Law on Foreign Trade Management

The National Assembly of Vietnam issued a new Law on Foreign Trade Management (“Law No. 05/2017”) on 12 June 2017, which will come into effect from 1 January 2018. Its objective is to standardize the provisions for foreign trade activities and bring anti-dumping/safeguard measures under a centralized mechanism. Once effective, the law will supersede various ordinances currently in place for anti-dumping and safeguard measures.

Certain activities have been specifically added in the proposed law for import-export operations, such as:

- Permitting the right to import and export from Vietnam to foreign business entities, organizations and individuals without a presence in Vietnam, provided they are from WTO member countries or countries with whom Vietnam has either a bilateral agreement or both countries are members of an international treaty;
- Management of trade with bordering countries, tariff quota, border gate administration;
- Administration of import-export goods in a separate customs area; and
- Quarantine and technical barriers to trade etc.

The law is divided in eight chapters as below:

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Chapter heading</th>
<th>KPMG notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>General provisions</td>
<td>Defining foreign trade activities, rights of import and export for a domestic versus foreign invested enterprise in Vietnam etc.</td>
</tr>
<tr>
<td>II</td>
<td>Administrative measures</td>
<td>For banning or suspending import or export of goods, tariff quota, certificate of origin, re-import/export, transit and transshipment etc.</td>
</tr>
<tr>
<td>III</td>
<td>Technical and quarantine measures</td>
<td>For quality, health and safety measures etc. of the goods imported or exported from Vietnam</td>
</tr>
<tr>
<td>IV</td>
<td>Trade protection measures</td>
<td>Bringing anti-dumping, safeguard and anti-subsidy measures under one umbrella</td>
</tr>
<tr>
<td>V</td>
<td>Measures to control emergency in foreign trade activities</td>
<td>For addressing geo-political issues in foreign trade</td>
</tr>
<tr>
<td>VI</td>
<td>Measures to develop foreign trade activities</td>
<td>Such as credit facilitation, trade promotion etc.</td>
</tr>
<tr>
<td>VII</td>
<td>Settlement of disputes over the application of foreign trade management measures</td>
<td>Addressing disputes in international trade with other countries</td>
</tr>
<tr>
<td>VIII</td>
<td>Implementing provision</td>
<td>Date when the draft law becomes effective, superseded ordinances, transitional provisions</td>
</tr>
</tbody>
</table>

The following Ordinances and Articles would be superseded by the foreign trade law:

<table>
<thead>
<tr>
<th>Ordinance/Article</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinance on safeguards in importing goods into Vietnam</td>
<td>Ordinance number 42/2002/PL-UBTVQH10</td>
</tr>
<tr>
<td>Ordinance against dumping of imports into Vietnam</td>
<td>Ordinance number 20/2004/PL-UBTVQH11</td>
</tr>
<tr>
<td>Ordinance against subsidized goods imported into Vietnam</td>
<td>Ordinance number 22/2004/PL-UBTVQH11</td>
</tr>
<tr>
<td>— Clause 3, Article 28</td>
<td>Commercial Law number 36/2005/H11</td>
</tr>
<tr>
<td>— Clause 3, Article 29</td>
<td></td>
</tr>
<tr>
<td>— Clause 3, Article 30</td>
<td></td>
</tr>
<tr>
<td>— Articles 31, 33, 242, 243, 245, 246 and 247</td>
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</tr>
</tbody>
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ASEAN Harmonized Tariff Nomenclatures 2017 (“AHTN 2017”)  
To synchronize Vietnam’s harmonized tariff system with other ASEAN countries, Ministry of Finance issued Circular no. 65/2017/TT-BTC dated 27 June 2017, promulgating the list of Vietnam’s imports and exports (“Vietnam’s list of imports and exports 2017”) in accordance with the AHTN 2017 (which is in force since 1st January 2017 in most of ASEAN countries). In Vietnam, the new list of imports and exports will be implemented from 1st January 2018.

The list of imports and exports 2017 consists of 10,813 commodity lines at 8-digit level, including 2,321 new commodity lines as per AHTN 2017. A new WTO / MFN duty tariff will be announced w.e.f 1st January 2018.

EU-ASEAN Business Sentiment Survey
The EU-ASEAN Business Council (EU-ABC) released the third annual EU-ASEAN Business Sentiment Survey on 5th September 2017. The survey is an indicator for outlook of European businesses in Southeast Asia. More than 300 executives from European companies across Southeast Asia participated in the survey. Key findings of the survey include:

- Three-quarters (75%) of European businesses expect an increase in ASEAN profits for 2017 and almost three-quarters (71%) see ASEAN becoming more important in terms of global revenues over the last two years
- 94% of European businesses plan to expand or maintain their current levels of operations and headcount in the ASEAN region
- 86% of European businesses expect their level of trade investment in ASEAN to increase over the next five years
- More than four-fifths (88%) of European companies believe the EU should pursue a region-to-region Free Trade Agreement (FTA) with ASEAN, a significant increase on the 66% surveyed in 2016
- Challenges for businesses remain, impeding ASEAN from reaching its maximum economic potential – almost two-thirds (61%) of European businesses say that non-tariff barriers are hampering their supply chain efficiency.

New Regulations by Industrial Sector
Liquor
The Government issued a new decree on the business activity of liquor, and the conditions to be met for production, importation, distribution, wholesale and retail of liquors (license, warehousing facility, food safety and hygiene conditions etc.)

Only such enterprises who own Liquor Distribution Permit can import liquors into Vietnam which should be compliant with food safety and hygiene regulations. Imported liquors must be labelled properly and affixed with customs stamps as per current goods labelling and stamping regulations. Importers have to obtain the import visa (also known as “Food Safety Conformity Certificate”) from Ministry of Health before importation.

Fertilizer
The Government issued Decree no. 108/2017/ND-CP for testing, producing, trading, exporting and importing fertilizers into Vietnam. The management of fertilizers in Vietnam has been centralized under Ministry of Agriculture and Rural Development combining the current practice of separate management for organic (Ministry of Agriculture and Rural Development) and inorganic fertilizers (Ministry of Industry and Trade).

As per the Decree:

- Fertilizers registered and acknowledged for circulation with Ministry of Agriculture and Rural Development can be imported into Vietnam without an import permit; and
- Other unregistered fertilizers still need an import permit to be imported into Vietnam.

Irrespective of the registration status, all fertilizers need to go through quality inspection for clearance.

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