



Free trade agreement ("FTA") benefits and Utilization

Trade & Customs
December 2021

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- 1. Free trade agreement (“FTA”) and Rules of origin**
- 2. Certificate of origin (“C/O”)**

1. Free trade agreements ("FTAs") & Rules of origin



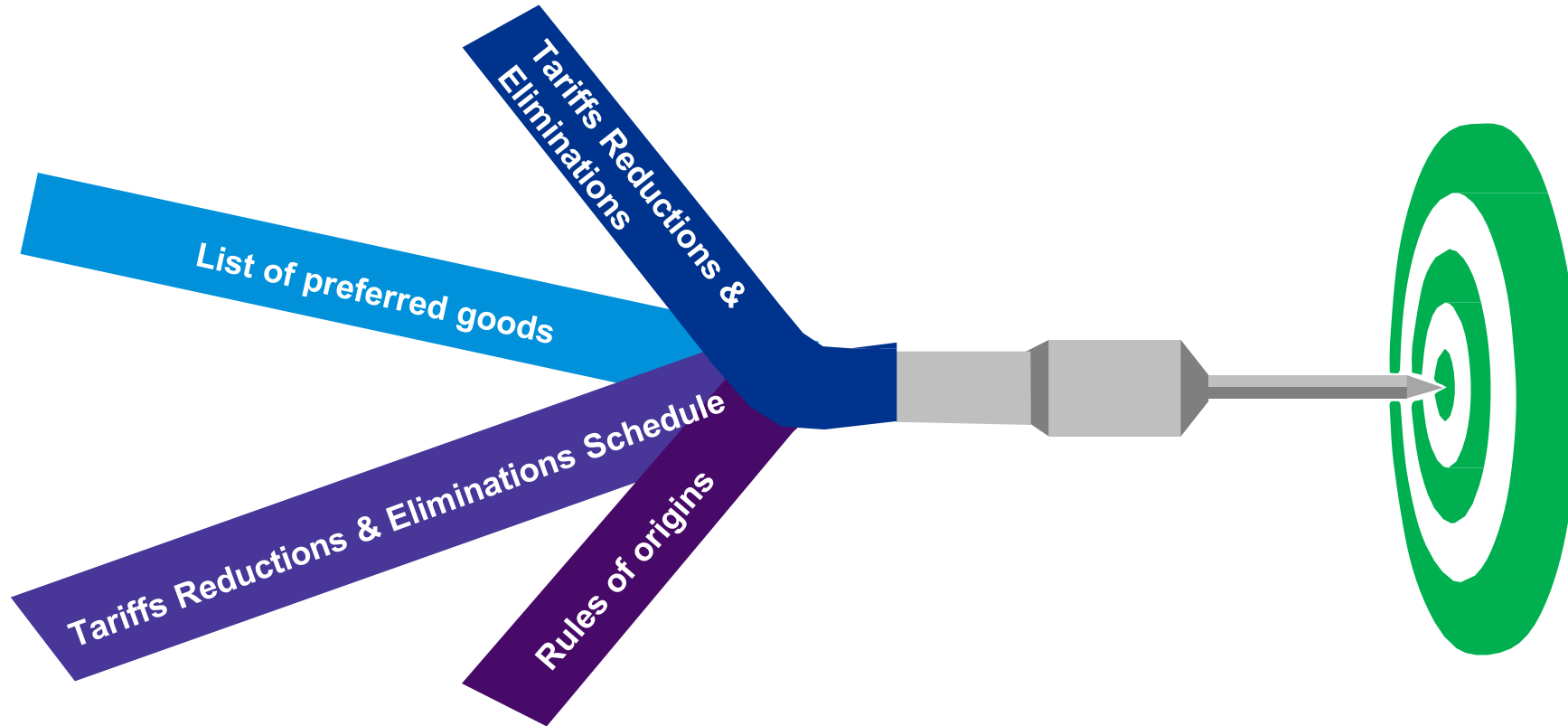
What is Free Trade Agreement?

A free trade agreement (“FTA”) is an agreement between two or more member countries that aims to remove barriers to the majority of trade between member countries.

Source: WTO and International trade center, VCCI

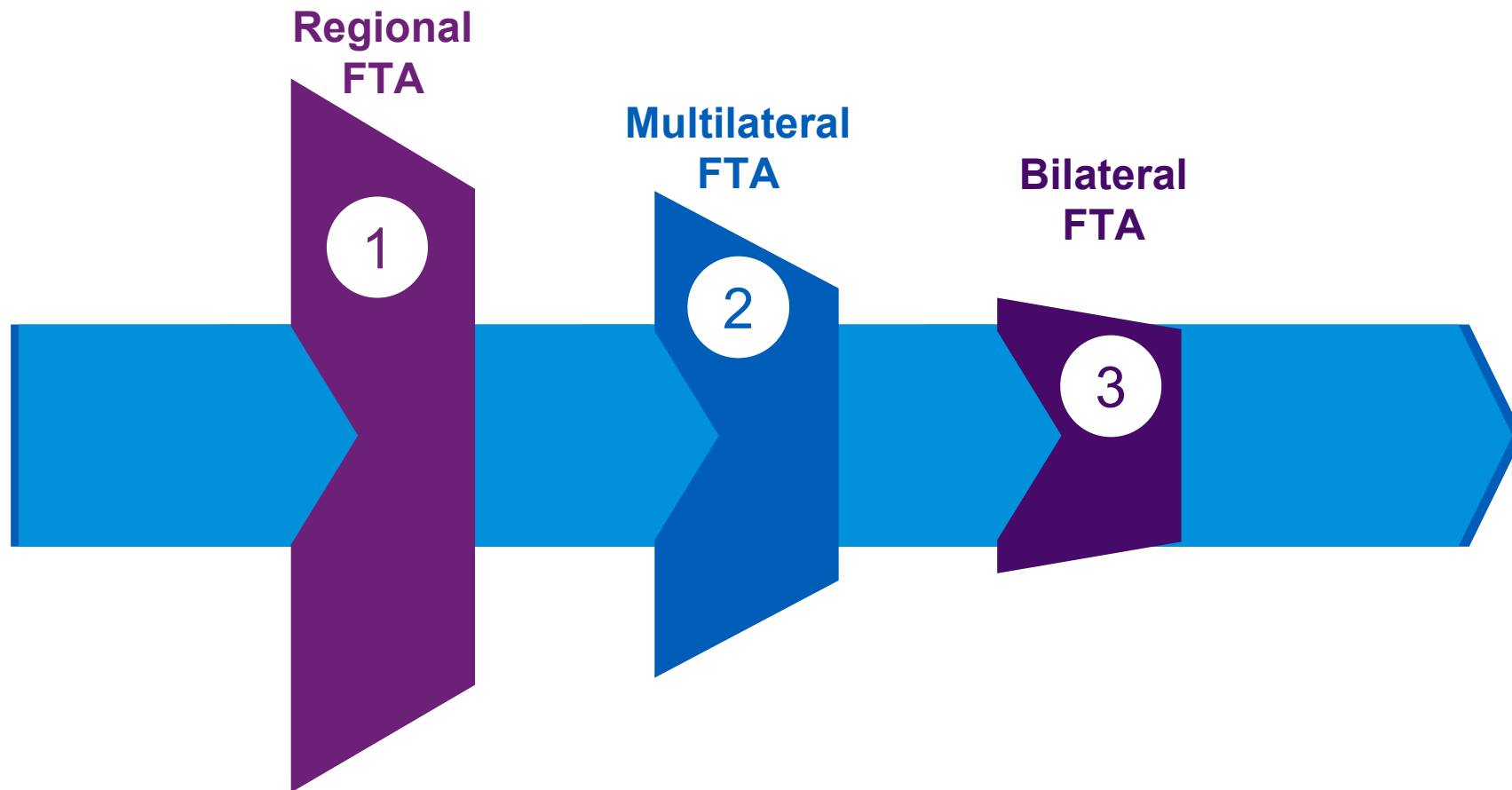


FTA's main contents





FTA Classification





Free Trade Agreements Updates

No.	FTA	Signed date	Effective date	C/O	Member states
FTAs in effect					
1	ACFTA	29 Nov 2004	Jul 2005	Form E	ASEAN, China
2	AKFTA	24 Aug 2006	Jun 2007	Form AK	ASEAN, South Korea
3	AJCEP	1 April 2008	1 Dec 2008	Form AJ	ASEAN, Japan
4	VJEPA	25 Dec 2008	1 Oct 2009	Form VJ	Vietnam, Japan
5	AANZFTA	27 Feb 2009	1 Jan 2010	Form AANZ	ASEAN, Australia, New Zealand
6	AIFTA	24 Oct 2009	1 Jan 2010	Form AI	ASEAN, India
7	ATIGA	26 Feb 2009	17 May 2010	Form D	ASEAN
8	VCFTA	11 Nov 2011	1 Jan 2014	Form VC	Vietnam, Chile
9	VKFTA	5 May 2015	20 Dec 2015	Form VK	Vietnam, South Korea
10	VN-EAEU FTA	29 May 2015	5 Oct 2016	Form EAV	Vietnam, Russia, Belarus, Armenia, Kazakhstan, Kyrgyzstan.
11	CPTPP	8 Mar 2018	14 Jan 2019	Form CPTPP	Vietnam, Canada, Mexico, Peru, Chile, New Zealand, Australia, Japan, Singapore, Brunei, Malaysia
12	AHKFTA	12 Nov 2017	11 Jun 2019	Form AHK	ASEAN, Hongkong (China)
13	EVFTA	30 Jun 2019	1 Aug 2020	Form EUR.1	Vietnam, EU (27 members)
14	UKVFTA	29 Dec 2020	1 May 2021	Form EUR.1	Vietnam, UK, Northern Ireland
Signed FTAs, not yet in effective					
15	RCEP	15/11/2020	Not ratified yet (expect to come into effect since 1 January 2022)	N/A	ASEAN, China, Korea, Japan, Australia, New Zealand
FTAs under negotiation					
16	VN – EFTA FTA	Negotiations commenced in May 2012		N/A	Vietnam, European Free Trade Association (Switzerland, Norway, Iceland, Liechtenstein)
17	VN– Israel FTA	Negotiations commenced in December 2015		N/A	Vietnam, Israel



Free Trade Agreements Updates

No.	Agreement	Tariff elimination	
1	CPTPP	<ul style="list-style-type: none"> Goods imported into Vietnam: 65.8% of tariff lines (immediately) → 86.5% of tariff lines (after 4 years) → 97.8% of tariff lines (after 11 years) → 100% (within 16 years or apply tariff quotas) Goods imported into other CPTPP countries: 78-95% of tariff lines (immediately) → 97-100% of tariff lines (in more than 10 years or apply tariff quotas) 	
2	EVFTA	<ul style="list-style-type: none"> Goods imported into Vietnam: 48.5% of tariff lines (immediately) → 98.3% of tariff lines (within 10 years) → 100% (after 10 years or applied tariff quotas) Goods imported into EU: 85.6% of tariff lines (immediately) → 99.2% of tariff lines (within 7 years) → 100% (after 7 years or apply tariff quotas) EVFTA will replace the General Systems of Preferences (GSP) within 7 years after entry into force (01 August 2020) 	
3	UKVFTA	<ul style="list-style-type: none"> Goods imported into Vietnam: 48.5% of tariff lines (immediately) → 91.8% of tariff lines (by 1 Jan 2027) → 98.3% of tariff lines (by 1 Jan 2029) Goods imported into UK: 85.6% of tariff lines (immediately) → 99.2% of tariff lines (by 1 Jan 2027) 	
4	RCEP	Goods imported into Vietnam: <ul style="list-style-type: none"> 64% of tariff lines (immediately) After 15 – 20 years: <ul style="list-style-type: none"> 90.3% of tariff lines for ASEAN countries 89.6% of tariff lines for Australia and New Zealand 86.7% of tariff lines for Korea and Japan 85.6% of the tariff lines for China 	Goods imported into other RCEP member countries: <ul style="list-style-type: none"> 64% of tariff lines (immediately) After 15 – 20 years: <ul style="list-style-type: none"> Australia: 92% of tariff lines New Zealand: 91.4% of tariff lines Japan: 90.4% of tariff lines Korea: 90.7% of tariff lines China: 90.7% of tariff lines ASEAN: average 90% of tariff lines



Other Trade Agreements Updates

No.	Agreement	Tariff elimination
1	Agreement on Promoting Bilateral Trade between Vietnam and Cambodia from 2021 to 2022	<ul style="list-style-type: none">• Products entitled to special preferential import duty rates shortened to 31 items compared to 32 items as in 2019 agreement <i>(Detailed lists provided in Decree 83/2021/ND-CP dated 13 September 2021)</i>
2	Vietnam-Laos Trade Agreement from October 2020 to October 2023	<ul style="list-style-type: none">• Certain goods eligible for 50% reduction of ATIGA rate• Certain goods ineligible for preferential tariffs under Vietnam-Laos Trade Agreement• Certain goods entitled to the annual tariff quota regime under the Vietnam-Laos Trade Agreement <i>(Detailed lists provided in Decree 90/2021/ND-CP dated 19 October 2021)</i>



Requirements to receive FTA preferential tariffs

04 conditions to get the FTA preferential tariffs:



1. Goods stated in Preferential import tax schedule of corresponding FTA



2. Imported to Vietnam from countries, territories or group of countries signed FTA with Vietnam



3. Transport directly from export countries



4. Have origin from FTA's member

Different FTAs have different regulations, Third party C/O or Back to back C/O might be accepted

Must satisfy ROOs in FTA

Have valid CO

Thuế suất ưu đãi theo các hiệp định thương mại FTA

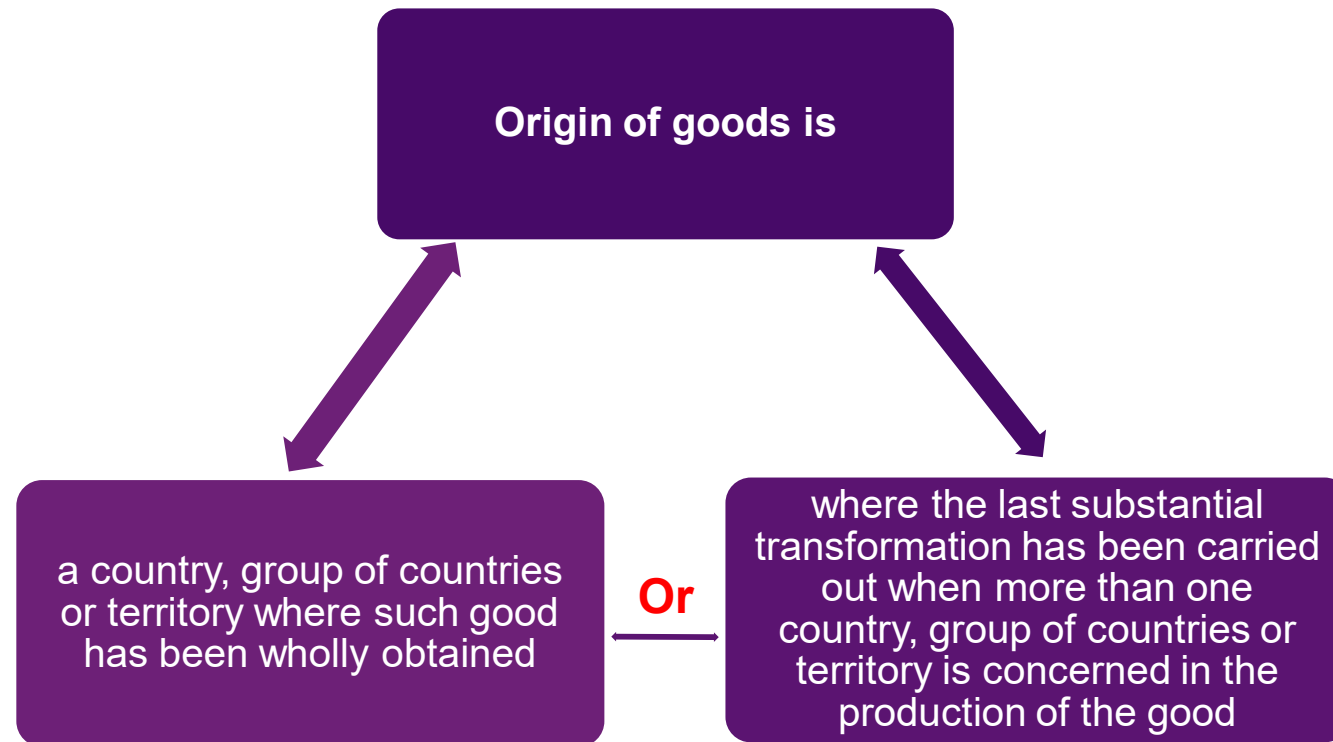
Mã số HS	MFN rate	ATIGA	ACFTA	AKFTA	AJCEP	VJEPA	AANZFTA	AI
72230000	10	0	0	0	10	4.5	0	N/A

Dây thép không gỉ



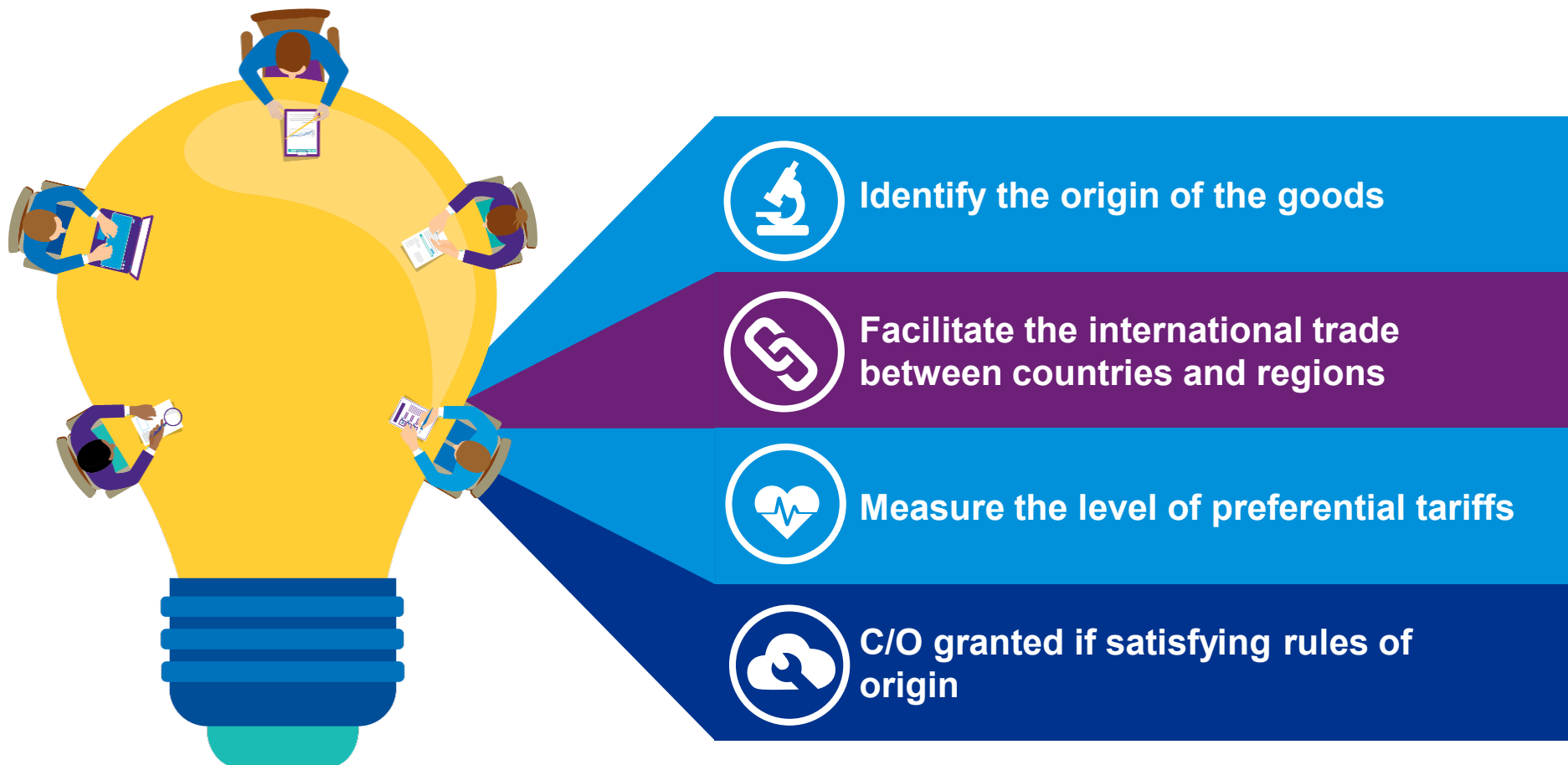
Rules of origin ("ROO")

- The administrative rules and decisions that determine the origin of goods
- A set of rules for determining the economic content and nationality of a good



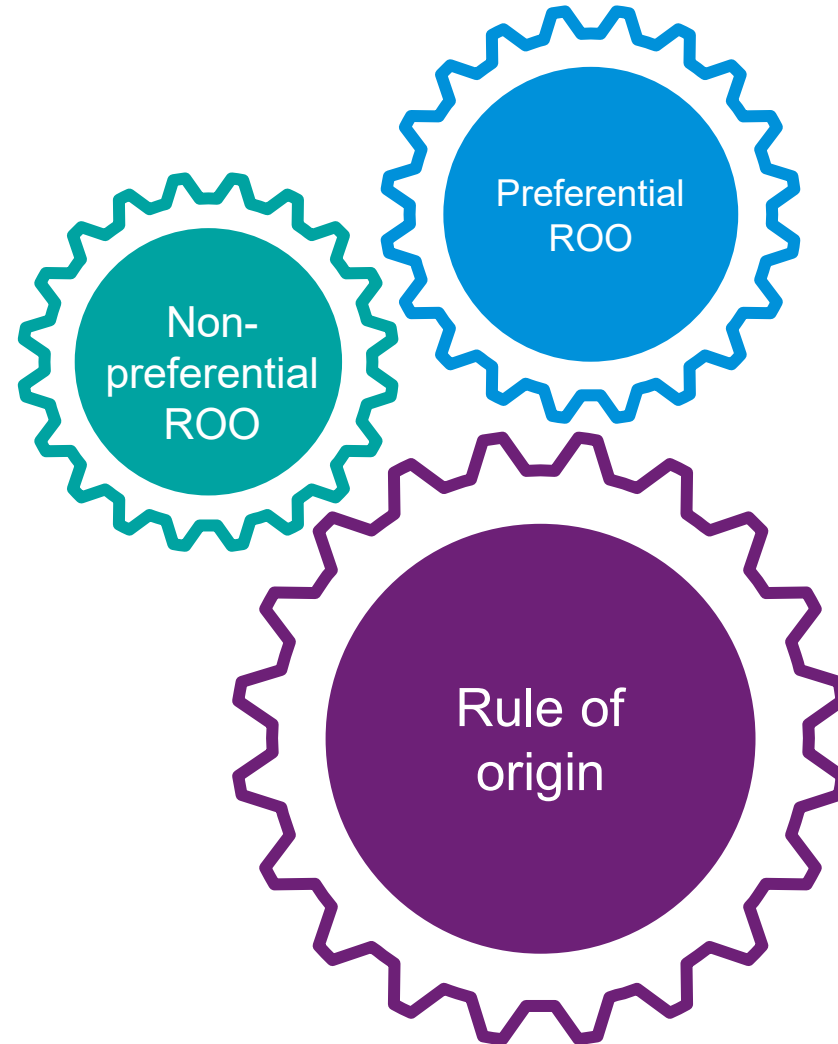


Purposes of R00



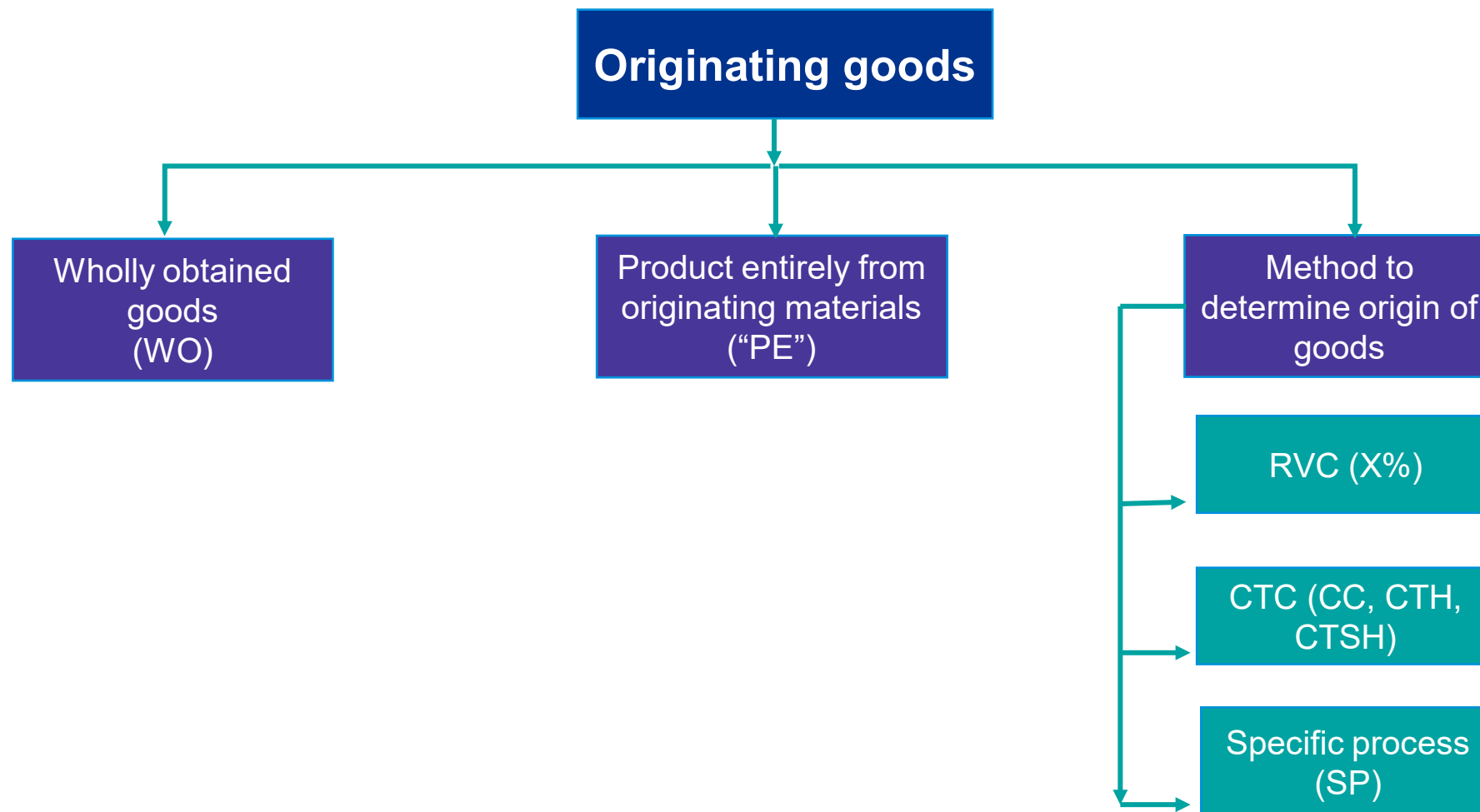


Types of ROO





Rules of origin





De minimis

- A good that does not satisfy a change in tariff classification (“CTC”) will nonetheless be an originating good if the value of all non-originating materials used in production of the good that did not undergo the required CTC does not exceed a certain percent (%) of the FOB value of the good.
- The certain percent mentioned above may vary between FTAs.
- When applying RVC formula, value of all non-originating materials used mentioned above is still considered in value of non-originating materials used.



Minimal process/ operations

The operation or processes listed below, undertaken by themselves or in combination with each other, are considered to be minimal and shall not be undertaken into account in determining whether or not a good is originating in a country, group of country, or territory:

- Ensuring preservation of goods in good condition for the purposes of transport and storage (air ventilation, spreading, drying, cooling, in brine, sulfur steam or adding other additives, removing damaged parts and the like).
- Dust-cleaning, screening, selecting, classifying (including grouping into sets), washing, painting or cutting into pieces.
- Changing packaging and disintegration or assembly of goods lots; bottling, packaging, putting up into packs or boxes, and other simple packaging jobs.
- Affixing of marks, labels or other like distinguishing signs on products and their packaging.
- Simply mixing goods, whether of the same or different kind.
- Simply assembling parts of a product into a complete product.
- Combination of two or more jobs listed above.
- Slaughtering animals.

CONTENTS

- 1. Free trade agreement (“FTA”) and Rules of origin**
- 2. Certificate of origin (“C/O”)**

2. Certificate of origin ("C/O")



Certificate of origin ("C/O")

Certificate of Origin ("C/O")



A documentary proof issued by an issuing authority of an exporting country, group of countries, or territory based on relevant regulations and requirements on origin, clearly identifying the origin of the good.

Certificate of Origin

Customs Form P-8210

1. Goods consigned from (Exporter's business name, address, country)		Reference No.			
2. Goods consigned to (Consignee's name, address, country)		GENERALISED SYSTEM OF PREFERENCES CERTIFICATE OF ORIGIN (Combined declaration and certificate) FORM A			
3. Means of transport and route (as far as known)		Issued in _____ (country) See Notes overleaf			
4. For official use					
5. Item number	6. Marks and numbers of packages	7. Number and kind of packages; description of goods	8. Origin criterion (see Notes overleaf)	9. Gross weight or other quantity	10. Number and date of invoices
11. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct. Place and date, signature and stamp of certifying authority			12. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct: that all the goods were produced in _____ (country) and that they comply with the origin requirements specified for those goods in the Generalised System of Preferences for goods exported to _____ (importing country) Place and date, signature of authorised signatory		



Submission of C/O

C/O must be submitted in the following cases:

1. Goods that enjoy preferential tariffs

2. Goods imported under special import management regimes

3. Imported goods that may harm social safety, community health or environmental sanitation

4. Imported goods are subject to anti-dumping tax, countervailing duty, safeguard measures, tariff quota measures, quantity restriction measures

C/O must **not** be submitted in the following cases:

1. Imported goods apply MFN or normal tax rate

2. Imported goods enjoy special preferential tax rates with an FOB value of \leq USD 200, (VKFTA \leq USD 600)



Validity of C/O (1/4)

A Valid C/O should include the following:

- C/O must show type of C/O (e.g. FORM AK)
- Each C/O has different reference number
- Size, color, language, back of page
- Criteria in C/O must show the required information (next slide)

Original

1. Goods consigned from (Exporter's business name, address, country) DUY MINH JOINT STOCK COMPANY NO. 51 GROUP 18 NGHIA DO WARD, CAU GIAY DIS. HANOI, VIET NAM TEL: 084-4-3-7916042		Reference No. VN-KR 11/01/1182 ASEAN-KOREA FREE TRADE AREA PREFERENTIAL TARIFF CERTIFICATE OF ORIGIN (Combined Declaration and Certificate) FORM AK Issued in VIETNAM (Country) See Notes Overleaf			
2. Goods consigned to (Consignee's name, address, country)		4. For Official Use <input type="checkbox"/> Preferential Treatment Given Under ASEAN-KOREA Free Trade Area Preferential Tariff <input type="checkbox"/> Preferential Treatment Not Given (Please state reason/s)			
3. Means of transport and route (as far as known) FROM: HOCHIMINH PORT, VIET NAM BY SEA Departure date MARCH 01 ST , 2011 Vessel's name/Aircraft etc. WAN HAI 203 N292 Part of Discharge TO: INCHEON PORT, KOREA		Signature of Authorised Signatory of the Importing Country			
5. Item number	6. Marks and numbers on packages	7. Number and type of packages, description of goods (including quantity where appropriate and HS number of the importing country)	8. Origin criterion (see Notes Overleaf)	9. Gross weight or other quantity and value (FOB)	10. Number and date of invoices
	1 ISOTANK	DENATURED ETHANOL. ORIGIN: VIETNAM PACKING: IN 01 ISOTANK 24.000 LITERS TOTAL NET WEIGHT: 19.20 MT HS CODE: 2207.20.1910 (US DOLLARS TWENTY ONE THOUSAND TWO HUNDRED AND FIFTY ONLY ./.)	*WO*	Gross weight: 22.90 MT FOB VALUE USD 21.250,00	KODM1101 DATE: MARCH 01 TH , 2011
11. Declaration The undersigned hereby declares that the goods described in this Certificate are of the origin stated and that they comply with the origin requirements specified for these goods in the ASEAN-KOREA Free Trade Area Preferential Tariff for the goods exported to (Country) KOREA		Certification It is hereby certified, on the basis of the control carried out, that the declaration by the exporter is correct. (Country) VIETNAM MARCH 2011 Place and date, signature of authorised signatory Ngô Huyen Trang Director			
13. <input type="checkbox"/> Third Country Invoicing		<input type="checkbox"/> Exhibition		<input type="checkbox"/> Back-to-Back CO	

The signer/ issuer of C/O must be matched with authorities that General Department of Customs notified.

Check the effective period of the signature of competent person

PHÒNG QUẢN LÝ KINH DOANH THƯƠNG MẠI QUỐC TẾ HÀ NỘI
VŨ HÙNG TỈNH
01 MAR 2011



Validity of C/O (2/4)

— Criteria in C/O must show the following information:

- Stamp, signature
- Validity of C/O
- The consistency of information between C/O and other customs documents:
 - Name of exporter, importer (Consistent with import/ export documents)
 - Name of goods
 - Quantity of goods
 - HS code
 - Value, commercial invoice
- Origin criteria
- Itinerary for shipment
- retroactively/retrospectively C/O
- Back to back C/O
- Supersedes C/O

Information of Exporter

Original

1. Goods consigned from (Exporter's business name, address, country)
DUY MINH JOINT STOCK COMPANY
NO. 51 GROUP 18 NGHIA DO WARD, CAU GIAY DISTRICT
HANOI, VIET NAM
TEL: 024 4 3 7916042

2. Goods consigned to (Designated name, address, country)

3. Means of transport and route (as far as known)
FROM: HOCHIMINH PORT, VIET NAM
BY SEA
Departure date
MARCH 01ST, 2011
Vessel's name/Aircraft etc.
WAN HAI 203 N292
Port of Discharge
TO: INCHEON PORT, KOREA

4. For Official Use

5. Item number

6. Marks and numbers on packages
1 ISOTANK

7. Number and type of packages, description of goods (including quantity where appropriate and HS number of the importing country)
DENATURED ETHANOL
ORIGIN: VIETNAM
PACKING: IN 01 ISOTANK 24,000 LITERS
TOTAL NET WEIGHT: 19,20 MT
HS CODE: 2207.20.1910
(US DOLLARS TWENTY ONE THOUSAND TWO HUNDRED AND FIFTY ONLY ./.)

8. Origin criterion (see Notes Overleaf)

9. Gross weight or other quantity and value (FOB)
Gross weight: 22.90 MT
FOB VALUE USD 21,250.00

10. Number and date of invoices
KODM110
DATE: MARCH 01ST, 2011

11. Signature of Authorised Signatory of the Importing Country

12. Certification
It is hereby certified, on the basis of the information furnished, that the goods described in this Certificate of Origin are entitled to the preferential treatment provided for in the ASEAN-Korea Free Trade Area Agreement.

13. ☐ Third Country Invoicing ☐ Exhibition ☐ Back-to-Back CO

Place and date, signature and stamp of certifying authority
Vũ Hùng Thịnh
01 MAR 2011

Check the effective period of the signature of competent person

The signer/ issuer of C/O must be matched with authorities that General Department of Customs notified.



Validity of C/O (3/4)

Review detail of C/O

— Review the information of goods

- Check information about goods in C/O with declared information on documents: contract, invoice, packing list (“P/L”), customs declaration;
- Check whether the HS code declared in Box 7 of C/O is consistent with the declared HS code of imported goods or not;
- In addition, the inspection information is also necessary for the purpose of comparing the goods declared on the C/O with the actual imported goods.

Information of Exporter

Original

1. Goods consigned from (Exporter's business name, address, country)
DUY MINH JOINT STOCK COMPANY
NO. 51 GROUP 18 NGHIA DO WARD, CAU GIAY DISTRICT
HANOI, VIET NAM
TEL: 024 4 3 7916042

2. Goods consigned to (Designated name, address, country)

3. Means of transport and route (as far as known)
FROM: HOCHIMINH PORT, VIET NAM
BY SEA

4. For Official Use

5. Item number

6. Marks and numbers on packages

7. Number and type of packages, description of goods (including quantity where appropriate and HS number of the importing country)
DENATURED ETHANOL
ORIGIN: VIETNAM
PACKING: IN 01 ISOTANK 24,000 LITERS
TOTAL NET WEIGHT: 19,20 MT
HS CODE: 2207.20.1910
(US DOLLARS TWENTY ONE THOUSAND TWO HUNDRED AND FIFTY ONLY ./.)

8. Origin criterion (see Notes Overleaf)

9. Gross weight or other quantity and value (FOB)
Gross weight: 22.90 MT
FOB VALUE USD 21,250.00

10. Number and date of invoices
KODM110
DATE: MARCH 01st, 2011

11. Signature of Authorised Signatory of the Importing Country

12. Certification
It is hereby certified, on the basis of the information furnished, that the goods described in this certificate are the goods of the country of origin stated hereon.

13. ☐ Third Country Invoicing ☐ Exhibition ☐ Back-to-Back CO

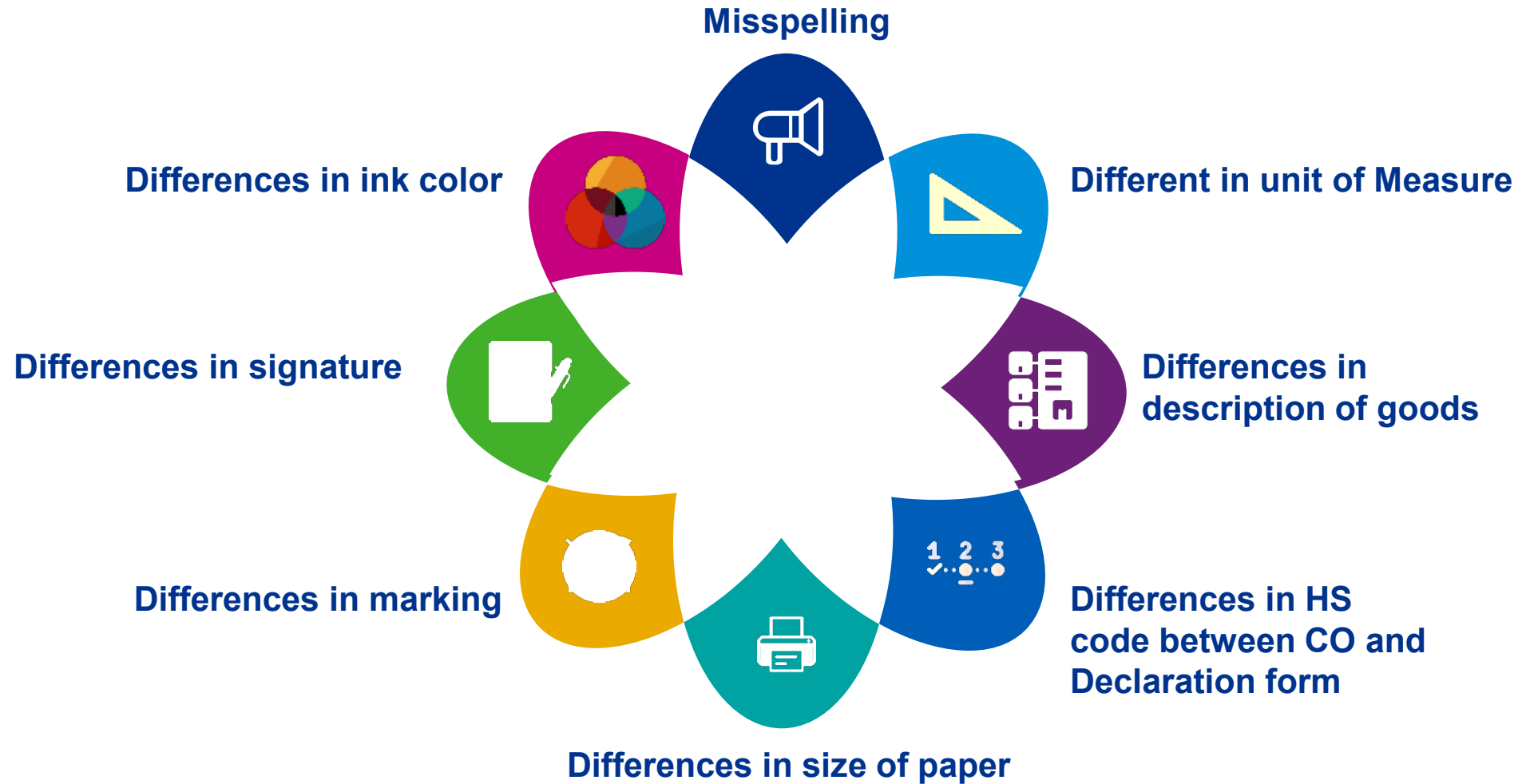
Place and date, signature and stamp of certifying authority
Vũ Hùng Thịnh
01 MAR 2011

Check the effective period of the signature of competent person

The signer/ issuer of C/O must be matched with authorities that General Department of Customs notified.



Validity of C/O (4/4)





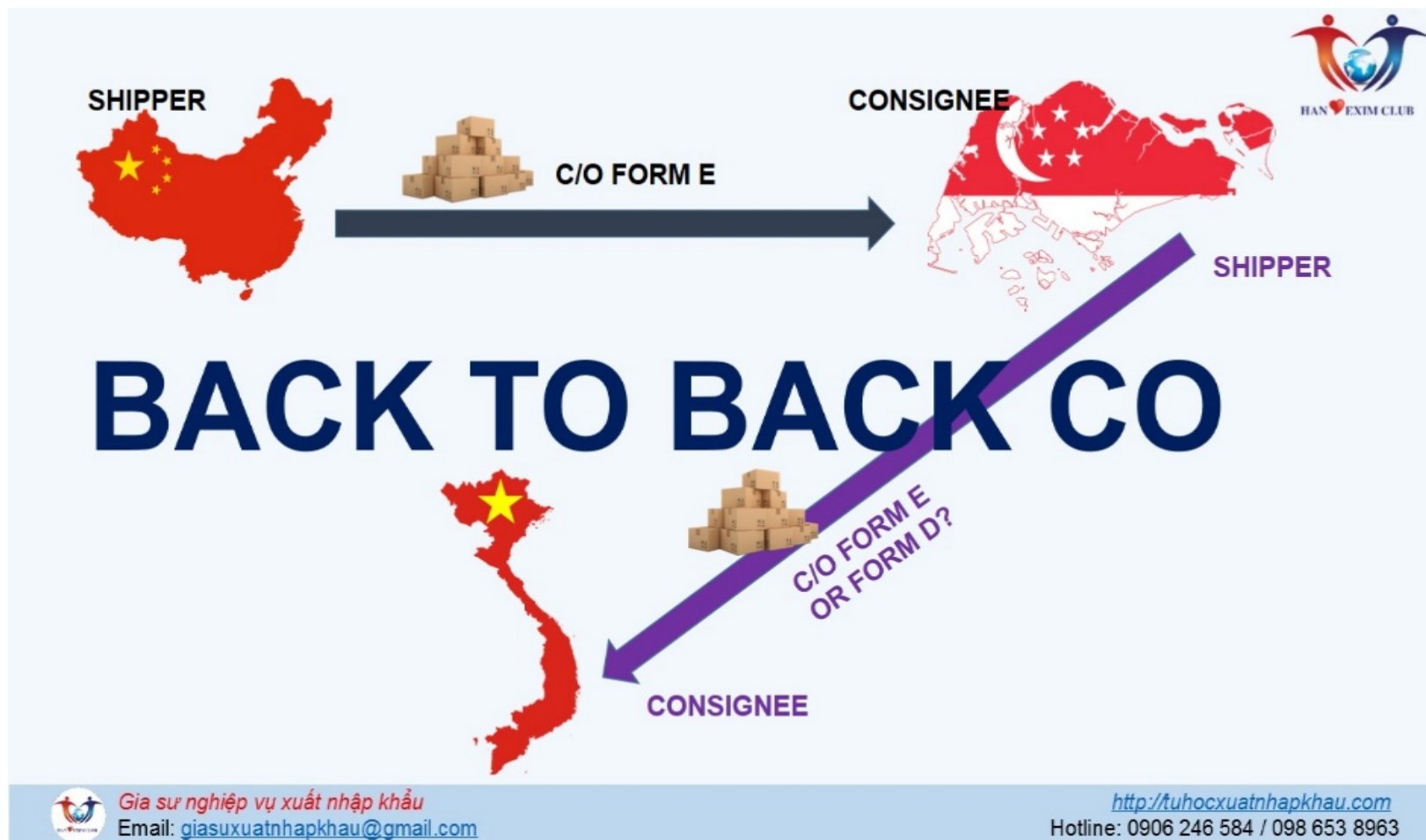
C/O special cases – Back to back C/O (1/3)

Back to Back C/O / Movement Certificate

- The C/O is issued by a middle exporting member country based on the first the C/O issued by first exporting member country.
- Therefore, there must be transactions of at least 3 parties in an FTA agreement to be able to issue back-to-back C/O.



C/O special cases – Back to back C/O (2/3)





C/O special cases – Back to back C/O (3/3)

04 conditions to get the FTA preferential tariffs:



1. Present original valid copy of C/O. If original copy is not available, present a certified copy of that C/O;



2. The back to back C/O must have the same information as in the original copy of C/O. The FOB price of the middle member country should be entered in box 9;



3. In case of insufficient information and/or suspicion of violation, customs authorities of importing country can request to present original C/O;



4. For the partial export shipments, the value of each part of the export will be recorded instead of the value of the whole shipment on the original C/O. When issuing back-to-back C/O, the middle member country must ensure that the total quantity of re-export goods of the partial exported shipments does not exceed the quantity indicated on the original C/O imported from the first member country.



C/O special cases – Third party invoicing (1/2)

A third party invoice is a commercial invoice issued by a company headquartered in a third country or by an exporter located in the member country of free trade agreement which is on behalf of that company.

The third country is the country/territory that issues the invoice but is not the exporting or importing country/territory.



C/O special cases – Third party invoicing (2/2)

Example of third party invoicing:

(Third party invoicing C/O Form E)

An appropriate set of documents includes:

1. Invoice and Sale contract between A and C show that B is shipper; PL;
2. Invoice No. and date of invoice presented in Box 10 of C/O Form E;
3. Box 1 in BL could be party A or B. If B, for more detail, we could write Party A in “Notify party” in BL
4. In Box 7 of C/O Form E must show “The third party” : A Company
5. Tick in Box 13 – Third party invoicing
6. In the customs declaration form: the exporter is Company A and the importer is Company C

1. Products consigned from (Exporter's business name, address, country) GUANGZHOU YAXIANG TRADE CO., LTD. RM 11, 29 FLOOR NO. 316 JINYING BUILDING, HUANGSHI MIDDLE ROAD, YUEXIU DISTRICT, GUANGZHOU, CHINA		Reference No. E124401802960094 ASEAN-CHINA FREE TRADE AREA PREFERENTIAL TARIFF CERTIFICATE OF ORIGIN (Combined Declaration and Certificate) FORM E Issued in THE PEOPLE'S REPUBLIC OF CHINA (Country) See Overleaf Notes	
2. Products consigned to (Consignee's name, address, country) NHÀ NHẬP KHẨU VIỆT NAM		4. For Official Use <input type="checkbox"/> Preferential Treatment Given <input type="checkbox"/> Preferential Treatment Not Given (Please state reasons) Signature of Authorised Signatory of the Importing Party	
3. Means of transport and route (as far as known) Departure date JAN. 03, 2012 Vessel's name / Aircraft etc. CSCI, SAO PAULO/00535 Port of Discharge CAT LAI, VIET NAM			
5. Item number	6. Marks and numbers on packages	7. Number and type of packages, description of products (including quantity where appropriate and HS number of the Importing Party)	8. Origin criteria (see Overleaf Notes)
1		WRESTER BELTS H.S. CODE: 40103800 TOTAL MANUFACTURED BY: YUYANG QINGDAO ENGINEERING PLASTIC CO., LTD. NO. 17, BASHA ROAD, QINGDAO, CHINA TEL: +86 532 84894294 FAX: 532 84867655 *** *** *** *** *** 7. NHÀ SẢN XUẤT Support Mr Thành : 0976.757.003	"#0" 11600PCS USD: 30649, 56 10 INVOICE DO SINGAPORE PHÁT HÀNH
			9. Gross weight or other quantity and value (FOB) 10. Number and date of invoices VEY11113 DEC. 13, 20
11. Declaration by the exporter The undersigned hereby declares that the above details and statement are correct, that all the products were produced in CHINA (Country) and that they comply with the origin requirements specified for these products in the Rules of Origin for the ACFTA for the products exported to PHILIPPINES (Importing Country) GUANGZHOU, CHINA, JAN. 03, 2012 Place and date, signature of authorised signatory		12. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct. Place and date, signature and stamp of certifying authority	
13. <input type="checkbox"/> Issued Retroactively <input type="checkbox"/> Movement Certificate		<input type="checkbox"/> Exhibition <input checked="" type="checkbox"/> Third party invoicing	



C/O special cases – Differences between Back to back and Third party invoicing C/O (1/2)

1. Both C/O types are applicable in case of the international trade between three parties.

2. However, Back to back C/O is used in case of goods are not shipped directly from exporter to importer but transfer through middle country and all these three countries engage in one FTA.

3. Third party invoicing C/O is used when goods are shipped directly from exporter country to importer country with invoice issued by third party.



C/O special cases – Differences between Back to back and Third party invoicing C/O (2/2)

C/O Form except VK/KV and EAV Form

- Submit the original copy at the time of performing customs procedure;
- If unavailable, the Company can submit within 30 days from the date the declaration is registered.

C/O Form VK/KV

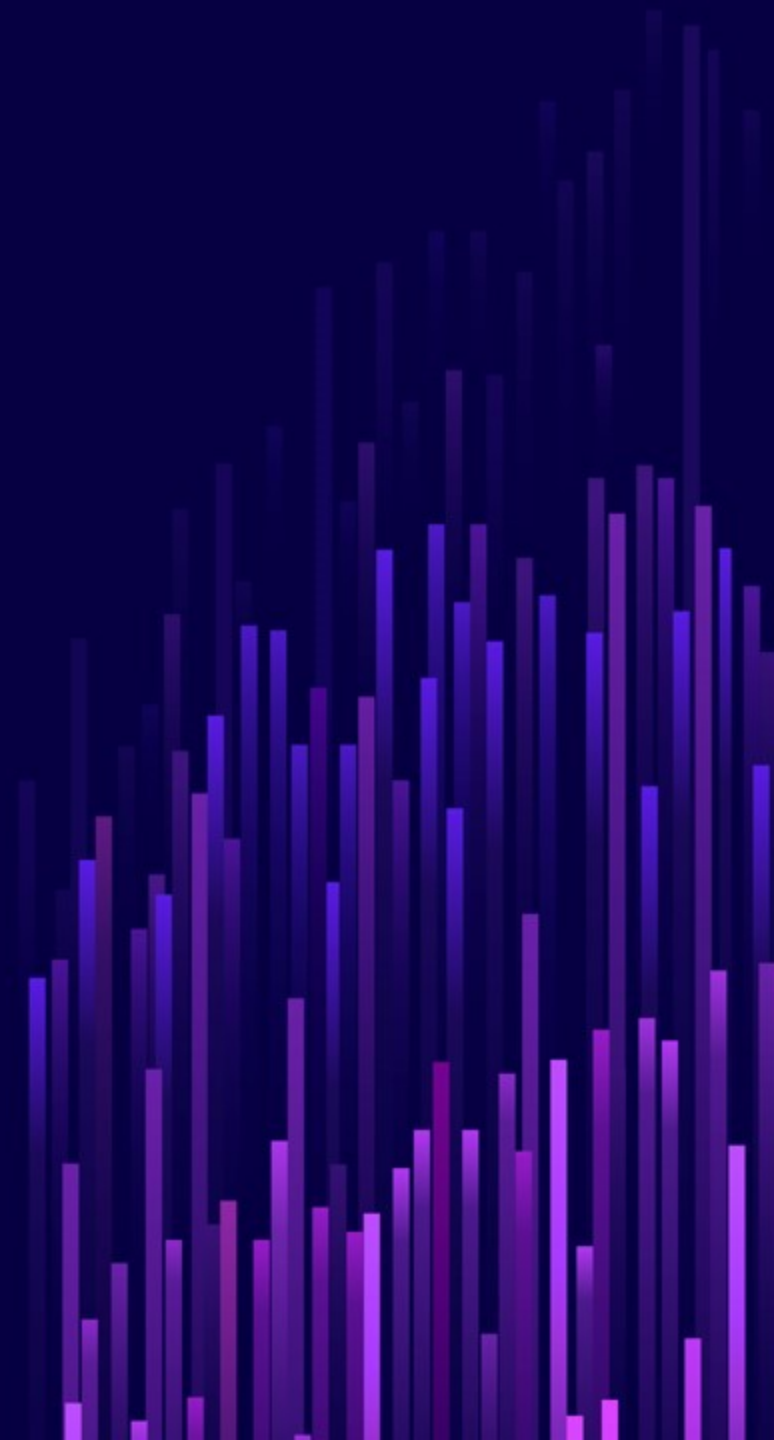
- Submit the original copy at the time of performing customs procedure;
- If unavailable, the Company can submit within 1 year from the date the declaration is registered.

C/O Form EAV

- Submit the original copy at the time of performing customs procedure;
- Outside the above time, Customs authorities only consider the additional extension if:
 - Unintentional error or error on the original C/O
 - An authorized party to issue a replacement C/O of an original C/O (in this case, the C/O must clearly state "issued in substitution for the certificate of origin No. _date_".
- A replacement C/O has valid of 12 months from the date of issue of the original C / O



Thank you





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