

PLAN
**To Implement the Program "The Business Community
and Customs Authorities as reliable and accompanying partners for
co-development"**

Pursuant to the National Assembly's Resolution No. 54/2017/QH14 promulgating the pilot mechanisms and policies for the development of Ho Chi Minh city;¹

Pursuant to Resolution No. 35/NQ-CP dated 05/16/2016 and Resolution No. 19/2017/NQ-CP dated 02/06/2017 of the Government on the continuation of the implementation of the main tasks and solutions to improve the business environment and enhance national competitiveness in 2017, orientation to 2020;²

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<https://thuvienphapluat.vn/tintuc/tag?keyword=the%20Resolution%20No.%2054/2017/QH14> and <https://thuvienphapluat.vn/van-ban/Dau-tu/Nghi-quyet-54-2017-QH14-thi-diem-co-che-chinh-sach-dac-thu-phat-trien-Thanh-pho-Ho-Chi-Minh-367070.aspx>

The National Assembly has passed the Resolution No. 54/2017/QH14 dated November 24, 2017 concerning pilot implementation of special mechanisms and policies for development of Ho Chi Minh city involving 04 following domains: ...

It will also be accorded autonomy to fund increased performance-based pay in addition to increased income payment to public officers and employees as provided by regulations in force.

and

<http://english.thesaigontimes.vn/57239/Heavy-burden-for-HCMC-Council.html> The mood of satisfaction is overwhelming in HCMC as the National Assembly ... issued a resolution granting a special mechanism for the country's biggest city. Under Resolution 54/2017/QH14, the city is given greater autonomy in a large swathe of socio-economic areas, which will help create new resources for its development. But a huge burden is also looming large for HCMC authorities, especially the People's Council.

The HCMC People's Council will convene its regular meeting early next month, and the top one among issues on the agenda will be how to implement the resolution. Numerous policies requiring professional skills and knowledge must be designed and deliberated at the meeting so as to translate the resolution into specific measures, procedures and regulations.

Nguyen Thien Nhan, secretary of the HCMC Party Committee, says in full-length articles authored by himself in several newspapers on Saturday that the city and relevant agencies will have to quickly implement the resolution in the remaining three years of the tenure, and make a report to the National Assembly on the achievements stemming from the new mechanism. Time flies, and as the resolution is valid for only five years from January 15, 2018, the heavy burden will instantly come upon the Council's shoulder.

² <https://thuvienphapluat.vn/van-ban/Doanh-nghiep/Nghi-quyet-19-2017-NQ-CP-tiep-tuc-thuc-hien-nhiem-vu-giai-phap-chu-yeu-cai-thien-moi-truong-kinh-doanh-338606.aspx>

and

<https://dangkykinhdoanh.gov.vn/NewsandUpdates/tabid/91/ArticleID/2899/language/vi-VN/Default.aspx>

Pursuant to the Prime Minister's Resolution No. 01/2018/NQ-CP dated 01/01/2015 on the implementation of the socio-economic development plan in 2018;³

The HCMC Customs Department issues the Plan to implement the Program “**The Business Community and HCMC Customs Department as reliable and accompanying partners for co-development in 2018**” as follows:

I. Objectives and Requirements:

1. Objectives:

Leaders of the HCMC Customs Department and the business community in the area discuss solutions to develop a concrete and practical action plan to disseminate the "message of the Government and the Prime Minister to the business community" with the following contents:

- HCMC Customs Department has fully committed to carry out trade facilitation for the business community. Thorough implementation with "discipline - strictness;"

- To implement the Government's Resolution No. 19/2017/NQ-CP dated February 6, 2017, further enhance the business environment of Vietnam so as to attain the average of the ASEAN 4 in 2018, targeting the above country average on business environment competitiveness indicators;

- Facilitate trade to shorten the procedures for goods clearance from 108 hours to 70 hours for exports and 138 hours to 90 hours for imports.

- Continue review the List of goods subject to specialized inspection in Decision No. 2026/QĐ-TTg dated 11/17/2015 of the Prime Minister to advise the Ministry of Finance and the General Department of Customs to reduce the maximum rate of specialized inspection to less than 15%;

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http://www.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban?class_id=509&mode=detail&document_id=192367 and

<http://customsnews.vn/governments-first-resolution-of-the-year-sets-remarkable-targets-5650.html>

“...export-import administration procedures need to be simplified. A positive export-import balance needs to be ensured. The growth of export turnover is expected at 8-10 per cent compared to 2017. ... “

“Administrative procedures related to land, tax, **customs**, agriculture, rural, information technology application, and startups, ... , need to be reformed along with developing tourism and extending credit and social insurance coverage. The lists of goods, products, **and special examination procedures will be cut down by 50 per cent**. ...”

“In 2018, **Vietnam’s international standing needs to be improved, targeting the level of ASEAN-4 (Singapore, Malaysia, Thailand, and the Philippines) countries in terms of competitiveness and business climate**. It is necessary to develop enterprises, support small- and medium-sized enterprises, and develop co-operatives and individual business households in order to create a level business environment compliant to market mechanisms.”

- Review and propose the higher governing bodies to continue cutting import and export permits; Export and import conditions in line with the Enterprise Law of 2016 and Foreign Trade Management Law No. 05/2017/QH14 in 2017.

- Implement strategies of the Government, Ministry of Finance and the Vietnam Customs: the national single window;

- Maintain state budget revenues for economic development.

- Reduce the cost of container storage, warehousing and other expenses for the business community in accordance with Decision No. 2722/QĐ-BTC dated 12/29/2017 of the Ministry of Finance on the pilot implementation of the e-management and monitoring system of imports and exports through seaports and international civil airports;

2. Requirements:

- Through concrete and practical action plans, actively support the business community to properly comply with the customs legislation, enhance the reform of administrative procedures and modernizing of customs, reducing customs clearance time for imports and exports, avoiding causing problems, increasing costs for businesses. Strengthen the management of anti-smuggling and trade fraud in order to create a fair competitive environment for businesses. Strengthen coordination with businesses through candid and constructive exchanges to achieve full cooperation partners in accordance with the law for co-development.

- Communicate with businesses on the rights and obligations to comply with customs law and step by step enhance the compliance in the areas under the management of the customs authorities as well as in supplying information to customs authorities to ensure the development of a fair, healthy and complying business environment.

- Cadres and civil servants of the HCMC Customs Departments to thoroughly comprehend the mindset of discipline - strictness, innovation, professionalism and transparency to serve the development of the business community.

II. Contents:

1. Through the meeting, the leaders of Ho Chi Minh City and the Customs Department would like to listen to Businesses presenting the plan of production, import-export business and forecast of the advantages and difficulties in 2018 (total value of turnover to State budget revenues in 2018 for calculation and estimation of annual state budget revenues and other contents); On that basis, develop solutions proposed to the Government, the Ministry of Finance, other ministries and the City to remove difficulties and create favorable conditions for production and business activities for sustainable economic development.

2. HCMC Customs Department with an open mindset listen, receive inputs and take immediate actions to the comments of the business community related to the need to improve the process of customs clearance of goods:

2.1. On customs management:

HCMC Customs Department is willing to listen to the comments of the business community to help Customs agencies reduce customs clearance time, reduce costs for businesses and solve problems related to professional operations:

- Tax registration and calculation;
- Inspection of goods;
- Customs supervision;
- The state budget revenue collection via electronic payment gateway and the coordination between commercial banks, state treasuries and customs departments (customs branches) needs to improve in which areas for faster, more accurate and least costly transactions;
- Which criteria should be removed from the payment slip;
- Procedures for tax refund, tax free and tax exemption at Customs branches;
- Classification of goods, tax calculation consultancy and post-customs clearance inspection at customs offices and business offices;
- Service attitude of customs officers, Customs branches, post-customs clearance inspection sub-departments;

2.2. On specialized inspection (quality inspection, food safety inspection, quarantine):

- The annual average number of re-ordered export and import goods lots of businesses that must be subject to specialized inspection;
- Average time to receive results for 01 export or import goods lot;
- Are the procedures and time spent on submission of dossiers and results return convenient for businesses?
- What is the current cost of specialized inspection?
- Which specialized inspection regulations are causing difficulties for businesses;

3. Businesses to propose and recommend to the HCMC Customs Department effective measures to promote the reform of administrative procedures in customs in order to contribute to the successful implementation Resolutions of the National Assembly and of the Government.

Businesses can also further provide subjective opinions and suggestions to the leaders of Ho Chi Minh City on any contents related to customs work to successfully implement the mechanisms specific to Ho Chi Minh City, contributing to national economic growth.

4. HCMC Customs Department commits to implement a number of contents to facilitate trade for the business community. Main contents of the plan include:

4.1. Set up a hot line to immediately receive and process inputs of the business community (*Appendix 1*);

4.2. Systematize new legal documents related to the State management of Customs (*Customs Law No. 54/2014/QH13, Commercial Law, Law on Export & Import Duties and Law on Tax Administration, Law on Quality Management and Law on Food Safety ... and documents guiding customs procedures, import/export taxes, preferential tariffs and special preferential tariffs applied in 2018, amending and supplementing documents on customs clearance and import-export taxes*), regularly disseminating customs legislation to the business community (*Appendix 2*).

4.3. Systematize errors and violations in the course of customs management for the business community to avoid in the course of carrying out customs procedures; Encourage and support businesses to be self-aware, active and discipline in observing customs law; Step by step improving compliance in areas under customs administration; Encourage businesses to have self-management and denounce wrongdoings to ensure the strictness and observance of the law (*Appendix 3*).

4.4. Coordinate information provision to help the customs authorities fight against smuggling and trade frauds so as to ensure a healthy competition environment in Ho Chi Minh city.

4.5. Organize annual dialogue meetings to report activities of the HCMC Customs Department and listen to comments of the Business Community to make timely correction and remedies.

III. Arrangements for Implementation:

1. Identifying contact point:

The HCMC Customs Department provides contacts of leaders of the Department and Heads of units for businesses to access and provide inputs on contents that found to be unsatisfying (*Appendix 2*).

2. Implementation methods:

- Monthly (or quarterly): 02 parties providing information on export and import goods and new provisions of customs legislation;

- In the event of an emergency, the Business Community can communicate and exchange information directly in order to reach agreement on the specific cases.

For the implementation of the National Assembly's Resolution No. 54/2017/QH14 and the Government's Resolution No. 19/2017/NQ-CP dated February 6, 2017, to achieve the highest efficiency, all state management agencies in the City, especially the HCMC Customs Department, the Business Community and the people all have the responsibility and obligation together [“shared responsibility”]⁴ to contribute to creating a breakthrough and strongly transform

⁴ https://en.wikipedia.org/wiki/Customs_Modernization_Act The United States **Customs Modernization Act** (Pub.L. 103–182, 107 Stat. 2057, December 8, 1993), amended title 19 U.S.C. 1508, 1509 and 1510,¹¹ formally Title VI of the North American Free Trade

the business environment to achieve a healthy competition in 2018 and future years.

Recipients:

- HCMC Party Committee;
- HCMC People's Council;
- HCMC People's Committee;
- The General Department of Customs;
- Leaders of the Department;
- ITPC;
- VCCI;
- Domestic and foreign business associations;
- The Business community
- Media agencies;
- Affiliated and subordinate units (for implementation);
- Archive: Clergy, Import - Export Duty Department (50b).

**P.P. Head of Department
Deputy Head of Department**

Dinh Ngoc Thang

Agreement Implementation Act, commonly known as the "Mod Act", amended the Tariff Act of 1930 and related laws.

The U.S. Customs Modernization Act ("Mod Act") was passed with aim of increasing the voluntary compliance with customs laws and improvements to customs enforcement. It introduced two new customs concepts known as "informed compliance" and "shared responsibility." These concepts are premised on the idea that to maximize voluntary compliance with Customs laws and regulations, the trade community needs to be clearly and completely informed of its legal obligations. Accordingly, the Mod Act imposes a greater obligation on Customs to provide the public with improved information concerning the trade community's responsibilities and rights under Customs and related laws. In addition, both the trade and Customs share responsibility in carrying out import requirements.

The Mod Act has been described as the most sweeping regulatory reform legislation since the U.S. Customs Service (now Customs and Border Protection or CBP) was organized in 1789 and it has become a benchmark for customs authorities around the world