

(Eng) Inter-ministerial Circular on Exports of Apparel to the US, No 3/2007/TTL/BTM/BCN

Tiếng Việt – Vietnamese

Ministry of Trade – Ministry of Industry 03/2007/TTLT/BTM/BCN

SOCIALIST REPUBLIC OF VIETNAM
Independence – Liberty – Happiness
Hanoi, February 28, 2007

INTERMINISTERIAL CIRCULAR
MINISTRY OF TRADE – MINISTRY OF INDUSTRY

Guidance on Monitoring of Apparel Exports to the U.S. Market

- Pursuant to Decree 12/2006/ND-CP dated January 23, 2006 providing detailed guidance on the implementation of the Trade Law concerning international trade in goods and activities in purchasing, selling, processing and transshipping of goods with other countries;
- Pursuant to current regulations on management of export and import of goods;
- Following the instructions by the Prime Minister at Official Letter 147/VPCP-QHQT dated February 14, 2007 issued by the Government Office on the monitoring program of the apparel exports to the U.S.

At the recommendation by the Vietnam Textile and Apparel Association (referred hereafter as VITAS);

The Ministry of Trade and the Ministry of Industry jointly (hereafter referred to as the Inter-Agency) provide the guidance on monitoring of apparel exports to the U.S. for a number of categories as follows:

I. GENERAL PROVISIONS

1. Objectives:

In order to better manage the export growth, establishment of export markets, ensuring stable and durable development, protecting long-term interests of apparel exporters, fighting against illegal trans-shipments and fraud trading;

Enhancing the added values of products for export, minimizing products with simple styles, cheap materials, brands with low reputation, low export unit price;

Building further the confidence by big importers, promoting highly reputable brands, encouraging buyers with high value orders;

While awaiting the electronic linking between the Ministry of Trade and the General Department of Customs;

The Inter-Agency shall temporarily issue Export Licenses (hereafter referred to as E/L) for a number of apparel categories exported to the U.S. markets.

2. Categories subject to E/L and the agency to issue E/L:

The Ministry of Trade (through Regional Export-Import Monitoring Agencies delegated by the Ministry of Trade, hereafter referred as Regional Agency) shall issue E/L for a number of apparel categories to be exported to the U.S. as indicated in Announcement 0616/BTM-DM dated December 29, 2006.

Depending on each time period, the Inter-Agency may modify the list of these categories and move these categories to HS monitoring and category monitoring when conditions permit.

2. Traders eligible for E/L:

E/L be issued to traders who meet the following conditions:

2.1. Traders/manufacturers in possession Business Registration Certificate or Investment License as stipulated in the Foreign Investment Law of Vietnam, having registered import-export business code.

2.2 Traders having manufacturing capability but not in possession of MID should apply for the relevant MID at the Regional Agency.

When applying for MID, the trader needs to present the Report on Examination of Manufacturing Capability conducted by the provincial inter-agency team (headed by the Department of Trade/ Department of Trade & Tourism) at the factory where the manufacturing is taking place. The Regional Agency shall send a copy of this Report to the Ministry of Trade.

2.3. Traders having no apparel manufacturing capability need to have contracts signed with the relevant manufacturer and then declare that manufacturer/MID in the registration form and send it to the Regional Agency when applying for E/L of those products;

The Inter-Agency request that the enterprises log on the website of the Minister of Trade: www.mot.gov.vn on daily basis so as to keep themselves posted of all updated guidance by the Inter-Agency so that they may implement it appropriately since the situation of the garment sector is constantly changing.

II. REGULATIONS ON E/L REGISTRATION AND ISSUANCE

1.Procedure for E/L registration:

Traders shall need to register their export plan on-line on a quarterly basis so that the Inter-Agency may synthesize all the categories, quantities, unit prices of goods. All non on-line registrations shall be considered only after all eligible on-line registrations have been synthesized. Traders having apparel batches with simple styles, not under reputable brands, with selling price under the price level recorded by the Inter-Agency shall be guided by the Inter-Agency to carry out negotiations so that decision on the export of these batches could be made.

Traders who export less than 90% of the monthly registered quantity shall report by e-mail to the Inter-Agency so that the latter may issue E/L to them for the following month.

The Ministry of Trade shall announce the trader's export plan to the Regional Agencies. The relevant Regional Agency shall then issue an E/L to the trader on the basis of his export registration either before or after the delivery of goods depending on his needs.

If the trader has not registered his export plan and/or export license with the Ministry of Trade, he shall bear full responsibility about relevant export procedures/damages caused if the shipment is not cleared at U.S. ports.

2. Documentations for E/L issuance:

E/L consists of one (01) original copy and three (03) photocopies (01 original and 02 photocopies shall be sent to the trader, the Regional Agency shall retain 01 photocopy for their records. E/L form is attached herewith as Annex 1) with dossiers for export registration and export license as follows:

2.1 Application for E/L (attached herewith as Annex 2);

2.2 Contract for export of apparels under FOB or CMT (the photocopy duly stamped with "true copy of the original certified" signed by the trader);

2.3 Contract with local factories for manufacturing (applicable to products that are outsourced to other factories);

2.4 Liquidated customs declaration for exports (photocopy with "true copy of original certified" stamped and signed by the head of the trading firm (if any);

2.5 Commercial invoices

2.6 Shipping documents (bill of lading) (photocopy with "true copy of the original" stamped and signed by the head of the trading firm (if any).

When necessary, the Regional Agency shall request the trader to provide it with additional documentation to verify the origin of the goods.

Regarding batches of apparels produced in Vietnam under FOB or CTM to be exported to the U.S. that have used some imported semi-finished products, the trader shall need to register in advance with the Ministry of Trade and I/L shall only be issued if those batches meet the Vietnam C/O requirements and fulfill the U.S. C/O

regulations. When necessary, the batch may be inspected by the inter-agency monitoring team together with the C/O issuing agency in order to fight against fraud trading.

3. Consignment for apparel exports, production under CTM arrangements:

Consignment for Apparel export and production under CTM arrangements shall be regulated by Decree 12/2006/NĐ-CP dated January 23, 2006.

4. Time for implementation:

The Inter-Agency shall issue E/L for batches of categories specified in 1.2 mentioned above that leave Vietnam port from March 15, 2007.

III. IMPLEMENTATION, CONTROL, SUPERVISION AND HANDLING OF VIOLATIONS

1. Implementation, control, supervision

Traders need to send their registration as soon as possible to the Ministry of Trade in the form as regulated by this Circular for Quarter II, 2007. Reports should be sent to the Ministry of Trade by e-mail to dmhk@mot.gov.vn. Traders who have not sent their export plan for March 2007 should do so at the earliest.

Traders should seriously report accurately and in details all the items listed in the E/L and the Customs Export Declaration Form concerning the categories of goods, correct quantity and value of actually exported goods. Traders need to declare the correct MID in all export documents and Customs Export Declaration Form as guided in Announcement 1059/TM-DM dated November 25, 2005.

The Inter-Agency shall mobilize their resources to dispatch teams to supervise actual imports, manufacturing and exports carried out by a number of traders to ensure good compliance to the provisions in this Circular. Especially, traders with batches with low value need to report the manufacturing of these products in details as well as the composition of all the values of the product.

2. Handling of violations

Punitive action shall be taken appropriately to penalize traders who violate current laws and regulations on exporting apparels to the U.S. (concerning C/O requirements, documentation, manufacturing capability, quantity of categories actually exported...) depending on the degree of such violation: from revoking of E/L, C/O, suspending export licenses of the managed categories, to prohibiting all apparel exports to the U.S., or prohibiting all apparel exports to all countries, levying fines according to state regulations or other provisions of relevant laws.

Other violations and punitive measures not mentioned above shall be considered specifically by the Inter-Agency.

Based on actual situations of manufacturing, import and export, international market developments over time, the Inter-Agency shall provide detailed guidance, announcement to manage the apparel exports as appropriately and effectively.

This Inter-ministerial Circular shall be effective 15 days after it is published in the Official Gazette.

For THE MINSITER OF INDUSTRY For THE MINISTER OF TRADE

VICE MINISTER VICE MINISTER (signed) (signed) Bùi Xuân Khu Lê Danh Vĩnh

Recipients:

Government Prime Minister and Deputy Prime Ministers,
Office of the National Assembly,
Office of the President,
Office of the Prime Minister,
Office of the Party Central Committee and Party Commissions,
Ministries and Ministry level agencies,
Provincial People's Committees,
People's Supreme Inspectorate,
People's Supreme Court,

Central Agencies of Mass Organizations,
Provincial Authorities of Industrial Parks/Export Processing Zones,
Official Gazette,
Vietnam Textile and Apparel Association,
Provincial Trade/Trade & Tourism Departments and Industry Departments,
VCCI,
All traders (for action at the website of the Ministry of Trade),
Import-Export Monitoring Agencies (for action),
File: VT (BTM-BCN), BDM.

Annex 1: Form E/L

1. Shipper/Exporter

EXPORT LICENSE

ORIGINAL

(textile and apparel products)

2. Consignee's Names & Address

3. Export License No.

4. Origin of Goods

5. Buyer's Name & Address (if other than consignee)

6. Cat. No.7. HTS

8. Notify Party

9. Terms of Sale 10. Terms of Payment

11. Contract No./Purchase Order No.

12. Additional Transportation Information

13. Port of Loading 14. Final Destination

15. BL/AWB No. & Date 16. Date of Export

17. Marks & Number of Packages 18. Full Description of Goods

19. Quantity 20. F.O.B Unit Price

21. Total F.O.B Value

22. Competent authority (Signature and Stamp)

23. Name & Address of Manufacturer:

24. Declaration by Shipper/Exporter

We hereby declare that the above particulars are true and correct

Authorized Signature & Stamp

Name

Date

Note: Item 7: HTS: in line with U.S. HTS 8/10/12 digits

Annex 2

Name of Trader
No:..... SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness Date: E/L REGISTRATION Apparel Export to the US Market

Name of Trader

Address:..... Telephone No:.....

hereby introduce Mr/Mrs:....., ID No....., issued on....., as the staff of the trader to the Import-Export Monitoring Agency, Region to carry out the formalities for E/L for apparel export to the U.S. with following particulars:

1. Product Name: Category of goods (Cat.):
2. Quantity:
3. FOB Unit Price: Total FOB value:
4. Place of manufacturing/outsourcing: MID:
5. Date of Export:
6. Port of Export:

Attached documents:

1. Commercial Invoice: No. Date:
2. Contract no. : Date:
3. CTM Contract No: Date: (for commercial trader : signing with factory or when manufacturer out sources part/whole batch to another factory)
4. Customs Export Declaration Form (if available) no.: Date:
5. Transport Document (if available) no. Date:
6. Liquidated Customs Import Declaration form no.: Date:
and/or Financial Invoice of purchase of material/accessories no. Date:

The Trader undertakes that the declaration on the details for the above apparel batch is accurate. The trader will bear full responsibility before the law for any inaccuracies contained therein. May we request the Agency to issue the E/L for the above mentioned batch.

Head Trader

(Signed and Sealed)