOL CONCERNING THE DEFINITION OF THE CONCEPT OF “ORIGINATING PRODUCTS” AND METHODS OF ADMINISTRATIVE CO-OPERATION” of the EU VN FTA, Vietnam can approve so-called “approved exporters”. Once approved, the exporters can issue an invoice declaration for qualifying goods irrespective of the value of the consignment.

5. An exporter is deemed to be the person or undertaking who either owns the goods or has the legal right to dispose of them. An exporter does not necessarily have to be the producer of the goods.
6. In cases when the product obtained its originating status on the basis of cumulation, Art. 3 of the Origin protocol stipulates specific rules to observe and specific references to make in addition to the invoice declaration.

16. Explanatory notes to the Trans-Pacific Partnership Agreement

7. ADD Self certification upon importation into Vietnam explanation.

8. According to US regulations, textiles and apparel manufacturers are subject to declaration of a so-called Manufacturer Identification Code (MID) if their products are shipped to the USA under the Trans-Pacific Partnership Agreement and its side-agreements. Without prejudice and subject to changes by the USA, the [Code of Federal Regulations \(CFR\)](#) states the following:

***** (open citation)

§102.23 Origin and Manufacturer Identification.

(a) *Textile or apparel product manufacturer identification.* All commercial importations of textile or apparel products must identify on CBP Form 3461, or its electronic equivalent, (Entry/Immediate Delivery) and CBP Form 7501, or its electronic equivalent, (Entry Summary), and in all electronic data transmissions that require identification of the manufacturer, the manufacturer of such products through a manufacturer identification code (MID) constructed from the name and address of the entity performing the origin-conferring operations pursuant to §102.21 or §102.22 of this part, as applicable. The code must be accurately constructed using the methodology set forth in the appendix to this part, including the use of the two-letter International Organization for Standardization (ISO) code for the country of origin of such products. When a single entry is filed for products of more than one manufacturer, the products of each manufacturer must be separately identified. Importers must be able to demonstrate to CBP their use of reasonable care in determining the manufacturer. If an entry filed for such merchandise fails to include the MID properly constructed from the name and address of the manufacturer, the port director may reject the entry or take other appropriate action. For purposes of this paragraph, "textile or apparel products" means goods classifiable in Section XI, Harmonized Tariff Schedule of the United States (HTSUS), and goods classifiable in any 10-digit HTSUS number outside of Section XI with a three-digit textile category number assigned to the specific subheading.

(b) *Incomplete or insufficient information.* If the port director is unable to determine the country of origin of a textile or apparel product, the importer must submit additional information as requested by the port director. Release of the product from CBP custody will be denied until a determination of the country of origin is made based upon the information provided or the best information available.

(c) *Date of exportation.* For quota, visa or export license requirements, and statistical purposes, the date of exportation for textile or apparel products listed in §102.21(b)(5) will be the date the vessel or carrier leaves the last port in the country of origin, as determined by application of §102.21 or §102.22, as applicable. Contingency of diversion in another foreign territory or country will not change the date of exportation for quota, visa or export license requirements or for statistical purposes.

[CBP Dec. 05-32, 70 FR 58013, Oct. 5, 2005, as amended at CBP Dec. 11-09, 76 FR 14584, Mar. 17, 2011; CBP Dec. 15-14, 80 FR 61286, Oct. 13, 2015]

Appendix to Part 102—Textile and Apparel Manufacturer Identification

RULES FOR CONSTRUCTING THE MANUFACTURER IDENTIFICATION CODE (MID)

1. Pursuant to §102.23(a) of this part, all commercial importations of textile or apparel products, as defined in that paragraph, must identify on CBP Form 3461, or its electronic equivalent, (Entry/Immediate Delivery) and CBP Form 7501, or its electronic equivalent, (Entry Summary), and in all electronic data transmissions that require identification of the manufacturer, the manufacturer of such products through a manufacturer identification code (MID) constructed from the name and address of the entity performing the origin-conferring operations. The MID may be up to 15 characters in length, with no spaces inserted between the characters.

2. The first 2 characters of the MID consist of the ISO code for the actual country of origin of the goods. The one exception to this rule is Canada. "CA" is not a valid country code for the MID; instead, one of the appropriate province codes listed below must be used:

ALBERTA—XA

BRITISH COLUMBIA—XC

MANITOBA—XM

NEW BRUNSWICK—XB

NEWFOUNDLAND (LABRADOR)—XW

NORTHWEST TERRITORIES—XT

NOVA SCOTIA—XN

NUNAVUT—XV

ONTARIO—XO

PRINCE EDWARD ISLAND—XP

QUEBEC—XQ

SASKATCHEWAN—XS

YUKON TERRITORY—XY

3. The next group of characters in the MID consists of the first three characters in each of the first two "words" of the manufacturer's name. If there is only one "word" in the name, then only the first three characters from the name are to be used. For example, "Amalgamated Plastics Corp." would yield "AMAPLA," and "Bergstrom" would yield "BER." If there are two or more initials together, they are to be treated as a single word. For example, "A.B.C. Company" or "A B C Company" would yield "ABCCOM," "O.A.S.I.S. Corp." would yield "OASCOR," "Dr. S.A. Smith" would yield "DRSA," and "Shavings B L Inc." would yield "SHABL." The English words "a," "an," "and," "of," and "the" in the manufacturer's name are to be ignored. For example, "The Embassy of Spain" would yield "EMBSPA." Portions of a name separated by a hyphen are to be treated as a single word. For example, "Rawles-Aden Corp." or "Rawles—Aden Corp." would both yield "RAWCOR." Some names include numbers. For example, "20th Century Fox" would yield "20TCEN" and "Concept 2000" would yield "CON200."

a. Some words in the title of the foreign manufacturer's name are not to be used for the purpose of constructing the MID. For example, most textile factories in Macau start with the same words, "Fabrica de Artigos de Vestuario," which means "Factory of Clothing." For a factory named "Fabrica de Artigos de Vestuario JUMP HIGH Ltd," the portion of the factory name that identifies it as a unique entity is "JUMP HIGH." This is the portion of the name that should be used to construct the MID. Otherwise, all of the MIDs from Macau would be the same, using "FABDE," which is incorrect.

b. Similarly, many factories in Indonesia begin with the prefix PT, such as "PT Morich Indo Fashion." In Russia, other prefixes are used, such as "JSC," "OAO," "OOO," and "ZAO." These prefixes are to be ignored for the purpose of constructing the MID.

4. The next group of characters in the MID consists of the first four numbers in the largest number on the street address line. For example, "11455 Main Street, Suite 9999" would yield "1145." A suite number or a post office box is to be used if it contains the largest number. For example, "232 Main Street, Suite 1234" would yield "1234." If the numbers in the street address are spelled out, such as "One Thousand Century Plaza," no numbers representing the manufacturer's address will appear in this section of the MID. However, if the address is "One Thousand Century Plaza, Suite 345," this would yield "345." When commas or hyphens separate numbers, all punctuation is to be ignored and the number that remains is to be used. For example, "12,34,56 Alaska Road" and "12-34-56 Alaska Road" would yield "1234." When numbers are separated by a space, both numbers are recognized and the larger of the two numbers is to be selected. For example, "Apt. 509 2727 Cleveland St." would yield "2727."

5. The last characters in the MID consist of the first three letters in the city name. For example, "Tokyo" would yield "TOK," "St. Michel" would yield "STM," "18-Mile High" would yield "MIL," and "The Hague" would yield "HAG." Numbers in the city name or line are to be ignored. For city-states, the first three letters are to be taken from the country name. For example, Hong Kong would yield "HON," Singapore would yield "SIN," and Macau would yield "MAC."

6. As a general rule, in constructing a MID, all punctuation, such as commas, periods, apostrophes, and ampersands, are to be ignored. All single character initials, such as the "S" in "Thomas S. Delvaux Company," are also to be ignored, as are leading spaces in front of any name or address.

7. Examples of manufacturer names and addresses and their corresponding MIDs are listed below:

LA VIE DE FRANCE, 243 Rue de la Payees, 62591 Bremond, France; FRLAVIE243BRE

20TH CENTURY TECHNOLOGIES, 5 Ricardo Munoz, Suite 5880, Caracas, Venezuela; VE20TCEN5880CAR

Fabrica de Artigos de Vestuario TOP JOB, Grand River Building, FI 2-4, Macau; MOTOPJOB24MAC

THE GREENHOUSE, 45 Royal Crescent, Birmingham, Alabama 35204; USGRE45BIR

CARDUCCIO AND JONES, 88 Canberra Avenue, Sidney, Australia; AUCARJON88SID

N. MINAMI & CO., LTD., 2-6, 8-Chome Isogami-Dori, Fukiai-Ku, Kobe, Japan; JPMINCO26KOB

BOCCHACCIO S.P.A., Visa Mendotti, 61, 8320 Verona, Italy; ITBOCSPA61VER

MURLA-PRAXITELES INC., Athens, Greece; GRMURINCATH

SIGMA COY E.X.T., 4000 Smyrna, Italy, 1640 Delgado; ITSIGCOY1640SMY

COMPANHIA TEXTIL KARSTEN, Calle Grande, 25-27, 67890 Lisbon, Portugal, PTKAR2527LIS

HURON LANDMARK, 1840 Huron Road, Windsor, ON, Canada N9C 2L5; XOHURLAN1840WIN

A.B.C. COMPANY, 55-5 Hung To Road, P.O. Box 1234, Kowloon, Hong Kong; HKABCCOM1234HON.

[CBP Dec. 05-32, 70 FR 58015, Oct. 5, 2005, as amended at CBP Dec. 11-09, 76 FR 14584, Mar. 17, 2011; CBP Dec. 15-14, 80 FR 61286, Oct. 13, 2015]

***** (END OF CITATION)

7.3 *Annex 3 – Self-Certification workshops questionnaire*



ORIGIN QUESTIONNAIRE

Dear Private Sector stakeholders,

Please fill out attached origin questionnaire. This will allow us to ascertain private sector needs for further technical assistance under the EU MUTRAP Project.

The questionnaire will be evaluated by our team, thus feel free to fill in information in Vietnamese, in case. Your information will be confidentially evaluated and will not be shared with project external people.

Thanks so much for your kind cooperation.

Upon your choice, you might also submit the questionnaire electronically to:

Ms. Linh Bui Hoang @: linhbh@mutrap.org.vn

Best regards,

Mr. Claudio Dordi, TAT Team Leader

Mr. Brian Staples and

Mr. Stefan Moser, Senior Experts

SECTION A ► GENERAL INFORMATION ABOUT PRIVATE SECTOR STAKEHOLDER

Please mark (√) where applicable.

I am the:	Description
<input type="checkbox"/> Exporter	You are the exporter of the good(s) subject to this questionnaire.
<input type="checkbox"/> Exporter/Producer	You are the exporter and also the producer of the good(s) subject to this questionnaire.
<input type="checkbox"/> Producer of Good(s)	You are the producer of the good(s) subject to this questionnaire.
<input type="checkbox"/> Producer of Material(s)	You are the producer of the materials used in the production of the good(s) subject to this questionnaire.

On a voluntary basis, please fill in the following information:

Company Name		Country	
<p>My company has the following status:</p>	<p><input type="checkbox"/> FDI (※ Please specify:)</p> <p><input type="checkbox"/> DDI (※ Please specify:)</p> <p><input type="checkbox"/> Cooperation</p> <p><input type="checkbox"/> Non FDI/DDI</p> <p><input type="checkbox"/> Manufacturing (※ Please complete below)</p> <p>Industrial category:</p> <p>International Standard Industrial</p>		

	Classification/Version (ISIC/Rev.2/3/4):		
Physical Address	(Head office)	Tel	
		Fax	
		Website / Social media site(s)	
Production	(Factory 1)	Tel	
	(Factory 2)	Tel	
Production Does your company have manufacturing plant(s) and/or equipment involved in the production of the exported good(s) entitled to the preferential tariff treatment? <input type="checkbox"/> Yes <input type="checkbox"/> No			
What is your contractual relationship with the producer of the materials you are using to produce your goods?	My supplier is: <input type="checkbox"/> My Sub-contractor <input type="checkbox"/> Working in a Franchising contract <input type="checkbox"/> Licensed producer of the materials: <input type="checkbox"/> Licenced by exporter – rights owner in the country of exportation <input type="checkbox"/> Licenced by foreign importer – rights owner in the country of destination <input type="checkbox"/> Own Branch / intracompany transaction <input type="checkbox"/> Other (please specify): <input type="checkbox"/> I don't know		

Under which Free Trade Agreements do you export frequently?	<input type="checkbox"/> ATIGA (INTRA ASEAN)	<input type="checkbox"/> EU GSP (IN FUTURE EU – VIETNAM FTA)	
	<input type="checkbox"/> ASEAN-JAPAN	<input type="checkbox"/> ASEAN-KOREA	<input type="checkbox"/> VIETNAM – KOREA
	<input type="checkbox"/> ASEAN – AUS/NZL	<input type="checkbox"/> OTHER: PLEASE SPECIFY	

17. DETAILS OF GOOD(S) YOU EXPORT

Description of good(s)	HS Code (6-digit)(if known)	Price Unit /	Unit/Measure used	Other

18. CUSTOMS TARIFF (HS) CLASSIFICATION

2-1. How do you usually determine the customs tariff code of the materials used and the exported good(s)?

- Exporter's determination
- Consulting customs broker
- Advance Ruling(s)/Customs information
- My customer in country of destination determines the origin of my goods
- Others; please specify:
.....
.....
.....

I don't know

19. CERTIFICATES OF ORIGIN (C/O) AND TRADE

3-1. When you export, which entity issues your certificates of origin=.

Government agency (MOIT)
 Chamber of Commerce and Industry (VCCI)
 Others (please specify:)

3-4. Which document is your determination of the preferential rules of origin based on? Please mark ✓ where applicable

Certificate of Origin (including C/Os issued by third countries) Invoice with certified origin Cost and/or Production Statements by manufacturers of the materials integrated or the producer of the good(s)

Origin certifying document (※Supplier's Declaration (including blanket-exportations), domestic manufacturing confirmation, Import Declaration etc.) Others ()

3-5. Statistical information:

How many Certificates of origin did you apply for in the past 2 years? If new exporter, how many exports with originating goods do you foresee? Numbers per Months/Year/Type of CO

How many other certificates of origin did you apply for in the past 2 years? Numbers per Months/Year/Type of CO

SECTION C ► PREFERENTIAL RULES OF ORIGIN

20. PRODUCTION DESCRIPTION

4-1 Please describe the production operation for the good(s) you export or trade:

a)

b)

21. ORIGIN DETERMINATION QUESTIONS

Please mark (√) indicating the appropriate preference rule(s) applied to the good(s) being verified, and complete the question(s) below.

<p>Which Origin Preference Criterion do you usually claim or apply? Please fill in also if you apply so-called cumulation rules.</p>	<input type="checkbox"/> Wholly obtained product	<input type="checkbox"/> Fungible goods / accounting segregation
	<input type="checkbox"/> Change in tariff classification	<input type="checkbox"/> Cumulation ASEAN <input type="checkbox"/> Other cumulation. Please specify:
<input type="checkbox"/> RVC/Value content criteria (please complete point 5)	<input type="checkbox"/> Packaging and labelling (please complete point 8)	<input type="checkbox"/> Accessories, spare parts and tools (please complete point 9)
<input type="checkbox"/> Manufacturing process criteria (please complete point 6)	<input type="checkbox"/> De minimis / tolerance rule applied (Please specify):	<input type="checkbox"/> Direct Transport fulfilled <input type="checkbox"/> Other: (please specify):
<input type="checkbox"/> I don't know		

<p>Does the concept of “non-qualifying” / “minimal operations” mean something for you?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>Did you hear already that under certain agreements, the goods have to be transported directly from the supplier to the client?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

22. VALUE ADDED OR MANUFACTURING PROCESS CRITERIA

6- 1. If you apply value-added criteria, could you provide a short descriptive of the processing operations and the value determination?

Do you know the International Commercial Terms (INCOTERMS)? i.e. EXW (Ex-works), FOB, CIF, C&F etc.?

Yes
 No

6- 2. If you carry out a manufacturing of the goods or materials exported, can you provide a short overview on the production process?

23. FUNGIBLE GOODS/MATERIALS

7- 1. Do you know the concept of “fungible materials/goods”? Yes (please see next question)
 No

7- 2.	If yes, select the inventory management method used.	<input type="checkbox"/> FIFO <input type="checkbox"/> LIFO <input type="checkbox"/> Averaging <input type="checkbox"/> Other acceptable accounting method
7- 3.	Provide the fungible good(s) used in the space below. (※ Description of fungible goods.)	

24. Packaging materials, packaging and labelling

- 8- Explain briefly how and by whom your goods or materials are packed and labelled before being
1. transported to your client or shipped abroad :

25. Accessories, Spare Parts and Tools

- 9- Do you add accessories, spare parts and/or tools to your exported goods? If yes, please provide a
1. short description.

SECTION E ► CERTIFICATION OF ORIGIN

26. How does your enterprise determine and verify origin?

10-1. Consultants and Staffs in Origin Management	<input type="checkbox"/> Third Party Consultants (Customs Broker, Consulting Firm, and/or Origin Specialist) <input type="checkbox"/> Origin Advance Ruling/Information by MOIT / VCCI BRANCHES <input type="checkbox"/> In-house Origin Staff (※ please complete below)
	Please provide information about human resources in charge of origin management
	Name/Position: /☎: experienced for ____ year(s) Name/Position: /☎: experienced for ____ year(s) Name/Position: /☎: experienced for ____ year(s) Name/Position: /☎: experienced for ____ year(s)
	10-2. Origin Management System
If yes, please provide a short description of the system:	
Please provide a short description of your accounting and bookkeeping system	

SECTION F ► FINAL QUESTIONS

1. In general, would you welcome further training in subjects related to the export of your goods?

11-1. Which kind of training you would welcome?

- Training related to the general rules of origin of the incumbent Free Trade Agreement EU – Vietnam
- General Training in Rules of origin (EUVNFTA, ASEAN ATIGA, ASEAN – OTHER COUNTRIES AGREEMENTS (i.e. KOREA))
- Training for the classification of materials and goods (Training in Harmonised System HS)
- Training in Trade related issues, specifically INCOTERMS.

※ If you have any questions or comments please feel free to write below. (English or Vietnamese):

7.4 *Annex 4 - COMPARISON TABLE – REVIEW OF REGULATORY FRAMEWORK (MOIT Circular No. 28/2015/TT-BCT dated August 20, 2015)*

Conditions to be met:	Vietnam - Self-Certification Pilot Project 2	EU – VN FTA Approved exporter scheme	EU GSP – “REX” (Registered Exporter)	Trans Pacific Partnership Agreement (TPP) (view from the side of VN exporter towards the USA)*	Recommendation for revision of Circular No. 28/2015/TT-BCT
Application process with competent authority	YES	YES above EUR 6’000 value NO - Self-certification without registration below EUR 6’000 value of consignment (or equivalent in national currency)	YES above EUR 6’000 value NO - Self-certification without registration below EUR 6’000 value of consignment	NO (Importer will declare origin to Customs – “NAFTA” approach upon importation in the USA, Canada and Mexico)	Introduce registration free self-certification for small consignments (i.e. up to USD 5’000 as much as possible if compatible with ASEAN “Annex I – Operational certification procedures” which foresee only USD 200.—limit which is very low for commercial invoices. Higher limit would definitely be SME friendly measure for intra-ASEAN trade). Registration above the

Conditions to be met:	Vietnam - Self-Certification Pilot Project 2	EU – VN FTA Approved exporter scheme	EU GSP – “REX” (Registered Exporter)	Trans Pacific Partnership Agreement (TPP) (view from the side of VN exporter towards the USA)*	Recommendation for revision of Circular No. 28/2015/TT-BCT
					value limit for all qualifying exporters.
Applicant must be registered in the Registry of Commerce or equivalent	YES	YES	YES	Importer declaration - Upon importing country to regulate	YES
Applicant must be Producer	YES	NO	NO	NO	Open the system to exporters, even if they are not the producers to reflect common commercial practices and realities.
Regular verification	YES including submission of data on a monthly basis	Flexible – theoretically yes, factually very limited If exporter has not yet long history of records, more frequent	As EU-VN	Only upon request by importing country’s authority	YES about submission of data about previous month’ exports under self-certification However, flexible solution suggested

Conditions to be met:	Vietnam - Self-Certification Pilot Project 2	EU – VN FTA Approved exporter scheme	EU GSP – “REX” (Registered Exporter)	Trans Pacific Partnership Agreement (TPP) (view from the side of VN exporter towards the USA)*	Recommendation for revision of Circular No. 28/2015/TT-BCT
		verifications might take place (ADD EU PRACTICE IF AVAILABLE)			where frequency of verification depends on history of good records (IF POSSIBLE ADD SOME SUGESTIONS ABOUT FREQUENCY CRITERIA
Exporter / Importer must submit proofs (of origin, sales records, accounting records, books, etc.) anytime upon request	YES	YES	As EU-VN	YES	YES
Sufficient guarantees (eventually define such guarantees?) concerning the originating status of	YES	YES	As EU-VN	NO YES for the importer or customs broker under certain conditions in	YES

Conditions to be met:	Vietnam - Self-Certification Pilot Project 2	EU – VN FTA Approved exporter scheme	EU GSP – “REX” (Registered Exporter)	Trans Pacific Partnership Agreement (TPP) (view from the side of VN exporter towards the USA)*	Recommendation for revision of Circular No. 28/2015/TT-BCT
the goods and the ability to meet all resulting obligations				NAFTA	
No violations record	YES	<p>YES</p> <p>Swiss Customs require three years of “no-violations record” preceding the presentation of the application.</p> <p>Practically, authorities show flexibility of the system for minor to average violations while they refuse registration in case the company committed fraud. (POSSIBLE TO ADD EU PRACTICE?)</p>	As EU-VN	NO	<p>YES – flexibility of the system for minor violations. If applicant might not be “clean”, more frequent verifications would be preferable instead of refusing the system overall.</p>

Conditions to be met:	Vietnam - Self-Certification Pilot Project 2	EU – VN FTA Approved exporter scheme	EU GSP – “REX” (Registered Exporter)	Trans Pacific Partnership Agreement (TPP) (view from the side of VN exporter towards the USA)*	Recommendation for revision of Circular No. 28/2015/TT-BCT
Penal and administrative consequences of misuse and fraud	<p>YES</p> <p>Question pending for FORM.D if exporter is also responsible the same way [please forward legal basis for infringements to Form.D] Penal and administrative laws and regulations (QUESTION SUBMITTED TO MOIT)</p>	<p>YES, equally stringent for both self-declaration on commercial document and CO EUR.1 (Certification of CO does not reduce in any way responsibility for the exporter)</p>	<p>As EU-VN</p>	<p>YES, importer reliability</p>	<p>YES, both certificates and self-declarations should be reliable the same way to avoid “penal” discrimination and keep self-certification scheme attractive.</p>
Withdrawal	<p>YES, if violation occurs</p>	<p>YES, if major violation occurs (any chance to define “major” vs. minor?)</p> <p>EU practice is however quite imbalanced;</p>	<p>As EU-VN (which in the case of the GSP has a severe deficiency as Form A is abolished, thus withdrawal equals factual stop of the</p>	<p>NO</p>	<p>Yes, only if major violation and fraudulent actions occurs</p> <p>(any chance to define “major” vs. minor?)</p>

Conditions to be met:	Vietnam - Self-Certification Pilot Project 2	EU – VN FTA Approved exporter scheme	EU GSP – “REX” (Registered Exporter)	Trans Pacific Partnership Agreement (TPP) (view from the side of VN exporter towards the USA)*	Recommendation for revision of Circular No. 28/2015/TT-BCT
		(POSSIBLE TO ADD EU PRACTICE?) Switzerland withdraws the scheme only in severe violation cases	exporter from trading above EUR 6'000 value/consignment)		
2 years records of preferential exports under the regular scheme	YES	Flexible condition of past records, but also of future expected records Rather than focusing on a given number of consignments or a particular sum, the competent authorities should look into how regularly the operator carries out such operations.	NO	No specific requirement in self-certification environment.	Delete a fix record requirement. Substitute with a flexible requirement of past documentation and volume of future exports expected combined with the frequency of initial verification activity (long good record equals few monitoring; short record equals initial higher monitoring activity

Conditions to be met:	Vietnam - Self-Certification Pilot Project 2	EU – VN FTA Approved exporter scheme	EU GSP – “REX” (Registered Exporter)	Trans Pacific Partnership Agreement (TPP) (view from the side of VN exporter towards the USA)*	Recommendation for revision of Circular No. 28/2015/TT-BCT
					with eventual on site verifications).
10 Million export volume (or in other words “frequent exports requirement”)	YES (could be seen as a substitute for “frequency of exports” under the EU FTA approach)	NO But the preferential agreements usually require a certain frequency of exports. EU-Korea FTA drops the criteria of frequency of exports for the obvious reason that self-certification is the only option left.	NO No “frequency of exports” criteria anymore for REX once implemented.	NO	Abolish the limit as unpractical. The only tool to measure as above, the frequency of exports performed and/or expected.
Specific Origin Training	YES	Flexible – “proof of rules of origin knowledge” required	NO	NO	Abolish mandatory training needs – substitute with a flexible “proof of origin knowledge” that would be required

Conditions to be met:	Vietnam - Self-Certification Pilot Project 2	EU – VN FTA Approved exporter scheme	EU GSP – “REX” (Registered Exporter)	Trans Pacific Partnership Agreement (TPP) (view from the side of VN exporter towards the USA)*	Recommendation for revision of Circular No. 28/2015/TT-BCT
					(which would be ensured by the comprehensive questionnaire).
Time limit of the authorisation	NO	NO For an unlimited period the authorization is granted to establish evidence of origin in quality of approved exporter and assign it an authorization number	NO	Violators might incur a ban for exporting/importing	NO
Signature	YES	Approved exporters might omit the signature if the commercial document bearing the declaration, if it is	YES	Not applicable (Importer declaration upon arrival)	To be compatible with Annex I of the ROO of ATIGA, (Rule 12B), keep requirement of signature and name of

Conditions to be met:	Vietnam - Self-Certification Pilot Project 2	EU – VN FTA Approved exporter scheme	EU GSP – “REX” (Registered Exporter)	Trans Pacific Partnership Agreement (TPP) (view from the side of VN exporter towards the USA)*	Recommendation for revision of Circular No. 28/2015/TT-BCT
		established by electronic means (which nowadays might be the case in almost 99% of cases)			of the person.
Fees and charges	NO Based on a decree by the VN PM, since 2009 also Form A are free of charge (as well as Form D etc.)	NO	NO	NO	NO (meaning no change to the current system)
Self-Certification is alternative to regular certification	YES	YES Only exception, the EU-KOR FTA does not foresee anymore CO EUR.1. The only option is self-certification as approved exporter for	YES, for the moment, above EUR 6000 value NO from 2017 Form A will be eliminated by 2017, with extension option until 2020	Only SC possible, no registration	YES, keep alternative for exporter

Conditions to be met:	Vietnam - Self-Certification Pilot Project 2	EU – VN FTA Approved exporter scheme	EU GSP – “REX” (Registered Exporter)	Trans Pacific Partnership Agreement (TPP) (view from the side of VN exporter towards the USA)*	Recommendation for revision of Circular No. 28/2015/TT-BCT
		exports above EUR 6’000 of value of the consignment).	Self-certification without registration below EUR 6’000 value of consignment		
Open Database for registration and consultation by third parties (i.e. traders, Customs, Ministries in VN and abroad)	EcoSYS does allow online registration and Electronic signature is available in Vietnam. Eventually, EcoSYS does does not allow online access for consultation purposes by third parties (PLEASE CONFIRM?)	NO Customs do not share name lists among customs agencies or with private sector	YES Once implemented, the central database of the EU GSP REX system will be accessible for the public (thus traders, customs, can directly verify the approval number and origin mentioned in invoice declarations, but only the ones issued by Beneficiary	NO	Suggested An open database would enhance visibility and general acceptance for the ASEAN self-certification scheme and enable ASEAN customs to verify quickly and simply basic information. Importers of Vietnamese products will also benefit to check. Good origin record would transform

Conditions to be met:	Vietnam - Self-Certification Pilot Project 2	EU – VN FTA Approved exporter scheme	EU GSP – “REX” (Registered Exporter)	Trans Pacific Partnership Agreement (TPP) (view from the side of VN exporter towards the USA)*	Recommendation for revision of Circular No. 28/2015/TT-BCT
			countries)		<p>into enhanced business trust and opportunity.</p> <p>A priori, data could be extracted from EcoSYS easily.</p> <p>VN could offer to share EcoSYS (eventually with donor support) with other ASEAN countries which do not have such online systems yet.</p>

*) To implement the TPP, Vietnam should verify its legislation to the extent if it is compatible with accepting Importer declarations of origin (thus not requiring a Certificate of origin to be presented to accord preferential treatment) and eventually, impose sanctions for violators.

7.5 Annex 5 – TRAINING NEEDS ASSESSMENT (TNA)

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
<p>I.General introduction to the EU – Vietnam Free Trade Agreement:</p>	<p>Producers and traders are both interested into the opportunities arising from the new free trade agreements concluded and implemented by Vietnam, i.e. the EU – Vietnam FTA.</p> <p>However, while ASEAN ATIGA is quite well known, the concept of new FTAs like EVFTA is quite new for many producers and traders. Rules of origin are very different and represent the main condition to enter the EU market. Thus, a better understanding is primordial.</p>	<p>Despite several workshops have been already carried out, according to an analysis by MOIT, only 2% of potential users of preferential agreements could directly be targeted so far.</p> <p>There is a huge need of informing associations and producers directly about the opportunities that are created by such agreements, specifically the EVFTA.</p>	<p>“Opportunities of the EU – Vietnam Free Trade Agreement and its Rules of Origin requirements”</p>	<p>Associations for producers and exporters</p> <p>Free Zone Management</p> <p>Exporters and producers</p>	<p>All persons working in import-export, or as sub-contractor to exporter-importer</p>	<p>MUTRAP</p> <p>2 Senior experts</p>	<p>Up to 5 workshops of 2-days length in strategic locations in Vietnam</p>	<ul style="list-style-type: none"> - Enhanced general understanding of the EVFTA and other agreements, logics and approach. - Enhanced understanding of Rules of origin (general knowledge); i.e. about concept, structure, tariff shift rules, general rules.

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
II. Rules of Origin:								
a. General concept of Rules of origin	While workshops on Free Trade agreements in general can attract a lot of potential exporters and producers, the information provided is however only a first step towards a deeper understanding on rules of origin. For technical people, clearer and stronger training is necessary to enable enterprises to grab the opportunities offered from FTAs and avoid dolorous experiences in case of wrongdoings.	General training on rules of origin, without specificity to any sector, thus explaining the core principles of rules of origin under different agreements and focussing more deeply on general rules from tariff classification, value content criteria under ATIGA, EVFTA and other agreements (including short introduction to customs valuation), cumulation, minimal operations, tolerance rules, etc.. A part of the training will be dedicated to	“The concept of Rules of Origin in Preferential Trade Agreements – general understanding and training”	Associations for producers and exporters Free Zone Management Exporters and producers Customs brokers/agents MOIT	All persons working in import-export, or as sub-contractor to exporter-importer.	MUTRAP 2 Senior experts	Up to 5 workshops of 2-days length in strategic locations in Vietnam	<ul style="list-style-type: none"> - Deepened knowledge for general rules of origin - Deepened knowledge of product specific rules of origin - Basic understanding of tariff classification of materials and goods - Basic understanding of rules of origin administration and processes

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
		administrative issues, i.e. proofs of origin, self-certification, bookkeeping, and verification						
b. Industry sector based training:								
i) Agricultural products and processed food	Agricultural products are a strong, traditional export product of Vietnam. Further than a common understanding, specific training should be carried out to familiarize this sector with the complex rules of origin, i.e. of the EU – Vietnam FTA.	In the special case of agricultural products, rules of origin training should be combined with a general module on non-tariff barriers to trade (NTBTs), especially SPS requirements of the EU but not only. A part of the training will be dedicated to administrative issues, i.e. proofs of origin,	“Specialized workshop about Rules of Origin in the EU – Vietnam FTA and other agreements with focus on the agricultural sector and special section on SPS requirements”	Vietnam Association of Seafood Exporters & Producers (VASEP) Agricultural producers and manufacturers of processed food products.	All persons working in import-export, or as sub-contractor to exporter-importer in this specific sector. Participants should already have a general understanding of	MUTRAP 2 Senior experts	Up to 5 Workshops in strategic locations in Vietnam of a length of 3 working days each.	<ul style="list-style-type: none"> - Advanced knowledge for general rules of origin - Advanced knowledge of product specific rules of origin - Advanced understanding of tariff classification of materials and

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
		self-certification, bookkeeping, and verification			Rules of origin, ev. Condition they have participated in the general workshop as per section a).			<p>goods</p> <ul style="list-style-type: none"> - Advanced understanding of rules of origin administration and processes - Basic understanding of non-tariff barriers to trade, especially SPS issues
ii) Petroleum and chemical products, plastics and rubber	Rules of origin for the chemical sector are slightly different than for other sectors and this merits a specific training activity for this important sector. Chemical sector, as well as petroleum sector, has	A part of the training will be dedicated to administrative issues, i.e. proofs of origin, self-certification, bookkeeping, and verification.	“Specialized workshop about Rules of Origin in the EU – Vietnam FTA and other agreements with focus on the chemical sector,	Petro-chemical, chemical, pharmaceutical, plastic and rubber industries and associations.	All persons working in import-export, or as sub-contractor to exporter-importer in this specific sector.	MUTRAP 2 Senior experts		<ul style="list-style-type: none"> - Advanced knowledge for general rules of origin - Advanced knowledge of product specific rules of origin

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
	special rules also for tolerances and combination of value and tariff based rules.		including petroleum, plastic products and rubber”		Participants should already have a general understanding of Rules of origin, ev. Condition they have participated in the general workshop as per section a).			<ul style="list-style-type: none"> - Advanced understanding of tariff classification of materials and goods - Advanced understanding of rules of origin administration and processes
iii) Textiles and Garments producers	TPP/EVFTA and other FTAs are really opportunities if enterprises master the ROO, choose appropriate origin criteria/ origin procedures. On the other hand, these FTAs will become challenges, if	Viet Nam is having hundreds of thousands of textile and garments companies/ factories but not more than 1% among them is well equipped with sufficient knowledge on this issue. Therefore the origin	“Specialized workshop about Rules of Origin in the EU – Vietnam FTA and other agreements with focus on the textiles and garment sector”	Private and government stakeholders in the five strongholds of textile production Vietnam Textile	All persons working in import-export, or as sub-contractor to exporter-importer in this specific sector.	MUTRAP 2 Senior experts	5 Workshops of 3 Days each in: - Dong Nai - Binh Duong - Ho Chi Minh City - Tay Ninh	<ul style="list-style-type: none"> - Advanced knowledge for general rules of origin - Advanced knowledge of product specific rules of origin - Advanced

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
	<p>enterprises don't know exactly the HS code, don't know how to apply precisely relevant ROO and OCP/ Self-certification/ Self-declaration.</p> <p>The origin knowledge should also expand to the special tolerance rules in the introductory notes to the EVFTA. This implies that the training has to focus also on special yarns and fabric materials. Without such sound knowledge, Vietnamese enterprises, fabric as well as garment producers, cannot be in a position to profit fully from this agreement.</p>	<p>training needs are essentially necessary and urgent, in the context that these FTAs will take into effect in a couple of years. If not, the tariff rate imposed on goods exporting from Viet Nam to the EU or TPP Partners will still be MFN rate instead of FTA rate. By then, the utilization of the benefit from such FTAs will not be as meaningful as being expected by the Government as well as by the business community.</p> <p>A special training session will also address challenges arising from the</p>		<p>& Apparel Association – VITAS</p>	<p>Participants should already have a general understanding of Rules of origin, ev. Condition they have participated in the general workshop as per section a).</p>		<p>- Hai Duong</p>	<p>understanding of tariff classification of materials and goods</p> <p>- Advanced understanding of rules of origin administration and processes</p>

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
		<p>upcoming TPP.</p> <p>A part of the training will be dedicated to administrative issues, i.e. proofs of origin, self-certification, bookkeeping, and verification</p>						
<p>iv) Footwear, textiles articles (HS Ch. 63), hats, other articles.</p>	<p>Footwear is as well an important industry. The rules of origin are however slightly different from textiles & garment sector, thus a specific, shorter workshop should address particularities of rules of origin in this sector.</p>	<p>A part of the training will be dedicated to administrative issues, i.e. proofs of origin, self-certification, bookkeeping, and verification</p>	<p>“Specialized workshop about Rules of Origin in the EU – Vietnam FTA and other agreements with focus on the footwear sector”</p>	<p>Footwear and textile article producers (beddings, sheets, scarfs, socks, etc.), other accessories producers (hats, umbrellas, etc.)</p> <p>Vietnam Textile & Apparel Association –</p>	<p>All persons working in import-export, or as sub-contractor to exporter-importer in this specific sector.</p> <p>Participants should already have a general understanding of Rules of origin, ev. Condition</p>	<p>MUTRAP</p> <p>2 Senior experts</p>	<p>3 workshops of each 2-day duration</p>	<ul style="list-style-type: none"> - Advanced knowledge for general rules of origin - Advanced knowledge of product specific rules of origin - Advanced understanding of tariff classification of materials and goods

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
				VITAS	they have participated in the general workshop as per section a).			- Advanced understanding of rules of origin administration and processes
v) Machinery and appliances, automotive sector	<p>The growing number of enterprises in the machinery, electronics and even the automotive sector show that FTAs can represent also an impressive opportunity for them.</p> <p>A specialized workshop should enable this sectors to work with special sets of rules of origin under different agreements, so they can fully profit from duty free access abroad.</p>	<p>Main content of the workshops will be to focus on assembly operations, and the finishing operations of semi-manufactured components.</p> <p>A special training session will also address challenges arising from the upcoming TPP.</p> <p>A part of the training will be dedicated to administrative issues,</p>	<p>“Specialized workshop about Rules of Origin in the EU – Vietnam FTA and other agreements with focus on the machinery and automotive sector”</p>	<p>Machinery producers, appliance manufacturers, automotive sectors from tier 1 to 3</p> <p>Relevant associations</p>	<p>All persons working in import-export, or as sub-contractor to exporter-importer in this specific sector.</p> <p>Participants should already have a general understanding of Rules of origin, ev. Condition they have participated in</p>	<p>MUTRAP</p> <p>2 Senior experts and 2 local experts</p>	<p>3 workshops of each 2-day duration</p>	<p>- Advanced knowledge for general rules of origin</p> <p>- Advanced knowledge of product specific rules of origin</p> <p>- Advanced understanding of tariff classification of materials and goods</p> <p>- Advanced</p>

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
		i.e. proofs of origin, self-certification, bookkeeping, and verification			the general workshop as per section a).			understanding of rules of origin administration and processes
III. Training in the application of the Harmonised System (HS):	introduction to the HS, function and rationale of the HS, correct product and material classification, general interpretative rules (GIRs). In the survey, all producers and exporters let determine the HS classification of the final product by the importer at the final destination. This could be interpreted, that there is a limited knowledge	Rules of origin in the EU – Vietnam FTA for instance are built upon tariff classification of the final good but also of the input materials. Value-added rules are only used in specific areas of the HS-Chapters.	“Specialized workshop about the classification of goods in the Harmonised System (HS), with special focus on rules of origin in the EU – Vietnam FTA and other agreements”	Associations for producers and exporters Free Zone Management Exporters and producers Customs brokers/agents Customs authorities	All persons working in import-export, or as sub-contractor to exporter-importer. Personnel of MOIT and Customs Authorities	MUTRAP 2 Senior experts and 2 local experts	3 workshops of 4-day length each.	Advanced understanding of the Harmonized System (HS)

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
	about HS issues.			MOIT				
IV. Separate or in conjunction with the training in the HS, additional focus on the Customs evaluation, i.e. the relevant WTO agreement and customs practices.	Rules of origin in ATIGA and partially in the EVFTA rely on value based rules of origin. It is therefore as important to know the correct values of inputs and outputs as it is to determine the classification of materials and goods.	A special module can focus on INCOTERMS as the notions of determining the values varies from preferential trade agreement to another. While ATIGA works with FOB, EVFTA uses ex-works prices as a basis for calculating value-added percentages.	“Specialized training in Customs valuation”	Associations for producers and exporters Free Zone Management Exporters and producers Customs brokers/agents MOIT	All persons working in import-export, or as sub-contractor to exporter-importer. Personnel of MOIT and Customs Authorities	MUTRAP 2 Senior experts	Three workshops of 1 day each	- Advanced understanding of customs valuation - Basic understanding of INCOTERMS used in commercial practice.
V. Development of	Workshops alone cannot satisfy the need for		Training material	Government and private sector		MUTRAP	To be determined.	- Enhanced general

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
<p>training materials for Government officials and local authorities that will use those materials to train associations and enterprises.</p>	<p>training and information, thus gaps should be also filled with the deployment of training materials, which could also serve as instruction manuals and guidelines for MOIT and other Agencies to train further private sector stakeholders.</p>		<p>development</p>	<p>stakeholders</p>		<p>2 Senior experts and 2 local experts</p>		<p>understanding of the EVFTA and other agreements, logics and approach.</p> <p>- Enhanced understanding of Rules of origin (general knowledge); i.e. about concept, structure, tariff shift rules, general rules.</p>
<p>VI. Development of training materials and fact-sheets for private</p>	<p>Providing training facilities and options to private sector is primordial. It is however almost impossible to reach out to every interested and potential</p>	<p>Training materials should give an in-depth view on rules of origin for the interested reader. It should be practical and as much as possible,</p>	<p>N/A</p>	<p>All private sector stakeholders from enterprises to associations</p>	<p>N/A</p>	<p>MUTRAP</p> <p>2 Senior experts and 2 local experts</p>	<p>Production and dissemination of</p> <p>2000 booklets</p> <p>2000 flyers</p> <p>2000 flash disks</p>	<p>- Enhanced general understanding of the EVFTA and other agreements, logics and</p>

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
sector stakeholders	exporter. Thus, Government agencies and private sector organizations should have at their hands some own training materials that is harmonized among themselves and follow a standardized pattern.	easy to read. Materials could take the form of printed materials and booklets or downloadable PDFs. It can also be, audio-visual materials could be produced.		Regional chambers of commerce or MOIT representation offices Customs agents/brokers			Online facility for download	approach. - Enhanced understanding of Rules of origin (general knowledge); i.e. about concept, structure, tariff shift rules, general rules.
VII. Eventually, development of an online training course on rules of origin, in cooperation with MOIT	Written handouts can provide a general knowledge about rules of origin. Similar to a specialized workshop, the second best option to form a higher understanding of the topic would be to develop an online		Staged approach possible 1) Basic training 2) Advanced learning 3) Professional	Associations for producers and exporters Free Zone Management Exporters and producers	All persons working in import-export, or as sub-contractor to exporter-importer. Personnel of MOIT and Customs	MUTRAP 2 Senior experts and 4 local experts	To be decided (Joint financing could be envisaged, i.e. EU MUTRAP, USAID, IADB, ADB or other stakeholders).	- Advanced knowledge for general rules of origin - Advanced knowledge of product specific rules of origin - Advanced understanding of

Description	Gaps identification	Comment / Additional Information	Required Training / Title	Stakeholders	Staff qualifications or knowledge required	Provided by (Organization)	Allocation of resources (approx.)	Key Performance Indicators / Deliverables
<p>and external training centre(s). The course will encompass also training modules on non-tariff barriers to trade (NTBTs), the Harmonized System (HS) and customs valuation.</p>	<p>training course. The course would enable the audience to target the course to their needs, i.e. more focus on general rules of origin, on a specific sector or other issues like HS classification or non-tariff barriers to trade.</p>		<p>vocational training modules</p>	<p>Customs brokers/agents</p> <p>Customs authorities</p> <p>MOIT</p>	<p>Authorities</p>			<p>tariff classification of materials and goods in the HS</p> <ul style="list-style-type: none"> - Advanced understanding of rules of origin administration and processes - Advanced understanding of non-tariff barriers to trade - Advanced understanding of customs valuation

7.6 Annex 6 – Evaluation of the questionnaires

SUMMARY & ANALYSIS

of the comments given by the private sector to the origin Questionnaire and the self-certification and verification of origin Questionnaire

(Carried out by AMDI experts based on the received feedback from the two workshops held in Ho Chi Minh City and Hanoi respectively)

With the helpful and valuable support from the European Trade Policy and Investment Support Project (EU-MUTRAP), which is executed by the Ministry of Industry and Trade (MOIT) of the Socialist Republic of Viet Nam in partnership with the European Commission, the Agency of Foreign Trade under the MOIT and the EU-MUTRAP has jointly organized two workshops in Ho Chi Minh City (24th May 2016) and Ha Noi (26th May 2016) to introduce to all related stakeholders in the South and the North of the country about the Self-Certification/ Self-Declaration in new generation and high-quality FTAs like TPP, EVFTA, recommendations for Viet Nam (both public and private sector) on how to implement this scheme well. The two workshops went together with a detailed self-certification questionnaire and an origin questionnaire sent/ distributed to related stakeholders. More than 200 questionnaire sheets were distributed but only 62 were collected and below is the summary and analysis from comments given by the private sector.

Objective of the Questionnaire

100% of the 62 companies ticked the box “Application for Self-Certification Scheme” that means all companies want to apply this mechanism in Viet Nam. There are some reasons why companies did not tick the box “Verification of Origin of materials or goods falling under a self-certification scheme”, may be (i) they do not know much about this; (ii) they focus only on the aspiration to become the “approved/ certified exporter” in Viet Nam.

APPLICANT INFORMATION

Producer or exporter?

40/62 companies are exporters and also the producers of the goods subject to the questionnaires, accounting for 72.6% of the number of companies. The rest (22/62, accounting for 27.4%) ticked on the box “Exporter” that means they do the commerce only, they do not have the production activities, no premises/ factories to produce the goods subject to the questionnaire.

The 2nd Pilot Project of Self-Certification (PPSC) under ASEAN of which Viet Nam is a member allows for only producer cum exporter to be selected to become the “approved exporter”.

For Parties joining this PPSC, they think that (i) only producer cum exporter can fully understand about their manufacturing process, input sourcing, overhead cost, calculation of the regional value content (RVC) or the change in tariff classification (CTC) between the

input HS code and the output HS code,... (ii) the domestic legal system is not strong enough to allow for many kinds of exporters joining this scheme, the current C/O system still reveals several circumventions/ violations; if the self-certification scheme allowing for not only producers but also exporters and even importers to self-certify/ self-declare the origin of the goods, **it will lead to bad management and circumvention.**

Through several direct contact with many stakeholders in different fields of export – import (agriculture, textile and garment, footwear, steel, furniture, plastics, seafood,...) most of them want the Government if possible, to make some amendment to the regulation, accordingly allowing for not only producers but also exporters to join this self-certification scheme under ASEAN first, and then under different FTAs of which Viet Nam is a member.

Vietnamese of FDI enterprises?

Among 62 companies, there are 36 Vietnamese enterprises (accounting for 58% of the total number of the companies) and 26 FDI ones (accounting for 42% in terms of the number of companies). Among 26 FDI companies there are 38% (10 companies) from Korea; 23% (6 companies) from Japan and the rest from Hong Kong, Italy, Taiwan and the US. All 62 companies are having active and vibrant export – import activities.

According to data from MOIT Ecosys (Electronic C/O system), there are approximately 72 companies with the export volume to ASEAN countries using C/O form D above 10 million US\$ in 2014 (a threshold that each company has to acquire in order to be selected to join the scheme). Many of them are FDI enterprises that mean small and medium-sized enterprises (SMEs) have little chance to join this PPSC.

INFORMATION OF GOODS

Applied FTA or Agreement:

45/62 (equal to 72.6%) companies inserted in the blank box “ASEAN – China FTA” to show that the Chinese market plays an important role in the foreign trade of Viet Nam (in terms of the two-way trade, 2015 China stands the 1st in the ranking list of Viet Nam’s trading partners with 15 billion US\$ exported from Viet Nam to China and 35 billion US\$ imported from China into Viet Nam).

8/62 (equal to 12.9%) companies ticked in the box “ATIGA” to show that there are several similarities in the export-production components of ASEAN Member States, the volume they export to one another is less than the volume they export to the world. Even though the PPSC is PILOT, that means now is the time they prepare for the implementation of the SC in the coming new-generation FTAs like TPP or EVFTA, however many of them don’t show their eagerness to implement it in ASEAN. Their target exporting markets are TPP and the EU.

56/62 (equal to 90.3%) companies inserted in the blank box “TPP”; 49/62 (equal to 79%) companies inserted in the box “EVFTA” to show the exporters’ great interest in the US/TPP and the EU markets. Among 56 companies showing interest in the TPP markets, 18/56 ticked “TPP-textiles” and the rest (38/56) ticked “TPP-non-textiles”. We all know that TPP is the

unique FTA (compared with other 15 FTAs joined by Viet Nam) that has a separate Chapter of Textile; we all know that Viet Nam's Textile and Garment Industry is the one to be expected to enjoy most benefit from this FTA. However the number of companies sending back the Questionnaire is not high, that means *more intensive workshops/ seminars focusing only on Textile and Apparel under TPP/EVFTA should be given to them.*

Goods subject to the Questionnaire:

15/62 (equal to 24%) companies export

- **agricultural** (mainly seafood and rice) goods (including Chapter 3, Chapter 10, Chapter 11 and Chapter 16);

the rest (47/62 equal to 76%) export industrial goods with 18 companies export

- textile and garments
- and the rest (29/47) export footwear, chemical products, steel, furniture and automobiles.

Customs Tariff (HS) Classification

100% of the companies ticked the box "My customer in country of destination determines the origin of my goods". The reason why we have the number of 100% is decided by the Box 7 on the surface of the preferential C/O "the HS number of the importing Party".

In Viet Nam, the difference in the HS number between "the Export Customs Declaration from the Exporting Party" and "the Preferential C/O" does not affect the customs clearance of the exporting goods. For greater certainty, Vietnamese exporters always have a written commitment from importers that "we, the importer, are responsible for the HS code to be declared on the C/O"

Issuer of the C/O:

100% of the companies ticked the box "Government agency"; 20/62 (equal to 32%) ticked two boxes "Governmental agency" and "Others", in the box "Others": 14/20 insert "Vietnam Chamber of Commerce and Industry – VCCI" and 6/20 insert "Management Board of the Industrial Parks/ Zones".

The reason why 100% companies selected the box "Government agency" is because Self-Certification is applied first under ATIGA, and then in TPP, EVFTA and maybe VKFTA or AANZFTA, AJCEP... and all kinds of these preferential C/O under FTAs have been issued by the Governmental agencies.

Currently, the MOIT is in charge of all origin and C/O related issues.

The MOIT assigns the VCCI to issue non-preferential C/O; the MOIT assigns 37 Management Boards of the Industrial/ Export-Processing Zones/ Parks to issue preferential C/O form D and only C/O form D. The MOIT authorized 20 local export-import administration divisions (belongs to the MOIT) to issue all kinds of preferential C/O.

Statistics of C/O

50% of the companies applied for at least 500 C/Os per year for the last two years and the rest (31/62) applied for less than 500 C/Os per year for the last two years. The popular types of C/O are B (non-preferential C/O issued by VCCI), D (ATIGA); E (ACFTA); AJ (AJCEP) and AK (AKFTA).

Origin Determination Questions

For companies exporting Chapter 10: 100% ticked the box “Wholly obtained product”. For companies exporting Chapters other than Chapter 10: 100% ticked both boxes “CTC/ Change in Tariff Classification” and “RVC/Regional Value Content”. However, not many companies know about Tolerance Rule (De Minimis); Fungible Materials; Partial cumulation (with the threshold of 20%) under ATIGA therefore they cannot maximize the benefit from FTAs without using these rules. When being asked, 100% companies want to have an alternative rule like “RVC or CTC” so that they have more options to choose when applying suitable origin criteria for their exporting goods.

Conclusion

Currently there are nearly 18,000 enterprises joining the Ecosys and the MOIT can supervise and manage the C/O issuing and applying related activities of these enterprises. The number of enterprises joining two seminars/workshops co-organized by the MOIT (Agency of Foreign Trade) and the EU-MUTRAP are around 200 (accounting for 1.1% of the total enterprises that need to be updated with new information/knowledge on the FTAs and Rules of Origin (ROO) as well as Self-Certification/ Self-Declaration). The utilization rate of the already activated FTAs (like ATIGA, AJCEP, AANZFTA, ACFTA,...) is still low although the ROO of such FTAs is less stringent and less complicated than new-generation FTAs like TPP and EVFTA.

Therefore the need for insight and substantial training for stakeholders are really essential, in the context of the country joining a series of FTAs for the past few years, with new regulations (Self-Certification/ Self-Declaration/Full Cumulation/ Yarn-Forward Rule,...)/.

7.7 Annex 7 – Special evaluation – FTA and their impact on Vietnam’s textile and garment [sectors] through the rules of origin (ROO)

(As provided by AMDI Experts)

1. The importance of the ROO in the tariff preferential treatment

Viet Nam has been joining 16 Free Trade Agreements (FTAs) including 11 signed FTAs (09 signed and implemented and 02 signed but not yet implemented (including TPP) and 05 that have not been signed. One FTA covers a lot of Chapters and components: Trade in Goods, Trade in Service, Investment, Intellectual Property, Labor – Movement of the Natural Persons, Sanitary and Phytosanitary Measures (SPS), Technical Barriers to Trade (TBT), Dispute Settlement Mechanism (DSM),.. However one of the most important components of the FTA, demonstrated by a tangible result right at the entry into force of the FTA – is the Trade in Goods with majority of the tariff lines being at 0% right at the entry into force (EIF) of the FTA. The unique way to enjoy the ideal tariff rate from such FTAs is that the goods have to meet the Rules of Origin (ROO) requirements designed especially for such FTA. Without ROO, the tariff negotiation will be meaningless. Only when Rules of Origin, Product Specific Rules (ROO, PSR) have been met, the goods then will be issued with a preferential Certificate of Origin (C/O). New-generation and high-quality FTAs (like the Trans-Pacific Partnership (TPP) Agreement or VN-EU FTA) and some other FTAs implemented by Viet Nam (like ASEAN) possess self-certification/self-declaration provision allowing for enterprises to actively declare and be responsible for the origin of goods to be exported, instead of going to the authorities designated by the Ministry of Industry and Trade (MOIT) of Viet Nam to wait for C/O issuance. The preferential C/O (and later on will be the preferential self-certification) is the passport of the exporting – importing goods – the most important legal document based on which the customs authority of the importing Party takes into consideration for FTA tariff concession. It is also the core motivation that stimulates the FDI coming to Viet Nam to invest in the steps that Viet Nam is still in lack and weak; to produce goods exporting to FTA Parties (including the US and EU) in particular and to the world in general, getting preferential C/Os from Viet Nam to enjoy the preferential tariff concession brought by such FTAs.

The ROO has always been and will be the key and core issue of any FTAs or international trade arrangements, including TPP and VN-EU FTA. The very detailed PSRs that are specific in each and every product are basically complicated and not easy to apply, if the producers – exporters do not have sufficient knowledge on the Harmonized System (HS) Code; if the producers – exporters are not well-equipped with substantial information how to apply appropriately and exactly the preferential ROO that suits their products. Only by applying the exact PSR/ meeting the origin criteria, the producer – exporter then can have a preferential C/O or self-certification to enjoy tariff concession when exporting to FTA Parties (including the US and EU).

According to the statistics, the Viet Nam’s FTA utilization rate is not high (except for ASEAN – Korea FTA – AKFTA, approximately from 60 – 85% year by year). All other implemented FTAs of Viet Nam possess an average rate of around 35%, that means the rest of 65% have to be imposed with MFN rates which are much higher than the FTA

rates (0 – 5%). The rate is measured by the total export volume that can enjoy FTA rate and then be divided by the total export volume from Viet Nam to an FTA market. One of main reasons is that enterprises do not have full understanding on the ROO so that they cannot utilize the origin preference, they cannot get a preferential C/O and then cannot enjoy the tariff concession rate of 0 – 5% from the FTA. The ROO in FTAs already implemented by Viet Nam are basically flexible and less difficult than the ROO in TPP or EVFTA. With old-generation and already activated FTAs (ATIGA, ACFTA, AKFTA, AIFTA, AANZFTA,...) Viet Nam’s FTA utilization rate is still low. So if new FTAs like TPP or EVFTA with complicated and difficult ROO, without in-depth training courses/workshops that should be provided timely and constantly; without the active update of information and full equipment with FTA knowledge from the business community (with 98% of total number are small and medium-sized enterprises – SME), so how come the utilization rate of Viet Nam’s FTAs can be elevated? How come the value added in the final products made in Viet Nam can be raised?

FTA Utilization Rate (Viet Nam 2015)

FTA	Export volume using preferential C/O (US\$)	Total export volume (US\$)	Viet Nam’s FTA Utilization Rate
ASEAN	4.3 billion	18.3 billion	23.5%
ACFTA	5.5 billion	17.1 billion	32.2%
AKFTA	5.3 billion	8.9 billion	59.6%
AANZFTA	0.9 billion	3.2 billion	28.1%
AJCEP + VJEPA	4.8 billion	14.1 billion	34%
VCFTA	0.37 billion	0.65 billion	56.9%
AIFTA	0.8 billion	2.5 billion	32%
The US		33.5 billion	
TPP (2018)	??????	?????	??????????????

2. TPP and EVFTA in comparison with other FTAs joined by Viet Nam

TPP is considered to be a comprehensive new-generation FTA, demonstrated by the number and content of chapters and provisions of which the FTA consists. TPP is also commented to be the strangest ever FTA (trans-Pacific, connecting Parties that are different from economic development level, political system, culture and language and far from the geographical position) but to bring the most benefit for its Members, demonstrated by re-adjusting the FDI flow direction towards the FTA Members; re-adjusting the value supply and production chain in the FTA region; limiting the outsiders from enjoying TPP benefit through the designing of a set of specific and complicated ROO. Accordingly, when manufacturing/ producing some major products like textile and garments, footwear, plastics..., producers/ exporters must use partly or wholly TPP originating inputs in order to get TPP tariff concession. This kind of ROO helps raising the FTA originating processing content in the exporting products, raising the value added in the exporting Parties of the FTA.

The compliance of the FTA ROO is the key point that decides whether or not the goods can be eligible for tariff concession. If the Vietnam's textile and apparel in particular and Vietnamese exporting goods in general cannot meet the FTA ROO requirements, then the preferential tariff treatment will be meaningless.

In almost every FTA activated by Viet Nam (except for ASEAN – Japan CEP and Viet Nam – Japan EPA), inputs for garments can be sourced anywhere in the world, provided that the last stage (cut-make-trim – CMT) takes place in Viet Nam, and then this product can be conferred origin status and then can enjoy tariff preference when exporting to ASEAN Member States, to China, Korea, Chile. With ASEAN – Australia – New Zealand FTA and ASEAN – India FTA, the ROO is a little bit difficult when requiring the finished products to be RVC 40% + CTH (change in tariff heading at 4-digit level) or RVC 35% + CTSH (change in tariff sub-heading at 6-digit level) that means not only CMT simple process but also at least 35% or 40% regional value content must be made within the FTA region. With AJCEP and VJEPA, not only CMT but also fabric must be FTA originating. In other words, Viet Nam cannot import fabric from Taiwan or China or Korea and then do the CMT process and export to Japan to enjoy tariff concession.

For Viet Nam – EU FTA, like AJCEP/ VJEPA, EVFTA also requires the “fabric-forward” rule. However EVFTA allows for a more flexible rule namely “Third Party Cumulation” that means Viet Nam can import fabric from any Party (like Singapore or Korea) that simultaneously has FTA with both Viet Nam and the EU.

TPP's highest level of difficulty is demonstrated by the “yarn-forward” rule that means from yarn → raw/unbleached fabric → finished fabric → cut, make and sew/trim → finished garment: all of these processes must be made within TPP region. Even though TPP is more difficult than other FTAs, in terms of ROO for Textile and Apparel, TPP still covers some flexible rules, for example “Short Supply List” allowing for several kinds of inputs to be TPP outsourced (8 kinds of materials to be sourced from anywhere in the world with the time limit of 5 years since EIF (entry into force) of TPP; 186 kinds of materials to be permanently sourced anywhere inside or outside TPP). TPP also allows for “1 to be changed for 1” applied for cotton-made trousers. If Viet Nam buys a unit of

US-origin cotton to make trousers exporting to the US, then it is allowed buying one similar unit of TPP non-originating cotton to make trousers exporting to the US to enjoy TPP tariff concession. This FTA also shows flexibility for categories of hand bags, suitcases, woman bra, children's clothes of synthetic fibres. These kinds of products can enjoy TPP tariff preference without TPP originating materials used, that means yarn and fabric can be imported from anywhere in the world, only CMT process takes place in Viet Nam.

3. Foreign Direct Investment in Viet Nam's Textile and Garment

The statistics has shown that since the 1st FDI Project in 1988, there have been 1,865 FDI Textile and Garment Projects with registered capital of 14.4 billion US\$. In the period of 2010 – Jun 2016 (2010 - VN began joining TPP as a Full Member) there have been more than 700 FDI Projects investing in the Textile and Apparel Sector. This number has proved the great interest of the world business community in Vietnamese market, where to be estimated to enjoy most benefit from TPP, especially in terms of textile and apparel.

There have been 50 countries/territories/economies that invest in the textile and apparel of Viet Nam. Top 5 is Korea (786 projects), Taiwan (286), Hong Kong (148), Japan (131) and China (100). Prior to year 2001 (Year 2000, VN signed the bilateral trade agreement with the US and the EIF is 2001), there was no year with the total registered capital of FDI in textile and apparel of above 500 million US\$. In the year 2006, two years after the expiration of the WTO Agreement on Textile and Clothing (31 Dec 2004), it has been the 1st time in history that Viet Nam reached more than 1 billion US\$ investing in the textile and apparel. In the year 2009, together with the global economic downturn, Viet Nam's FDI in textile and apparel also went down with only nearly 200 million US\$. The period 2010 – 2016 has witnessed a great number of FDI projects that continuously flock to Viet Nam to catch up with the wave of new-generation FTA like TPP and EVFTA. The statistics has also shown that the textile and apparel FDI has been increasing year by year, especially 2013 at 1.3 billion US\$, 2014 at 1.8 billion US\$ and 2015 at 2.6 billion US\$. Counting only the first half of this year, there have been 92 textile and garment FDI projects with the total registered capital of 661 million US\$.

Among 63 Vietnamese provinces, there are 48/63 that have textile and garment FDI projects. Top 5 provinces/cities (in terms of number/ capital of textile and garment FDI projects) are Dong Nai (2.8 billion US\$), Binh Duong (2 billion US\$), Ho Chi Minh City (1.8 billion US\$), Tay Ninh (1.5 billion US\$) and Hai Duong (1.1 billion US\$ of which Tinh Loi Co.Ltd with 100% capital from Hong Kong, accounts for 500 million US\$). The above-mentioned 5 provinces/cities account for 2/3 of the total FDI capital in textile and apparel of Viet Nam. This has also shown that the FDI allocation focuses on places that have good industrial infrastructure, near sea/air-ports, near economic/industrial hubs of the country. Therefore, the call for investment in other provinces is necessary, with the purpose to create more jobs for remote localities.

Besides exporting a great volume of garments, Viet Nam also has to import a lot of kinds of materials. According to statistics, major inputs used to make garments are imported from China, Taiwan, and India who are not TPP / EVFTA Members. Viet Nam also uses input from Korea (EVFTA allows for input to be imported from Korea), however with

small volume. This is the real opportunity for foreign and domestic investors to actively invest in the production steps that the country is still in lack and weak. If the production capacity of TPP/ EVFTA originating input cannot be raised, then chances to utilize benefit from such FTAs will not be as good as being expected.

Which kinds of inputs those have to be imported into Viet Nam? (2014)

HS code of some major materials	Total import (US\$ billion)	Import from TPP (US\$ billion)	Import outside TPP (%)	Import from EU (US\$ billion)	Import from Korea (US\$ billion)
Ch. 51	0.057	0.016	72%	0	0
52.01	1.422	0.6	58%	0	0
52.08	0.6	0.028	95.5%	0	0.061
54.07	1.1	0.12	89%	0	0.27
52.09	0.54	0.026	92.2%	0	0.038
54.02	0.7	0.027	96%	0	0.059
55.12	0.8	0	100%	0	0.23
55.15	0.93	0	100%	0	0.12
59.03	0.72	0.01	86%	0	0.15
60.04	0.7	0.002	99%	0.001	0.16
60.06	1.93	0.003	99%	0	0.52

4. Recommendations

TPP/EVFTA and other FTAs are really opportunities if enterprises master the ROO, choose appropriate origin criteria/ origin procedures. On the other hand, these FTAs will become challenges, if enterprises don't know exactly the HS code, don't know how to

apply precisely relevant ROO and OCP/ Self-certification/ Self-declaration. Viet Nam is having hundreds of thousands of textile and garments companies/ factories but not more than 1% among them is well equipped with sufficient knowledge on this issue. Therefore the origin training needs are essentially necessary and urgent, in the context that these FTAs will take into effect in a couple of years. If not, the tariff rate imposed on goods exporting from Viet Nam to the EU or TPP Partners will still be MFN rate instead of FTA rate. By then, the utilization of the benefit from such FTAs will not be as meaningful as being expected by the Government as well as by the business community.