Dialogue Meeting

Draft Decree guiding Customs Law

Ngày 25 / 09 / 2014

Herb Cochran
Executive Director
TPP
Results for Vietnam

● Exports up 28.4% in 2025 over the “base line” w/o TPP
  – $239 billion without TPP  apparel/footwear $113 billion
  – $307 billion with TPP  apparel/footwear $165 billion

● GDP up 35.7% in 2025  over the “base line” w/o TPP
Why such large gains?

- More exports of manufactures (34%)*
- More imports of consumer and production goods (27%)*
- More inward FDI due to investor optimism
- Stronger links to international supply chains
- Productivity gains from competition
- Momentum for reforms boosting growth and opportunity
TPP

How can companies prepare?

- Become a “qualified” supplier to U.S. firms
- Industry Trade Shows in the U.S.
- Company Background Information D-U-N-S® Number
- Electronic Data Interchange (EDI)
- Testing & Certification
  - Quality, Safety, Labour, Environmental, Sustainability, …
- Product Liability Insurance / Marine Cargo Insurance
- Logistics • Security • Customs & Border Patrol
- Your Company Web Site
Trading Partners & Clients
TPP, EU-VN, AEC
How can Gov’t help prepare?

- Revise Customs Law, Decrees, Circulars to include common components of …
- Trans-Pacific Partnership (TPP) Free Trade Agreement
- EU-Viet Nam Free Trade Agreement
- ASEAN Economic Community 2015
- WTO Trade Facilitation Agreement
TPP, EU-VN, AEC Commitments include ...

- Committee on Trade Facilitation (COAC)
- e-Customs (Automated Commercial Environment • ACE)
- National Single Window
- Advance Ruling: Classification, Valuation, Rules of Origin
- Authorized Economic Operator

Many similar provisions in “U.S. Customs Modernization Act,” 1993 in preparation for implementation of North American Free Trade Agreement (NAFTA) on Jan 1, 1994
Committee on Trade Facilitation
Committee Members (U.S.)

- COAC Members

Committee Subcommittees (U.S.)

- COAC Subcommittees
  - Trade Modernization
  - Trusted Trader
  - One U.S.Gov’t at Border
  - Trade Enforcement and Revenue Collection
  - Global Supply Chain
  - Exports

  - ACE … e-Customs
  - Authorized Operator
  - NSW … National Single Window
ACE and Automated Systems

CBP automated systems electronically support the facilitation of importing and exporting goods. By the end of 2016, the Automated Commercial Environment (ACE) will become the Single Window - the primary system through which the trade community will report imports and exports and the government will determine admissibility. Through ACE as the Single Window, manual processes will be streamlined and automated, paper will be eliminated, and the international trade community will be able to more easily and efficiently comply with U.S. laws and regulations.

CBP has established the following mandatory use dates for transitioning to ACE:

- **MAY 1, 2015**: Mandatory use of ACE for all electronic manifest filing
- **NOV 1, 2015**: Mandatory use of ACE for all electronic cargo release and related entry summary filing
- **OCT 1, 2016**: Mandatory use of ACE for all remaining electronic portions of the CBP cargo process

Get to know CBP’s automated systems, services, training resources, and related outreach efforts below.
Welcome to ITDS

A Partnership of Government Agencies Committed to the Modernization and Facilitation of International Trade

On February 19, 2014, President Obama signed an Executive Order streamlining the import and export process for America's businesses. This Executive Order requires the completion and government-wide utilization of the International Trade Data System (ITDS) by December 2016, and establishes a two-tiered governance process to oversee its implementation. Upon full implementation, ITDS, through the Automated Commercial Environment (ACE), will allow businesses to submit the data required by U.S. Customs and Border Protection and its Partner Government Agencies (PGAs) to import or export cargo through a "Single Window" concept.

CURRENT FLOW OF INFORMATION

Today, traders must submit the same information to multiple agencies, multiple times through processes that are largely paper-based and manual.

THE SINGLE WINDOW WILL STREAMLINE THIS PROCESS.
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C-TPAT Achievements

August 1, 2014

10,756 - Certified Partners
157 - Staffing Level
334 - Tier 3 Importers

25,607 - Total Validations Completed
12,546 - Initial Validations Completed
13,601 - Revalidations Completed

Number of completed validations by year:
2013: 578 Initial Validations + 1,553 Revalidations = 2,131 Total Validations
2014: 270 Initial Validations + 977 Revalidations = 1,247 Total Validations

1,878 - Total Suspensions
1,342 - Total Removals

Validations Completed by Year

- Revalidations
- Initial Validations

- Carriers - 3125
- Foreign Manufacturers - 1422
- Consolidators/3PLs - 963
- Brokers - 858
- Importers - 4328

Program Initiatives:

8 - Mutual Recognition Arrangements: New Zealand, Canada, Jordan, Japan, Korea, European Union, Taiwan, Israel

4 - Mutual Recognition Projects: Singapore, China, Mexico, Switzerland

12 - Technical Assistance Projects: India, Turkey, Jamaica, Dominican Republic, Honduras, Panama, Colombia, Chile, Peru, Uruguay, Brazil, Costa Rica

4 - Partner Government Agencies: FDA, TSA, USDA, Coast Guard

U.S. Customs and Border Protection
TPP and TFA
Why should Gov’t help ... ?

Vietnam needs to develop new drivers of sustained growth.

- 7.4% average annual GDP growth rate (1990 - 2007)
- 5.6% projected average annual GDP growth rate (2008 - 2018)

Better transport and trade logistics can boost productivity and strengthen competitiveness.
TPP
Why should Gov’t help ... ?

TRADE FACILITATION, VALUE CREATION, AND COMPETITIVENESS: POLICY IMPLICATIONS FOR VIETNAM'S ECONOMIC GROWTH
Why should Gov't help … ?
TPP and TFA
Why should Gov’t help ... ?

Technical assistance commitment in the TFA

Section II, Art 9. Provision of Assistance for Capacity Building

“9.1. Donor Members agree to facilitate the provision of assistance and support for capacity building to developing country and least developed country Members, on mutually agreed terms and either bilaterally or through the appropriate international organizations. The objective is to assist developing country and least developed country Members to implement the provisions of Section I of this Agreement.”
Financial Commitment of US$30 Million to date
Initial Program Time Frame: June 2014 – June 2019
Background – Nestor Scherbey

- Licensed U.S. Customs Broker since 1979 with National Permit and District Permits
- Foreign Trade Zone Manager, Volkswagen of America
- Director, Global Trade Operations, Amway
- Customs Committee Representative – AmCham Thailand
- Advised U.S. Customs on revisions of U.S. Customs Regulations governing Foreign Trade Zones and Customs Valuation
- Advised Office of U.S. Trade Representative on North American Free Trade Agreement Origin Rules (NAFTA)
- Advise USTR on TPP Customs Negotiations
- Developed Advisory Opinion documents for World Customs Organization (WCO) TCCV
- Experience with more than 100 customs audits, challenges and penalty cases in 51 countries
Dialogue Meeting

*Draft Decree guiding Customs Law*

Ngày 25 / 09 / 2014

Herb Cochran
Executive Director
TPP and TFA
Why should Gov’t help ... ?

TẠO THƯ逆 LỢI THƯƯ逆 MẠI, TẠO GIÁ TRỊ VÀ NĂNG LỰC CẢNH TRANG:
GỘI Ý CHÍNH SÁCH CHO TĂNG TRƯỞNG KINH TẾ VIỆT NAM