

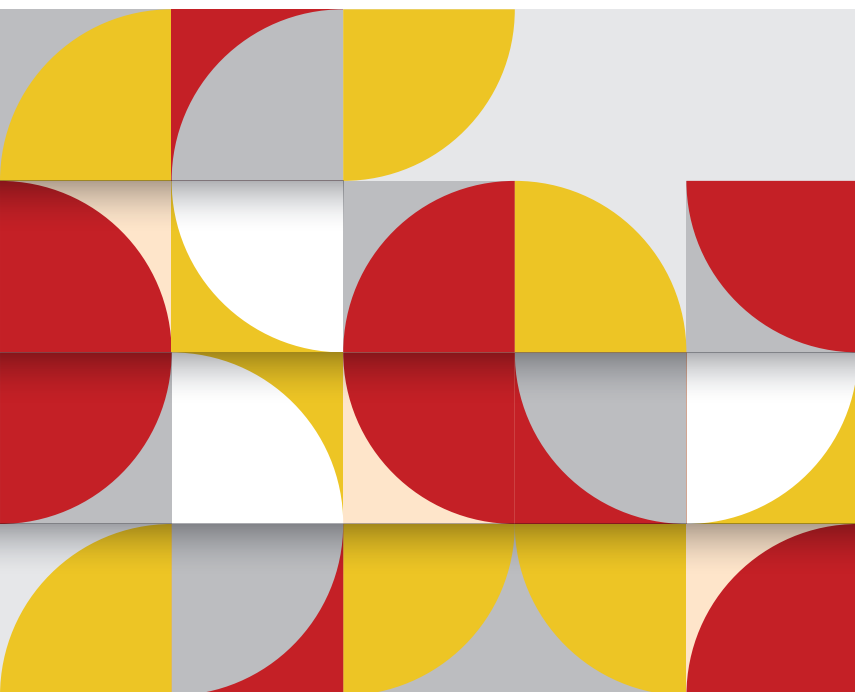
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K-V Economic Cooperation Project

Raising Awareness of Vietnam-Korea FTA



Project Title

Raising Awareness of Vietnam-Korea FTA (Vietnam's in-country capacity building and bottlenecks settlement initiative for local authorities and SMEs regarding V-K FTA)

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Contents

Summary	1
 Chapter 1 Introduction	 3
Part 1 Research Background & Necessities	5
1. Research Background & Necessities	5
2. Research Objectives	8
Part 2 Research Scope & Expected Effects	9
1. Research Scope	9
2. Research Methodology	10
3. Expected Effects of Research	12
 Chapter 2 Analysis of Utilization Rates of KVFTA for Exports and Imports	 13
Part 1 Significance of KVFTA	15
1. Significance of KVFTA	15
2. Comparison of KVFTA and KAFTA	16
3. Effects of K-V FTA Effectuation	19
Part 2 Korea's Exports to Viet Nam & FTA Utilization Rate	20
1. Analysis of Change in Korea's Exports to Viet Nam	20
2. Korea's Utilization Rates by FTA and Current Status of KVFTA Utilization	22
Part 3 Viet Nam's Exports to Korea & FTA Utilization Rate	24
1. Analysis of Change in Viet Nam's Exports to Korea	24

2. Viet Nam's Utilization Rates by FTA and Current Status of FTA Utilization	26
Part 4 Implications of Analysis on KVFTA Utilization Rate	28
1. Trade Volume with Contracting Countries of KVFTA, but Low FTA Utilization Rate	28
2. A Trend Toward Gradual Increase of KVFTA Utilization Rate	29
3. Low Utilization Rate of KVFTA, Compared to Other FTAs	29
Chapter 3 Surveys to Reinforce Competency for FTA Utilization	31
Part 1 Survey on Current Status to Reinforce the Competency for FTA Utilization	33
1. Purpose of Survey	33
2. Survey Subjects and Methods	33
3. Findings from Survey on Current Status	37
4. Difficulties in Using FTA, Found from Survey	40
Part 2 Survey to Reinforce the Competency for KVFTA Utilization	42
1. Purpose of Survey	42
2. Survey Subjects and Methods	42
3. Content of Survey	45
4. Analysis of Survey Results	46
Part 3 Implications of Survey on Current Status	53
1. Necessities to Establish a Procedure to Issue the C/O Online	53
2. Awareness of Duty to Keep Documents	54
3. Cooperation between Countries to Confirm Preferential Tariff Rates of Each Country	55
Chapter 4 Pilot Consultation to Reinforce Competency for FTA Utilization	57
Part 1 Overview of Pilot Consultation	59

1. Purpose of Pilot Consultation	59
2. Target and Methods of Pilot Consultation	60
3. Pilot Consultation & Its Focus	61
Part 2 Analysis of Consultation Results	62
1. Company in Northern Viet Nam (Hanoi): Garco 10 Corporation (Vietnamese Business)	62
2. Company in Southern Viet Nam (Ho Chi Minh): Green Field Farm (Vietnamese Business)	70
Part 3 Implications of Pilot Consultation for Companies	75
1. Necessity to Build an Origin Determination System	75
2. Websites and Guides to Help Check Preferential Tariff Rates of Contracting Parties	76
3. Necessity to Build an Environment for More Systematic Origin Management	76
 Chapter 5 Comparison & Analysis of Legislations and Systems to Reinforce Competency for FTA Utilization	 77
Part 1 System of Korea's FTA-Related Legislation	79
1. Legislation System of Korea	79
2. Korea's FTA-Related Legislation	80
Part 2 System of Viet Nam's FTA-Related Legislation	81
1. Legislation System of Viet Nam	81
2. Viet Nam's FTA-Related Legislation	82
Part 3 Comparison & Analysis of FTA-Related Legislations of Korea and Viet Nam	83
1. Analysis of Korea's FTA-Related Legislation	83
2. Analysis of Viet Nam's FTA-Related Legislation	85
3. Implications of Legislation Comparison and Analysis	88

Part 4	Systems and Programs Necessary to Reinforce Competency for FTA Utilization	88
1.	In Terms of Systems	88
2.	In Terms of Programs	94
Chapter 6	Conclusion	103
1.	Comparison of FTA Utilization Environment Between Companies of Korea and Viet Nam	106
2.	Government's Direction to Reinforce Competency for FTA Utilization ...	108
3.	Enterprises' Direction to Reinforce Competency for FTA Utilization	112
Appendix	118
1.	Content of Survey on Current Status	118
2.	Content of Survey	130
3.	Pilot Consultations and Results by Company	140
4.	Major Provision of Korea's and Viet Nam's FTA related Legislation	144
5.	Guidelines on FTA Utilization for Companies in Viet Nam	146
Reference	147

List of Tables

Table 1. Current Status of FDI Countries in Viet Nam	7
Table 2. KVFTA Liberalization Rates	16
Table 3. Major Provisions of Product Specific Rules of Origin under KVFTA	17
Table 4. Comparison of KVFTA and KAFTA	18
Table 5. Change in Korea's Export to Viet Nam before and after Effectuation of KVFTA	20
Table 6. Ranking of Korea's Exports to Countries	20
Table 7. Ranking of Korea's imports from Countries	21
Table 8. Comparison of Import Volume Among Countries	21
Table 9. Korea's FTA Utilization Rates for Exports and Imports by Country	22
Table 10. KVFTA Utilization Rates by Industry	24
Table 11. Change in Viet Nam's Exports to Korea before and after Effectuation of KVFTA	25
Table 12. Comparison of Imports Volume Among Countries	25
Table 13. Comparison of Export Volume Among Countries	26
Table 14. Scale of FTA Export of Viet Nam to Each Country	26
Table 15. Utilization Rate of FTA Export of Vietnam to Korea	27
Table 16. Composition of Viet Nam's FTA Export to Korea	28
Table 17. Korea's FTA Utilization Rates for Exports Depending on C/O Issuance Methods	30
Table 18. Classification of Survey Subjects	35
Table 19. Classification of Survey Subjects by Business Sector	35
Table 20. Checklist for Survey	35
Table 21. Survey Methods	37
Table 22. Companies in Northern Viet Nam (Hanoi)	37
Table 23. Companies in Southern Viet Nam (Ho Chi Minh)	39

Table 24. Classification of Survey Subjects	43
Table 25. Classification of Survey Subjects by Business Sector	43
Table 26. FTA Utilization or Non-Utilization by Survey Subjects	43
Table 27. Types of FTA Utilization by Survey Subjects	44
Table 28. Survey Methods	44
Table 29. Checklist for Second In-Depth Interview (an excerpt from the list)	45
Table 30. Methods of Pilot Consultation	60
Table 31. Preferential Tariff Rate under KVFTA	65
Table 32. Applicable Rules of Origin	65
Table 33. HS Codes & Preferential Tariff Rated on Main Exports	71
Table 34. Analysis of Benefits on Exports and Imports under KVFTA	72
Table 35. Applicable Rules of Origin	72
Table 36. Analysis of Korea's FTA-Related Legislation	84
Table 37. Analysis of Viet Nam's FTA-Related Legislation	87
Table 38. State of FTA KOREA & FTA PASS Utilization	91
Table 39. Comparison of FTA-Related Programs	95
Table 40. Types of Korea's Approved Exporters Program	98
Table 41. State of Approved Exporters of Korea (No. of Companies)	99
Table 42. Conclusion of Research	105
Table 43. Comparison of FTA Utilization Environment Between Companies of Korea and Viet Nam	106

List of Figures

Figure 1. Viet Nam's Export to and Import from Korea	6
Figure 2. Korea's Export to and Import from Viet Nam	6
Figure 3. Korea's FTA Utilization Rates for Exports per Country	8
Figure 4. KV FTA Utilization Rates of Companies in Korea	23
Figure 5. FTA Utilization Rate of Viet Nam's Import by Countries	27
Figure 6. Method to Select Survey Subjects	34
Figure 7. Method to Select Survey Subjects	42
Figure 8. Is the company utilizing the FTA?	46
Figure 9. Status of FTA Utilization	46
Figure 10. which FTA is the company using?	47
Figure 11. For those using the KAFTA. What is the reason for using the KAFTA? ·	47
Figure 12. What is the biggest difficulty in using the FTA (obtaining a C/O) for exports? (multiple answers allowed)	48
Figure 13. What is the biggest difficulty in using the FTA (in applying preferential tariff rates) for imports? (multiple answers allowed)	50
Figure 14. Which is the FTA issue the company has experienced?	50
Figure 15. Where do you get information on the KVFTA?	51
Figure 16. Have you ever received support from government agencies?	51
Figure 17. What kind of support do you want receive from Vietnamese government agencies (multiple answers allowed)?	52
Figure 18. Origin Management Systems of Korea (example)	62
Figure 19. Selection of Main Article for Export	63
Figure 20. HS Code Description for Raw Materials (example)	64
Figure 21. Documents Submitted for Application for C/O Issuance	66
Figure 22. Manufacturing Process Figure 26. HS Code Description for Raw Materials	67

Figure 23. Demonstration of Origin Management System	67
Figure 24. Results of Origin Determination	68
Figure 25. Websites Providing Information on Preferential Tariff Rates	69
Figure 26. Wholly Obtained or Produced Goods under KVFTA	73
Figure 27. Introduction to FTA Korea Agri. Version	74
Figure 28. Introduction to FTA Korea Agri. Version	74
Figure 29. System of FTA-Related Legislation of Korea	80
Figure 30. System of Viet Nam's FTA-Related Legislation	81
Figure 31. C/O Issuance Procedure of Korea Customs Service	89
Figure 32. C/O Issuance Procedure of Korea Chamber of Commerce & Industry	89
Figure 33. Configuration of Origin management System	90
Figure 34. Korea's Electronic Data Exchange System	93
Figure 35. Korean Website Providing Information on Tariff Rates of Destination Countries for Exports	94
Figure 36. Origin Declaration Form (Vietnam language)	96
Figure 37. Origin Declaration Form (Translated)	97
Figure 38. Environment to Reinforce Competency of Vietnamese Companies	112

Summary

The purpose of this study is to find the method of reinforcing competency of utilizing Korea-Viet Nam FTA that came into effect on December 20th, 2015. In specific, this study analyzes the causes that the utilization rate of K-V FTA is lower than other FTAs, while Viet Nam and Korea have emerged as a significant trading partner to each other as the trade volume between the two countries continues to increase. The final objective of this study is to propose a plan to reinforce competency of utilizing K-V FTA for the Vietnamese government and enterprises.

The primary meaning of ‘reinforcing competency of utilizing FTA’ is to allow exporters issue FTA Certificates of Origin (C/O hereafter), lower the tariff burden of importers through the application of FTA tariff rates, and ultimately to increase the trade volume between the two countries via FTA. The ultimate aim is to organize internal and external systems so that exporters (or producers) and importers can flexibly respond to FTA origin verification with previously issued C/O and tariff benefits received, thereby receiving conditional FTA tariff benefits in a sustainable way.

This study was divided into five phases including the questionnaire on local companies about the utilization of FTA, the survey of actual conditions, the consulting, the analysis of FTA-related laws and systems in Viet Nam and Korea, and the proposal of a plan to reinforce competency of utilizing FTA.

This study was conducted in five stages, including survey, survey on current status, consulting and analysis Viet Nam statute and system related to FTAs and holding forums. Especially, the main difficulties of utilizing K_V FTA by the Vietnamese enterprises in this study are as follows: First, there is a need to directly visit a C/O issuing office to submit documents. Second, there is a lack of C/O issuance offices. Third, there is difficulty in finding the HS CODE and tariff rate between exporter and importer. Fifth, there is absence of standard Act for FTA and shortage of FTA-related

program.

Based on the results of this study, this study suggests the following measures for reinforcing competency for V-K FTA utilization in terms of the Vietnamese government and Vietnamese companies.

1. Government's Direction to Reinforce Competency for FTA Utilization

In order to strengthen the capacity of Vietnamese companies to utilize FTA, the government plans to introduce electronic issuance system for C/O, increase of C/O issuing offices, building of database for information on HS CODE and tariff rate between exporter and importer, Reviewing the introduction of an origin management system, and reviewing the introduction of FTA-related laws and regulations

2. Enterprises' Direction to Reinforce Competency for FTA Utilization

In addition to the government's plan to reinforce competency for FTA utilization, each company needs to educate FTA origin management, review implementation of origin management manual and system, utilize external experts, prepare the HS code for products and raw materials, mutually verify the HS code with overseas buyers and domestic suppliers, find ways to manage basic origin management information for exported products (purchase and sales information), basic origin management information for exported products (price information) and origin of products supplied by domestic suppliers, and prepare for periodic origin inspection process.

CHAPTER

01



Introduction

Part 1 Research Background & Necessities

Part 2 Research Scope & Expected Effects

Chapter

1

Introduction

Part 1

Research Background & Necessities

1. Research Background & Necessities

- Korea, Fourth Largest Destination for Viet Nam's Exports & Second Largest Destination for Viet Nam's Imports
- Korea and Viet Nam have recently emerged as a significant trading partner to each other, and the trade volume of exports and imports between the countries has been on the steady rise. In particular, Viet Nam's exports to Korea accounted for the fourth largest share and its imports from Korea took up the second largest share among all the trading countries of Viet Nam.

Figure 1. Viet Nam's Export to and Import from Korea

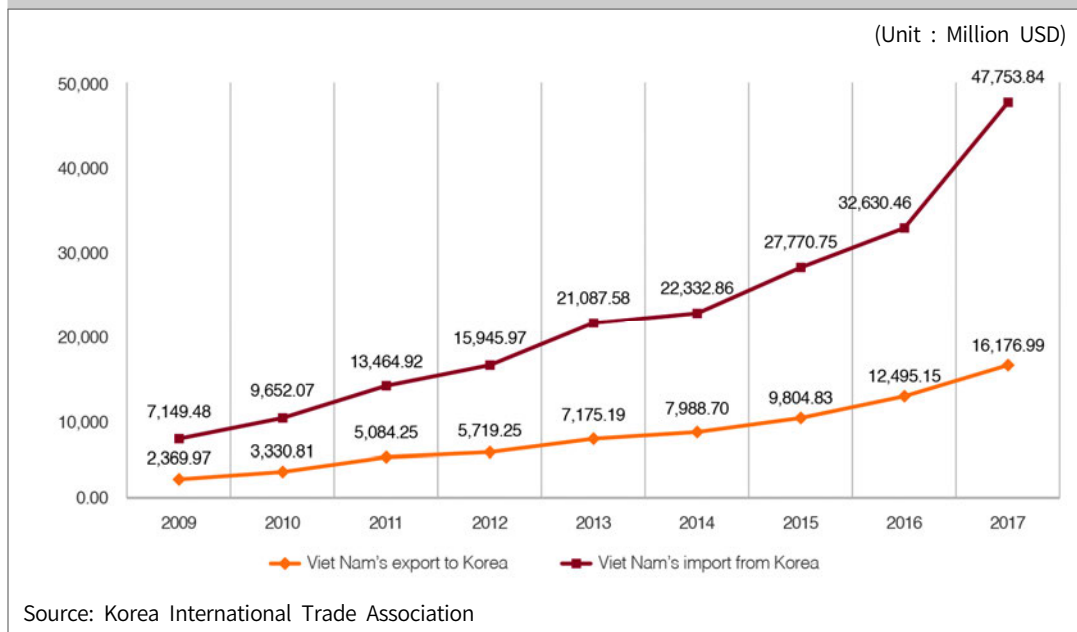
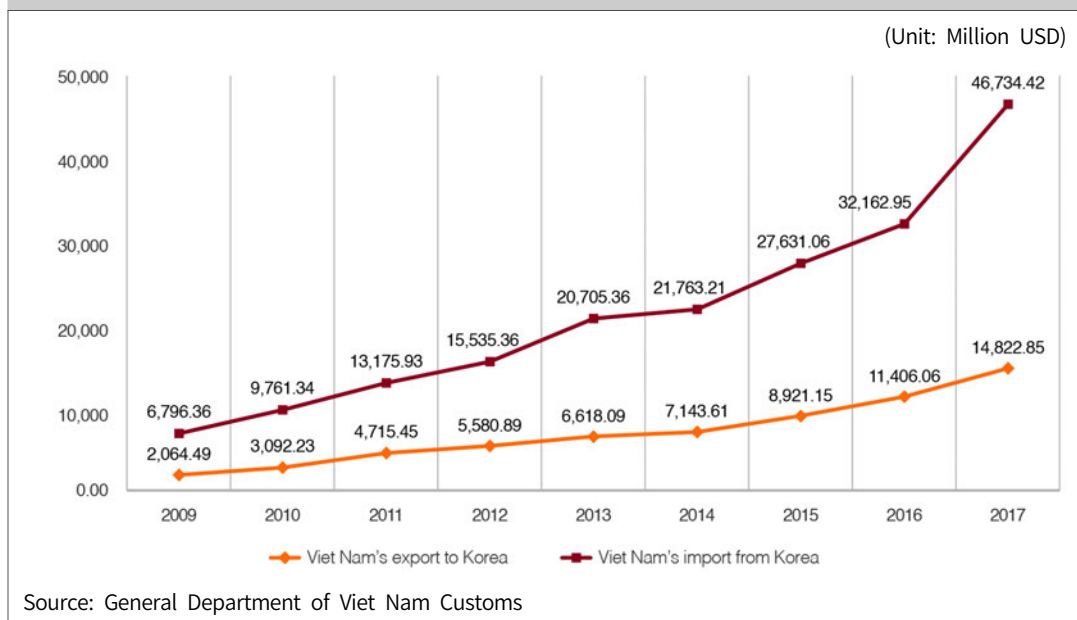


Figure 2. Korea's Export to and Import from Viet Nam



■ Korea ranked first for FDI (Foreign Direct Investment) in Viet Nam

- There are 6,532 projects registered as FDI of Korea in Viet Nam, with total registered equity of 57,659 million USD. Korea is the number one investor among 125 nations that make investment in FDI projects of Viet Nam.

Table 1. Current Status of FDI Countries in Viet Nam

(Unit: Number of projects, million USD)

Rank	Partner	Number of Projects	Total Registered Equity
1	South Korea	6,532	57,659.54
2	Japan	3,599	49,463.37
3	Singapore	1,967	42,230.00
4	Taiwan	2,535	30,911.72
5	United Kingdom	748	22,576.85
6	Hong Kong	1,275	17,756.82
7	Malaysia	568	12,187.37
8	China	1,812	12,084.31
9	U.S	857	9,875.62
10	Thailand	486	8,640.42

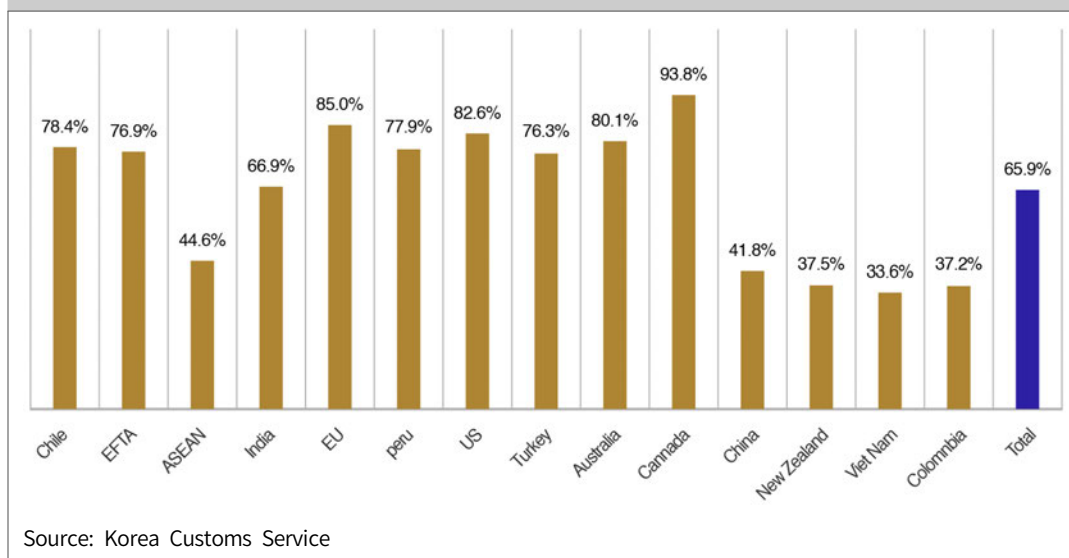
Source: Foreign Investment Agency of Viet Nam

■ Increasing Trade Volume, but Low Utilization Rate of Korea-Viet Nam FTA

- The trade volume between the countries has steadily increased, whereas the utilization rate of the Korea-Viet Nam free trade agreement (KVFTA) was found to be relatively low, compared to those of the other FTAs.
- The FTA utilization rate for Korea's export to Viet Nam, as of the first half of 2017, was 35.6% of the fifteen FTAs entered by Korea, which is far below the average utilization rate of all the FTAs, 65.9%.¹

¹ It is the average utilization rate of the FTAs not including the utilization rate of the Korea- Singapore FTA.

Figure 3. Korea's FTA Utilization Rates for Exports per Country



■ Necessity to Analyze Reasons for Low Utilization Rate of KVFTA

- It is required to investigate the reasons for the low utilization rate of the KVFTA, compared to the increasing trade volume between the countries, by for example, conducting a survey on difficulties the Vietnamese companies have in using the FTA.

■ Measures Necessary to Increase Utilization Rate of KVFTA

- In 2018, the fourth year from effectuation of the KVFTA, it is necessary to explore how to increase the utilization rate of the KVFTA so that Vietnamese companies can be granted additional tariff concessions and post-clearance benefits of preferential treatment.

2. Research Objectives

■ To Find out Difficulties of Vietnamese Companies in Utilizing FTA

- To analyze the current status of FTA utilization by Vietnamese companies and find out difficulties they have utilizing the FTA by conducting surveys of the companies

- To Present What Needs to be Improved in Legal and Institutional Environments to Reinforce Competency for FTA Utilization
 - To compare and analyze the FTA utilization environments of Korea and Viet Nam from legal and institutional points of view in order to present what needs to be improved to reinforce the competency of Vietnamese companies to utilize the FTA
- To Present Measures to Reinforce Vietnamese Companies' Competency for FTA Utilization
 - To establish a process for effective FTA utilization and conduct a pilot consultation for reinforcing the competency of Vietnamese companies to utilize the FTA
- To Present Method for Government and Companies for Reinforcing Competency for K-V FTA Utilization
 - To present a method for government and companies to increase K-V FTA utilization and reinforce competency of Vietnamese companies to utilize FTA.

Part 2 Research Scope & Expected Effects

1. Research Scope

This, as research to reinforce the competency for KVFTA utilization, placed focus on the KVFTA, but if necessary for the research objectives, expanded its scope to include other FTAs² as well.

² The FTAs effectuated by Korea or Viet Nam and in force as of 2018

2. Research Methodology

■ Stage 1: Research and Survey into Current Status of KVFTA Utilization

- Consultation with major government agencies such as the Ministry of Industry and Trade and the General Department of Viet Nam Customs is conducted. The current status of how local companies in Viet Nam have used the FTA can be identified through the consultation and cooperation with the agencies, including FTA-related laws and systems, difficulties in using the FTA at customs clearance, and cases of denial of preferential tariff treatment.
- A survey is conducted on the current status of KVFTA utilization by six companies (three in each of southern (Ho Chi Minh) and northern Viet Nam (Hanoi)).
- Research is conducted to identify the present status of companies by region, of KVFTA utilization by local and foreign companies in Viet Nam and of difficulties they have using the FTA. And necessary systems for resolving such difficulties are examined.

■ Stage 2: Survey of Companies in Viet Nam on KVFTA Utilization

- The subjects of a survey are selected through consultation with such organizations as the Viet Nam's Ministry of Industry and Trade (MOIT) and the KOTRA's trade center.
- With the selected subjects, that is, companies located in southern or northern Viet Nam, of various sectors such as electrical/electronic appliances, agriculture, fisheries, textiles, clothing, automobiles, and services, surveys are conducted.
- Online and offline surveys are conducted in order to identify the current status of KVFTA utilization, including difficulties in using the agreement.

■ Stage 3: FTA Consultation for Companies in Viet Nam

- Companies that meet certain requirements are selected, such as those exporting goods to Korea but not issuing certificates of origin or requiring

consultation in relation with the KVFTA.

- Consultation is given to one company, located in northern Viet Nam (Hanoi), handling clothing, which is one of the major traded goods of the K-V FTA, and using the agreement, and to the other, located in southern Viet Nam (Ho Chi Minh), handling agricultural products, which is one of the promising exports of the K-V FTA, and preparing for export to Korea.
- Customized one-on-one consultation is conducted about a series of processes for issuing certificates of origin, and the Korea's origin management system is presented.

■ Stage 4: Analysis of FTA-Related Laws, Regulations and Systems of Viet Nam

- FTA-related laws, regulations and systems of Viet Nam are examined and compared with those of Korea so as to present measures to reinforce the competency to use the KVFTA.

■ Stage 5: Environmental Definition and Method of Reinforcing Competency to Reinforce FTA Utilization of Vietnamese Companies

- Reinforcement of competency to reinforce FTA utilization of Vietnamese companies is defined environmentally by establishing corporate FTA management process. A plan for reinforcing competency is suggested.

■ Stage 6: Forums Held on Competency to Use the KVFTA for Government Agencies and Businesses of Viet Nam, etc.

- A forum is held in each of the major regions of Viet Nam (Hanoi, Ho Chi Minh) for public officials, businesses and local government agencies, in order to share the research results including how to reinforce the competency to use the KVFTA.

3. Expected Effects of Research

- Company's Enhanced Capability, Stably Increasing FTA Utilization Rate
 - To increase the utilization rate of the KVFTA, it is necessary for individual companies to enhance their own capability of using the KVFTA. The measures to enhance such capabilities, presented by this research, are expected to increase the utilization rate of the KVFTA.
- Identification of Difficulties Companies in Viet Nam Have in Using the KVFTA, and Presentation of Solutions
 - There are various types of difficulties the companies in Viet Nam have in using the KVFTA. This research is to identify actual difficulties they have faced in utilizing the FTA, exploring methods to resolve such difficulties and ultimately deriving measures to facilitate the utilization of the KVFTA.
- Suggestion of Measures to Improve Legal and Institutional Environments for KVFTA Utilization
 - Political suggestions can be made to the government, based on the findings from research and survey into the current status of FTA utilization by companies in Viet Nam, and analysis of Viet Nam's FTA-related laws, regulations and systems. Such suggestions include measures to improve the legal and institutional environments for the KVFTA.
- Suggestion of tasks for FTA utilization of Vietnamese companies
 - Tasks for companies to increase K-V FTA utilization are suggested, such as enhancement of attention of corporate managers to FTA, appointment of persons in charge of managing origin, utilization of the origin management system and preparation of work manual.

CHAPTER

02



Analysis of Utilization Rates of KVFTA for Exports and Imports

Part 1 Significance of KVFTA

Part 2 Korea's Exports to Viet Nam & FTA
Utilization Rate

Part 3 Viet Nam's Exports to Korea & FTA
Utilization Rate

Part 4 Implications of Analysis on KVFTA
Utilization Rate

Chapter

2

Analysis of Utilization Rates of KVFTA for Exports and Imports

Part 1 Significance of KVFTA

1. Significance of KVFTA

- First Upgrade-Type Agreement with an Individual Country of the Contracting Parties in KAFTA
 - The K-V FTA is the first upgrade-type agreement of Korea that focuses on items of the unopened sectors in the Korea-ASEAN FTA (K-ASEAN FTA).
- Improvement in Liberalization of KAFTA
 - The KVFTA, the fifteenth FTA Korea has concluded, will improve the unbalanced concessions on commodities under the KAFTA.
 - In the KVFTA, based on the concessions under the KAFTA, the parties agreed to eliminate tariffs through much more market-opening: Korea eliminating tariffs on 94.7% (+3.0%P) and Viet Nam on 92.4% (+6.1%P) based on the amount of importation.

Table 2. KVFTA Liberalization Rates

	KAFTA	KVFTA						Total Openness
		Additional Market Opening	Instant	3~5 Years	7~10 Years	Over 10 Years	Total	
Korea	91.7%	Amount of Importation	1.3%	0.9%	0.8%	0.004%	3%	94.7%
	11,169	Number of Items	91	350	55	3	499	11,668
Viet Nam	86.3%	Amount of Importation	1.2%	2.0%	2.8%	0.1%	6.1%	92.4%
	8,245	Number of Items	65	65	141	3	272	8,517

Source: The text of the KVFTA

2. Comparison of KVFTA and KAFTA

Korea and Viet Nam have entered two free trade agreements with each other: KVFTA and KAFTA. Exporting or importing companies in each of the countries can select and use an agreement with more favorable tariff rates depending on the goods they handle.

A. Effectuation

- The KAFTA, effectuated in June 2007, saw the twelfth year in 2018 from the effectuation, while the KVFTA, effectuated in December 2015, reached the fourth year in 2018 from the effectuation.

B. Tariff Concessions on Goods

■ Industrial Products

- Under the KVFTA, Korea opened its markets for 235 items on which the KAFTA maintains fixed tariff rates with no tariff reduction or elimination.
- Viet Nam opened its markets for major industrial products which have relatively low degrees of liberalization in the KAFTA.

■ Agricultural Products

- Korea further opened its markets for products with low sensitivity levels or of

the Sensitive Track in the KAFTA (additional opening for 122 items out of 525 ones of the Sensitive and Highly Sensitive Tracks in the KAFTA).

C. Rules of Origin

■ Improvement in Rules of Origin

- The KVFTA improved the product specific rules of origin, compared to the KAFTA, thus making it easier to meet the rules.

Table 3. Major Provisions of Product Specific Rules of Origin under KVFTA

Business	Product Specific Rules of Origin under KVFTA
Agricultural Products	The wholly obtained or produced (WO) criterion for most fresh agricultural and fishery products, and improvement in the criterion (Change in Tariff Classification (CTC) or added value criterion) for processed agricultural and fishery products with high probability of Korea's exportation (ex. sweetened condensed milk, lactose)
Textiles & Clothing	Almost the same levels as the KAFTA except for allowing flexibility for some textiles (e.g. curtains and blankets)
Machinery & Electrical/ Electronic Appliances	The Change of Tariff Sub-Heading (CTSH) or added value criterion (RVC 40%) for Korea's major items of interest (ex. washing machines, refrigerators) (more flexible than the KAFTA)
Automobiles	The added value criterion (RVC 45%) for finished automobiles (same level as the KAFTA), and the Change of Tariff Heading (CTH) criterion for auto parts (ex. gear box, axle) (improved convenience of the concerned industry)

Source: Press Release by the Ministry of Trade, Industry and Energy

■ Eased Conditions on Exemption from Submitting Certificates of Origin

- The KVFTA simplifies the procedure for preferential tariff application by improving the conditions on exemption from the obligation of submitting certificates of origin. The exemption is applied for the good worth 200 dollars or less in the KAFTA, while it is applied for the good worth not more than 600 dollars. In addition, according to the KVFTA, a certificate of origin is to be submitted only when required by the customs authorities of the importing country

■ Extended Period for Reply to Verification Request

- The KAFTA provides that the customs authorities of the exporting country have to reply to the verification request within two months, but the period has been extended to six months in the KVFTA, which decreases the risk of denial of preferential tariff treatment owing to the authorities' late reply.

■ Stipulation of Post-Importation Claim for Preferential Tariff Treatment

- The KVFTA clearly stipulates that an importer may make a post-importation claim for preferential tariff treatment within one year from importation (Article 3.16, Chapter 3). The other FTAs than the KVFTA, however, do not provide for such post-importation claim but require applicable laws of the contracting parties to be applied.
- Therefore, an importer is required under the other FTAs to submit a certificate of origin and make a claim for preferential tariff treatment at the time of import declaration.

Table 4. Comparison of KVFTA and KAFTA

	KVFTA	KAFTA
Effectuation	Effectuated in Dec. 2015	Effectuated in June 2007
Concessions on Goods	Further opening for industrial products (235) and agricultural products (122) under the KVFTA	
Rules of Origin	The product specific rules of origin improved, making it easier to meet the rules under the KVFTA	
Exemption from Submission	Good worth 600 dollars or less	Good worth 200 dollars or less
Period for Reply to Verification Request	Within 6 months	Within 2 months
Post-Importation Application of FTA	Within one year from importation	No provision in the agreement (applicable laws of contracting parties)

3. Effects of K-V FTA Effectuation

- Increased export volume of both countries for concession items of K-V FTA
- Based on the fact that both Viet Nam's export to Korea and Korea's export to Viet Nam were increased in 2017 for concession items of the K-V FTA, the effectuation of the K-V FTA seems to have positive effects on the export volume between the two countries.

No.	Item	2016	2017	Change
1	Textile and clothes	2,899	3,110	7.2%
2	Marine products	1,098	1,302	18.6%
3	Wood products	979	1,022	4.3%
4	All types of shoes	674	751	11.3%
5	Coffee	202	209	3.3%
6	Vegetables	75	127	69.3%
7	Textile, clothes, leather and shoe materials	70	107	52.2%
8	Textile and fabrics	50	66	31.7%
9	Bakery and cereal products	38	42	9.4%
10	Rubber	17	23	35.3%

Source: General Department of Viet Nam Customs

No.	Item	2016	2017	Change
1	Machines, facilities, tools and spare parts	4,172,266,705	4,263,303,127	2.18%
2	All types of fabrics	637,657,009	658,938,109	3.34%
3	Electrical products and parts	14,725,049	18,669,360	26.79%
4	Perfumes, cosmetic products and face wash products	26,366,584	26,483,776	0.44%

Source: General Department of Viet Nam Customs

Part **2**

Korea's Exports to Viet Nam & FTA Utilization Rate

1. Analysis of Change in Korea's Exports to Viet Nam

■ Increased Exports to Viet Nam

- Korea's exports to Viet Nam have continued increasing since 2012.
- Particularly, the exports amounted to 32,630 million dollars in 2016 when the KVFTA, effectuated in December 2015, started to be fully utilized, and in 2017, rose up to 47,749 million dollars, a 46.3% increase from the previous year.

Table 5. Change in Korea's Export to Viet Nam before and after Effectuation of KVFTA

(Unit: Million USD, %)

	Before Effectuation				After Effectuation	
	2012	2013	2014	2015	2016	2017
Value	15,946	21,088	22,352	27,771	32,630	47,749
Increase Rate	18.4	32.2	6.0	24.2	17.5	46.3

Source: Korea International Trade Association

■ Viet Nam, Ranking High in Value of Korea's Exports among Contracting Parties of FTAs with Korea

Table 6. Ranking of Korea's Exports to Countries

(Unit: Thousand USD, %)

Rank	Country	2016		2017	
		Value of Exports	Increase/Decrease in Exports	Value of Exports	Increase/Decrease in Exports
	Total	350,425,872	-6.6	415,590,798	18.6
1	China	124,432,941	-9.3	142,115,180	14.2
2	US	66,462,312	-4.8	68,610,739	3.2
3	Viet Nam	32,630,457	17.5	47,749,153	46.3
4	Australia	7,500,743	-30.7	19,851,353	164.7
5	India	11,596,286	-3.6	15,055,940	29.8

Source: Korea International Trade Association

- Viet Nam ranked third in the value of Korea's exports in 2017, out of the contracting countries of the FTAs with Korea.³

Table 7. Ranking of Korea's imports from Countries

(Unit: Thousand USD, %)

Rank	Country	2016		2017	
		Value of Imports	Increase/Decrease in Imports	Value of Imports	Increase/Decrease in Imports
	Total	350,425,872	-6.6	415,590,798	18.6
1	China	124,432,941	-9.3	142,115,180	14.2
2	US	66,462,312	-4.8	68,610,739	3.2
3	Viet Nam	32,630,457	17.5	47,749,153	46.3
4	Australia	7,500,743	-30.7	19,851,353	164.7
5	India	11,596,286	-3.6	15,055,940	29.8

Source: Korea International Trade Association

- Listed among top importing countries of Korea among FTA countries
 - Based on the import volume in 2017, Viet Nam was ranked sixth among countries that signed an FTA with Korea.

Table 8. Comparison of Import Volume Among Countries

(Unit: Thousand USD, %)

No.	Name of Country	2016		2017 (December)	
		Import Volume	Change	Import Volume	Change
	Total	406,192,887	-6.9	478,478,296	17.8
1	China	86,980,135	-3.6	97,860,114	12.5
2	Japan	47,466,592	3.5	55,124,725	16.1
3	U.S	43,215,929	-1.8	50,749,363	17.4
4	Germany	18,917,005	-9.7	19,748,687	4.4
5	Australia	15,175,870	-7.7	19,159,711	26.3
6	Viet Nam	12,495,154	27.4	16,176,992	29.5

Source: Korea International Trade Association

³ Korea has a total of fifteen FTAs signed and in effect as of present.

2. Korea's Utilization Rates by FTA and Current Status of KVFTA Utilization

■ Korea's Utilization Rates by FTA

- As of the first half of 2017, the Korea's utilization rate of the KVFTA for exports was 35.6%, which is relatively low, compared to the average utilization rate for exports of all the FTAs entered by Korea, 65.9%.
- As of 2017, the Korea's utilization rate of the KVFTA for imports was quite high, 85.2%, compared to the average utilization rate for imports of all the FTAs entered by Korea, 70%.

Table 9. Korea's FTA Utilization Rates for Exports and Imports by Country

(Unit: Thousand USD, %)

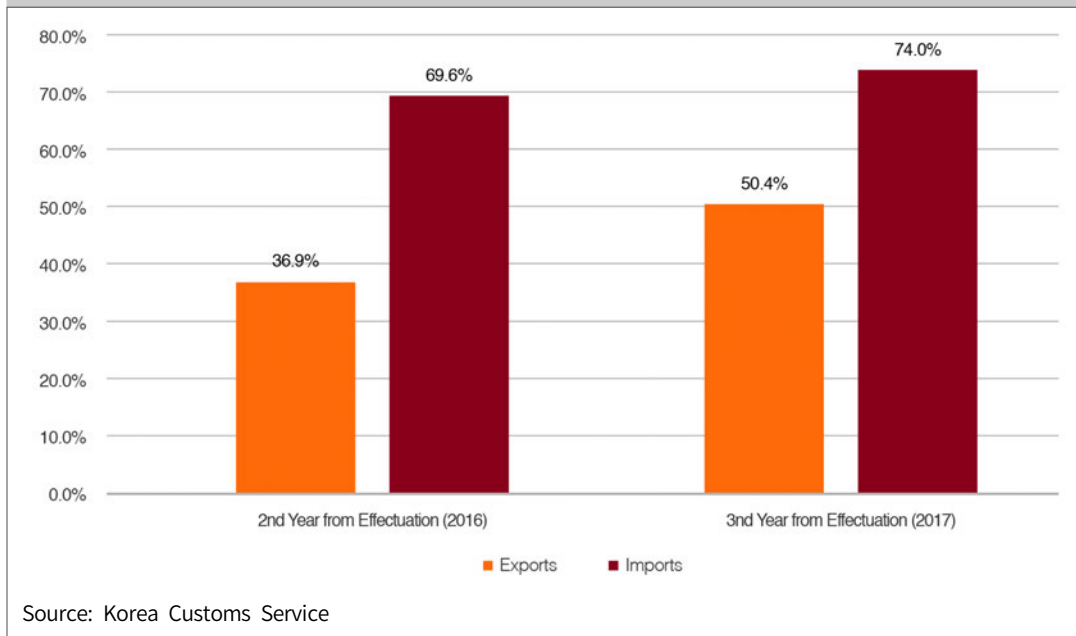
(As of First Half of 2017)	Exports				Imports			
	Total Value	FTA Beneficiary	Value of C/O Issuance	Utilization Rate	Total Value	FTA Beneficiary	Value of C/O Issuance	Utilization Rate
Chile	781,777	765,338	599,678	78.4%	1,898,037	1,017,071	1,010,998	99.4%
EFTA	1,955,010	133,694	102,772	76.9%	1,923,601	1,663,271	1,012,054	60.8%
ASEAN ⁴	22,926,827	7,934,058	3,540,036	44.6%	18,338,998	8,861,388	5,566,339	62.8%
India	7,129,818	4,194,966	2,805,860	66.9%	2,542,020	2,157,869	1,295,086	60.0%
EU	27,932,608	14,841,826	12,620,250	85.0%	27,538,349	21,804,407	16,252,979	74.5%
Peru	397,118	194,244	151,343	77.9%	1,042,062	329,690	194,022	58.8%
US	34,012,841	20,290,036	16,760,691	82.6%	26,015,376	13,600,362	9,483,405	69.7%
Turkey	2,837,188	2,097,175	1,599,150	76.3%	335,845	214,395	142,864	66.6%
Australia	12,068,733	2,169,269	1,738,071	80.1%	9,686,427	4,005,337	2,480,305	61.9%
Canada	2,551,879	1,609,468	1,509,080	93.8%	2,600,290	864,066	706,097	91.7%
China	65,494,553	16,539,836	6,920,829	41.8%	47,707,798	18,969,120	12,460,186	65.7%
New Zealand	660,952	138,770	52,050	37.5%	638,367	387,863	328,028	84.6%
Viet Nam	23,295,946	5,082,320	1,811,653	35.6%	7,264,742	4,220,334	3,594,003	85.2%
Columbia	424,308	400,770	149,040	37.2%	381,600	90,927	80,769	88.8%
Total	202,469,531	76,391,770	50,360,502	65.9%	147,913,512	77,841,807	54,454,015	70.0%

Source: Korea Customs Service

⁴ Viet Nam is excluded from the ASEAN.

■ Current Status of KVFTA Utilization

Figure 4. KV FTA Utilization Rates of Companies in Korea



- The utilization rate of the KVFTA has continued increasing for both exports and imports: the rate for exports was 36.9% in 2016 and 50.4% in 2017; and the rate for imports was 69.6% in 2016 and 74.0% in 2017.

■ KVFTA Utilization Rates by Industry

- The KVFTA utilization rate was found out to be high in the textile industry for both exports and imports. For exports, the rate was high in the sectors of steel, electrical/electronic appliances, machinery and industrial products, while for imports, the rate was high in the industry of agricultural and fishery products.
- The reason for the marked utilization in the textile industry is not only the increased demand for raw materials for clothing but the reduced tariff rates under the FTA. The importers benefited from the reduced tariff rates on textiles including knitted fabrics, which helped them to have advantage in securing the liquidity of funds.

Table 10. KVFTA Utilization Rates by Industry

	Exports of FTA Beneficiary Goods	Utilization Rates for Exports	Imports of FTA Beneficiary Goods	Utilization Rates for Imports
Agricultural & fishery products	92,395	40.0	707,539	92.6
Mineral products	904,414	16.1	95,519	50.3
Chemical products	606,422	51.7	198,271	45.1
Plastic rubber & leather products	573,088	23.5	50,928	84.4
Textiles	1,409,715	30.6	1,471,990	95.3
Household products	236,156	29.1	646,767	86.0
Steel/metal products	409,169	54.1	87,424	76.5
Machinery	495,849	49.9	157,706	76.3
Electric/Electronic appliances	349,921	58.8	803,596	76.1
Miscellaneous products	5,191	58.3	594	43.0
Total	5,082,320	35.6	4,220,334	85.2

Source: Korea Customs Service

Part 3 Viet Nam's Exports to Korea & FTA Utilization Rate

1. Analysis of Change in Viet Nam's Exports to Korea

■ Increased Exports to Korea

- Viet Nam's exports to Korea also have continued increasing since 2012. Particularly, the exports amounted to 11,406 million dollars in 2016 when the KVFTA, effectuated in December 2015, started to be fully utilized, and in 2017, rose up to 12,152 million dollars.

Table 11. Change in Viet Nam's Exports to Korea before and after Effectuation of KVFTA

(Unit: Million USD, %)

	Before Effectuation				After Effectuation	
	2012	2013	2014	2015	2016 ⁵	2017
Value	5,581	6,618	7,144	8,921	11,406	14,823
Increase Rate	18.4	18.6	7.9	24.9	27.9	30.0

Source: General Department of Viet Nam Customs

■ Listed among top importing countries of Viet Nam

- Among major importing nations of Viet Nam, Korea was ranked second next to China (as of 2017).

Table 12. Comparison of Imports Volume Among Countries

(Unit: Million USD, %)

Rank	Country	2016		2017	
		Value of Imports	Increase/Decrease in Imports	Value of Exports	Increase/Decrease in Imports
	Total	174,804	5.6	211,107	20.8
1	China	50,019	1.0	58,229	16.4
2	Korea	32,163	16.4	46,734	45.3
3	Japan	15,064	4.9	16,592	10.1
4	Taiwan	11,235	2.2	12,707	13.1
5	Thailand	8,849	6.9	10,495	18.6

Source: General Department of Viet Nam Customs

■ Korea, Ranking High in Value of Viet Nam's Exports among Major Trading Countries of Viet Nam

- Following Japan, Korea ranked fourth in the value of Viet Nam's exports in 2017, out of the major trading countries of Viet Nam.

⁵ Viet Nam has a total of ten FTAs signed and in effect as of present.

Table 13. Comparison of Export Volume Among Countries

(Unit: Million USD, %)

Rank	Country	2016		2017	
		Value of Exports	Increase/Decrease in Exports	Value of Exports	Increase/Decrease in Exports
	Total	176,581	9.0	214,019	21.2
1	US	38,450	14.9	41,607	8.2
2	China	21,960	28.3	35,463	61.5
3	Japan	14,671	3.8	16,841	14.8
4	Korea	11,406	27.8	14,823	30.0
5	Hong Kong	6,088	-12.5	7,583	24.5

Source: General Department of Viet Nam Customs

2. Viet Nam's Utilization Rates by FTA and Current Status of FTA Utilization

■ Utilization rate of Viet Nam for each FTA

- The number and amount of overall FTA C/O issued by Viet Nam is continuously increasing, but the ratio of C/O for the K-V FTA to the overall amount of FTA C/O was decreased from 27% in 2014 to 23% in 2017.

Table 14. Scale of FTA Export of Viet Nam to Each Country

(Unit: Thousand sets, million USD)

Category		2013	2014	2015	2016	2017
Overall FTA C/O	No. issued	323.09	345.53	401.08	499.34	625.90
	Amount	22,230	19,610	22,220	26,550	33,420
South Korea	No. issued	76.27	85.88	96.93	125.87	159.84
	Amount	5,570	5,200	5,310	6,360	7,620
ASEAN	No. issued	65.66	67.62	76.33	96.12	111.39
	Amount	5,360	4,020	4,300	5,320	6,540
Japan	No. issued	74.99	84.64	94.73	109.48	122.90
	Amount	4,880	4,510	4,890	5,160	5,830

Source: Viet Nam Ministry of Industry and Trade

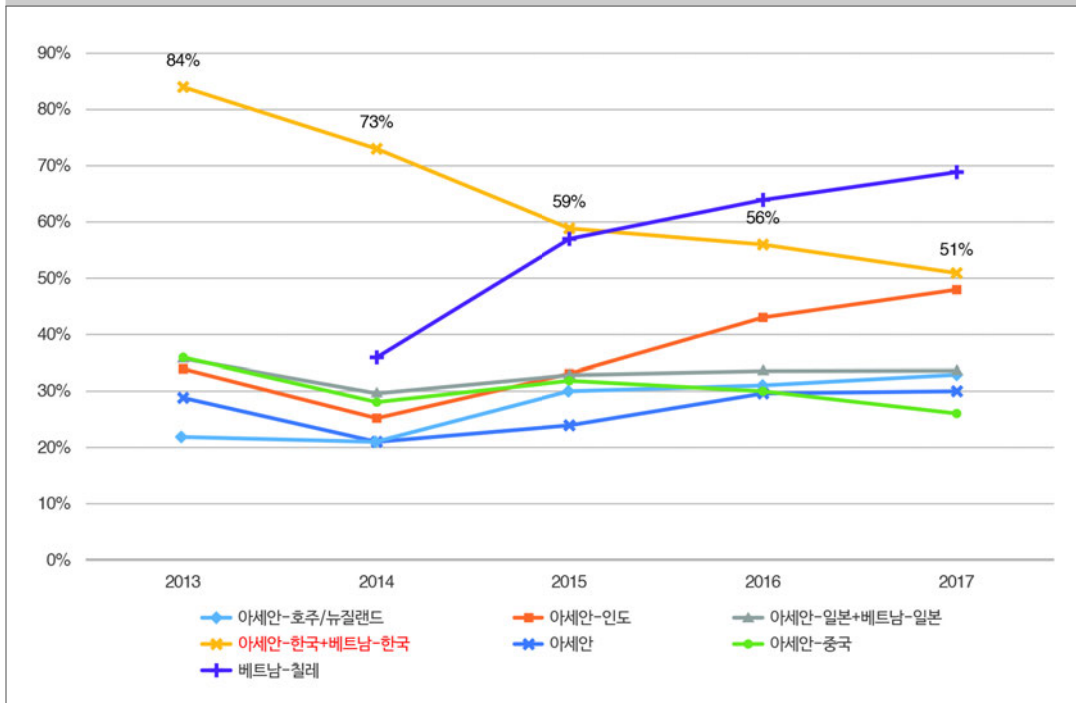
Table 15. Utilization Rate of FTA Export of Vietnam to Korea

(Unit: Million USD)

Category	2013	2014	2015	2016	2017
Overall FTA C/O (A)	22,230	19,610	22,220	26,550	33,420
South Korea (B)	5,570	5,200	5,310	6,360	7,620
Ratio (B/A)	25%	27%	24%	24%	23%

Source: Viet Nam Ministry of Industry and Trade

Figure 5. FTA Utilization Rate of Viet Nam's Import by Countries



■ Composition of Viet Nam's FTA export to Korea

- Looking at the composition ratios of overall K-V and K-ASEAN FTA export, the textile industry takes up the highest ratio, followed by marine products, shoes and wood industry.

Table 16. Composition of Viet Nam's FTA Export to Korea

(Unit: Million USD)

Category	2015		2016		2017	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Textile and clothes	1,500	29%	1,700	26%	2,300	31%
Marine products	505	9%	556	9%	714	10%
Shoes	320	6%	455	7%	405	5%
Wood	306	6%	384	6%	549	7%
Machines and equipment	260	5%	347	6%	543	7%
Transport means	209	4%	332	5%	225	3%
Phones	195	4%	213	3%	-	-
Other products	2,000	37%	2,400	38%	2,900	37%
Total	5,295	100%	6,387	100%	7,636	100%

Source: Viet Nam Ministry of Industry and Trade

Part 4 Implications of Analysis on KVFTA Utilization Rate

1. Trade Volume with Contracting Countries of KVFTA, but Low FTA Utilization Rate

- As of 2017, after effectuation of the KVFTA on December 20, 2015, Korea's exports to Viet Nam increased by 46.3% year on year, and Viet Nam's exports by 28.8% year on year. The KVFTA is thought to have played a major role in increasing the trade volume between the countries.
- As of 2017, Viet Nam is the third largest destination for Korea's exports and the eighth largest destination for Korea's imports, while Korea is the fourth greatest destination for Viet Nam's exports and the second greatest destination for Viet Nam's imports. It can be estimated that the trade between the two countries has substantial effects on their economies.

- In particular, the increasing trend in exports to Korea since effectuation of the KVFTA in December 2015 makes it clear that the KVFTA has led to increasing exports to Korea. However, it should be pointed out that the utilization rate of the KVFTA is still low, compared to the increasing trade. In line with the increase in the trade volume, it is necessary to look for ways to create an environment in which more exporters of Viet Nam can utilize the FTA.

2. A Trend Toward Gradual Increase of KVFTA Utilization Rate

- The KVFTA, as an upgrade-type agreement of the KAFTA, was less utilized than the KAFTA after coming into effect, but over time, there has been a steady trend toward an increasing utilization rate. Specifically, there has been a noticeable increase in exports of goods in the sectors on which the KVFTA grants concessions.
- Given the situation, it is necessary to maximize the utilization rate of the KVFTA by for example, identifying the difficulties exporters or importers face in using the FTA, helping reinforce their competency.

3. Low Utilization Rate of KVFTA, Compared to Other FTAs

- The reasons for a low utilization rate of the KVFTA, compared to those of the other FTAs, are described below. Analyzing such reasons helps to derive practical and realistic measures to improve the utilization rate.
- Companies More Familiar with KAFTA
 - Since the KAFTA was effectuated earlier than the KVFTA, such companies that had obtained a certificate of origin under the KAFTA, showed a tendency to use the more familiar KAFTA.
 - For example, a company “A,” which was visited for a survey in this research, had used the KAFTA even though the preferential tariff treatment granted under the KVFTA is the same as that of the KAFTA. The company, when asked

the reason for using the KAFTA, instead of the KVFTA, answered, “That’s because it is the agreement we have used, and unless otherwise requested by the buyer, we will continue to use the KAFTA.”

■ Complicated Procedure to Issue Certificate of Origin

- An exporter or producer is allowed to issue a certificate of origin under other FTAs, while the KVFTA specifies certain authorities that are allowed to issue a certificate of origin, which makes it costly and time-consuming to issue a certificate. Such a complicated procedure for issuing certificates of origin is one of the reasons for a low utilization rate.

Table 17. Korea’s FTA Utilization Rates for Exports Depending on C/O Issuance Methods

(As First Half of 2017)	Self-Issued C/Os	Authority-Issued C/Os
Average FTA Utilization Rate for Exports	75.68%	27.37%

Source: Korea Customs Service

■ Necessities to Take Measures to Maximize KVFTA Utilization Rate at Corporate/ Government Level

- Individual companies have to make efforts to comprehend the KVFTA so as to benefit from the agreement, thus having advantage at a trade contract. Analyzing the applicability of the FTA to the goods they export to Korea, the companies need to make efforts to reinforce their own capabilities.
- In order for companies to benefit properly from the FTA, the government should not only conduct FTA promotional activities and improve related systems but also keep FTA-related information available, such as information on HS code, preferential tariff rates, and rules of origin.

CHAPTER

03



Surveys to Reinforce Competency for FTA Utilization

Part 1 Survey on Current Status to Reinforce
the Competency for FTA Utilization

Part 2 Survey to Reinforce the Competency for
KVFTA Utilization

Part 3 Implications of Survey on Current Status

Chapter

3

Surveys to Reinforce Competency for FTA Utilization

Part

1

Survey on Current Status to Reinforce the Competency for FTA Utilization

1. Purpose of Survey

- The purpose of the survey is to examine the actual procedures for companies located in Viet Nam to obtain a certificate of origin and be granted preferential tariff treatment, to identify the difficulties they have during the procedures and to qualitatively investigate the current status of FTA utilization and the difficulties in using the agreement.
- In addition, the survey is to identify how the government agencies and companies of Viet Nam see and understand FTA-related laws, regulations and systems.

2. Survey Subjects and Methods

A. Survey Subjects

- Government Agencies of Viet Nam

- Purpose of Visit: To check the utilization rates of KAFTA and KVFTA by companies in Viet Nam, analyze current FTA-related laws, regulations and systems, and identify the differences between works to issue certificates of origin for preferential tariff rates and non-preferential rates.
- Agencies to Visit: Viet Nam's Ministry of Industry and Trade (MOIT), General Department of Viet Nam Customs, Viet Nam Chamber of Commerce and Industry (VCCI)

■ Companies Located in Viet Nam

- Of the companies that have used or are planning to use the FTAs, seven Vietnamese firms and seven foreign ones in Viet Nam are selected and visited (nine firms in northern Viet Nam and five ones in southern Viet Nam).

Figure 6. Method to Select Survey Subjects

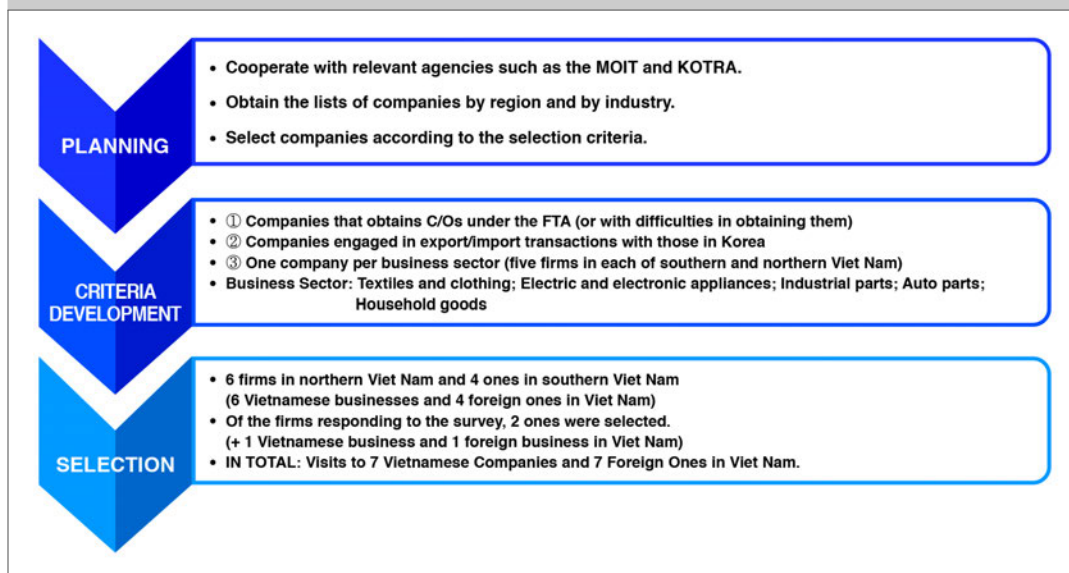


Table 18. Classification of Survey Subjects

(Unit: Number of Companies, %)		
Classification	No. of Companies	Percentage (%)
Vietnamese Company	7	50
Foreign Company in Viet Nam	7	50
Total	14	100

Table 19. Classification of Survey Subjects by Business Sector

(Unit: Number of Companies, %)		
Classification	No. of Companies	Percentage (%)
Electric and Electronic Appliances	2	14
Agricultural and Fishery Products	4	29
Textiles and Clothing	3	21
Automobiles and Auto Parts	2	14
Service	1	7
Others	2	14
Total	14	100

B. Survey Methods

■ Visits to Companies to Conduct an Interview Using a Checklist

Table 20. Checklist for Survey

Checklist	Questions
Type of Business Transactions	Does the company handle goods?
	If handling goods, does the company import or export them after the purchase?
	Does the company produce goods?
	If producing goods, does the company import raw materials to be used for products?
	If producing goods, does it export part or all of them?

Table 20. Continued

Checklist	Questions
FTA-Related Documents Keeping	Are you preparing and keeping FTA supporting documents?
	Do the documents you are keeping conform to those required by the FTA (Bill of Material, Cost and Production Statement (origin verification questionnaire))
	Are the documents kept for the FTA-designated period (5 years)?
Manufacturing Line	Is the company equipped with manufacturing plants and equipment?
	Is the company operating any work or process that is above insufficient working or processing (sufficient working or processing)?
	Are any raw materials not specified in the bill of material under the FTA used in manufacturing?
	Have any of the raw materials specified in the bill of material ever not been used in manufacturing?
Customs Clearance Data Analysis	Where are the major importers of the goods?
	If Korea is one of the major importers, is the company using the KVFTA?
	If Korea is one of the major importers, is the company using the KAFTA?
	Where are the major destinations for exports?
	If Korea is one of the major destinations for exports, is the company using the KVFTA?
	If Korea is one of the major destinations for exports, is the company using the KAFTA?
	Is tariff classification made properly?
	Is there any case that the company applies a local tariff rate even though it is higher than a preferential tariff rate under the FTA?
FTA Utilization	Is the company using the KVFTA?
	If the KVFTA is not used, what is the main reason for that?
	Is the company using the KAFTA?
	If the KAFTA is not used, what is the main reason for that?
	Is there any difficulty in obtaining a certificate of origin?
	If there are difficulties, what is the biggest difficulty?
	Is there any system you want to be introduced in relation to FTA utilization?
	Is there any area on which the company needs a consultation in relation to FTA utilization?

- The first survey, from December 11, 2017 to December 21, 2017, was conducted in order to identify the current status of FTA utilization and difficulties in using the FTA.
- The second survey, from March 4, 2018 to March 10, 2018 was conducted to confirm how the results of the first survey and the data obtained from government agencies and companies in Viet Nam are applied at business sites and to find actual cases of such application.

Table 21. Survey Methods

	1 st Survey	2 nd Survey
Period	Dec. 11, 2017 – Dec. 21, 2017	Mar. 4, 2018 – Mar. 10, 2018
Subjects	<ul style="list-style-type: none"> • 6 Vietnamese companies • 4 foreign companies in Viet Nam 	<ul style="list-style-type: none"> • Of the companies responding to the survey, 2 ones selected • Other 2 firms using the FTA
Method	An interview using a checklist	
Purpose	To identify the current status of FTA utilization	To confirm the results of the first survey and examine actual cases of FTA utilization

3. Findings from Survey on Current Status

Table 22. Companies in Northern Viet Nam (Hanoi)

No.	Company	Findings from Survey
1	Garco 10	<p>Current Status:</p> <ul style="list-style-type: none"> • Exports to 60 countries including the U.S., Europe and Korea • For exports to Korea, certificates of origin are issued under the KVFTA. <p>Difficulties:</p> <ul style="list-style-type: none"> • Insufficient information and training regarding the new FTA • Difference between the HS codes of importers and exporters
2	Kee Eun Trading	<p>Current Status:</p> <ul style="list-style-type: none"> • Exports to the U.S. and Korea, etc. • For exports to Korea, certificates of origin are issued under the KVFTA. <p>Difficulties:</p> <ul style="list-style-type: none"> • Time-consuming to obtain a certificate of origin • Low accessibility to the office that issues a certificate of origin • Costly to use an issuance agency

Table 22. Continued

No.	Company	Findings from Survey
3	Dae Yang Garment	<p>Current Status:</p> <ul style="list-style-type: none"> • A toll processing company, whose products are all exported to Korea • For exports to Korea, certificates of origin are issued under the KVFTA. <p>Difficulties</p> <ul style="list-style-type: none"> • Time-consuming to obtain a certificate of origin • Low accessibility to the office that issues a certificate of origin • Costly to use an issuance agency
4	Hyundai Thanh Cong Viet Nam	<p>Current Status</p> <ul style="list-style-type: none"> • Imports from China and Korea, etc. / All imported goods are sold for domestic supply. • The FTA not used for imports <p>Reasons for Not Using the FTA</p> <ul style="list-style-type: none"> • Many of the goods the company handles correspond to those requiring the tariff rates to be eliminated over a long period of time. • Few benefits from the preferential tariff rates on the goods
5	Hanoi Trade Corporation (HAPRO)	<p>Current Status</p> <ul style="list-style-type: none"> • Besides to products sold domestically, exports to 70 countries including Korea • For exports to Korea, certificates of origin are issued under the KVFTA or KAFTA. <p>Difficulties</p> <ul style="list-style-type: none"> • Time-consuming to obtain a certificate of origin • A request for an electronic procedure to issue a certificate of origin
6	KEFICO	<p>Current Status</p> <ul style="list-style-type: none"> • Goods are all exported to Korea. • For exports to Korea, the KAFTA is applied. <p>Difficulties</p> <ul style="list-style-type: none"> • Form D and Form E are issued so that the raw materials supplied domestically can be recognized as originating materials.
7	ABK VINA Logistics	<p>Current Status</p> <ul style="list-style-type: none"> • A forwarding company that exports to a number of countries including Korea • The K-V or KAFTA is applied according to a client's request. <p>Difficulties</p> <ul style="list-style-type: none"> • Time-consuming to obtain a certificate of origin • It directly submits documents to obtain a certificate of origin. • There is an internal department in charge of certificate issuance.

Table 22. Continued

No.	Company	Findings from Survey
8	Samwon International	<p>Current Status</p> <ul style="list-style-type: none"> • Goods are all exported to Korea. • For exports to Korea, certificates of origin are issued under the KVFTA. <p>Difficulties</p> <ul style="list-style-type: none"> • Tariff classification is difficult to understand in the case of mixed products. • Difference between the HS codes of importers and exporters
9	Hi-tech Hanoi	<p>Current Status</p> <ul style="list-style-type: none"> • Imports from Korea / Domestic supply to EPE • For imports from Korea, the preferential tariff rates are applied under the KVFTA. <p>Difficulties</p> <ul style="list-style-type: none"> • When preferential tariff rates were applied, it had experienced a case of delayed customs clearance. • Delayed owing to the duty to submit the original certificate of origin

Table 23. Companies in Southern Viet Nam (Ho Chi Minh)

No.	Company	Findings from Survey
1	CAN Chemical	<p>Current Status</p> <ul style="list-style-type: none"> • Goods are mostly for domestic supply, and some are exported. • For exports to Korea, certificates of origin are issued under the K-V or KAFTA. <p>Difficulties</p> <ul style="list-style-type: none"> • When raw materials were imported, a certificate of origin supplied by the exporter was sometimes not accepted.
2	Seaprimexco Viet Nam	<p>Current Status</p> <ul style="list-style-type: none"> • Exports to about 20 countries including the U.S, Canada and Korea • For exports to Korea, certificates of origin are issued under the KAFTA. <p>Difficulties</p> <ul style="list-style-type: none"> • Time-consuming to obtain a certificate of origin • A request for an electronic procedure to issue a certificate of origin
3	Dien Quang Lamp	<p>Current Status</p> <ul style="list-style-type: none"> • Exports to about 30 countries including Cuba, Brazil and Myanmar • Certificates of origin were issued under the KAFTA for exports to Korea in the past. <p>Difficulties</p> <ul style="list-style-type: none"> • Difficult to check the preferential tariff rates applicable to trading countries • A request to build a practical website

Table 23. Continued

No.	Company	Findings from Survey
4	Thao Hein	Current Status • Exports to various countries including Korea • The K-V or KAFTA is used by comparing their preferential tariff treatments or according to a customer's request.
		Difficulties • Difference between the HS codes of importers and exporters
5	Tropical Fruit	Current Status • Exports mainly for the EU and Australia, and additional exports to Korea, etc. • For exports to Korea, certificates of origin are issued under the KVFTA.
		Difficulties • Some verification visits were made directly to the farm without giving notice to the exporter.

4. Difficulties in Using FTA, Found from Survey

■ Required to Directly Submit Documents for C/O Issuance

- Online application for issuance of a certificate of origin is allowed through the ECOSYS, but an importer is required to visit an issuing office to obtain the certificate.
- It takes time to have a certificate issued, including the time taken to visit the issuing office.

■ Low Accessibility to C/O Issuing Office

- The companies answered that since it was required to submit documents directly to an issuing office, it was costly and time-consuming to obtain a certificate of origin.
- Where the accessibility to an issuing office was very low, many companies obtained a certificate of origin through an internal department in charge of certificate issuance or an agency to handle the work.
- Of the companies interviewed in the survey, there were exporting companies as well as forwarders that provide certificate issuance service for small-sized enterprises.

- Difficult to Check Preferential Tariff Rates under the FTA Applicable to Trading Country
 - There is a shortage of sources (such as websites) to check for preferential tariff treatments under the FTA applicable to a trading country.
 - Therefore, they cannot but depend on the information a customer of Korea supplies, or there is a risk that preferential tariff treatments are not granted in the case of new goods.

- Difference between HS Codes of Importers and Exporters
 - Difference between the HS codes of the importer and the exporter delays the customs clearance of an importing country from time to time.
 - (Case) Viet Nam uses 8-digit HS code, while Korea uses 10-digit numbers. Since the HS code system is different between the countries, a certificate of origin including 8-digit HS code was sometimes not accepted in Korea, delaying the customs clearance.
 - Viet Nam has the provisions regarding issuance of certificates of origin for goods with a different HS code system.⁶ It seems, however, difficult to cooperate with Korea or that companies have low awareness of the provisions.

- Duty to Submit the Original of C/O at Import Clearance
 - In Viet Nam, it is mandatory to submit the original of a certificate of origin at import clearance so as to apply preferential tariff rates, which can delay the clearance.
 - In Korea, for prompt clearance, a copy of a certificate of origin is to be submitted in principle so as to apply preferential tariff rates.

⁶ Article 9-3 of Circular No. 06/2011/TT-BCT

Part **2**

Survey to Reinforce the Competency for KVFTA Utilization

1. Purpose of Survey

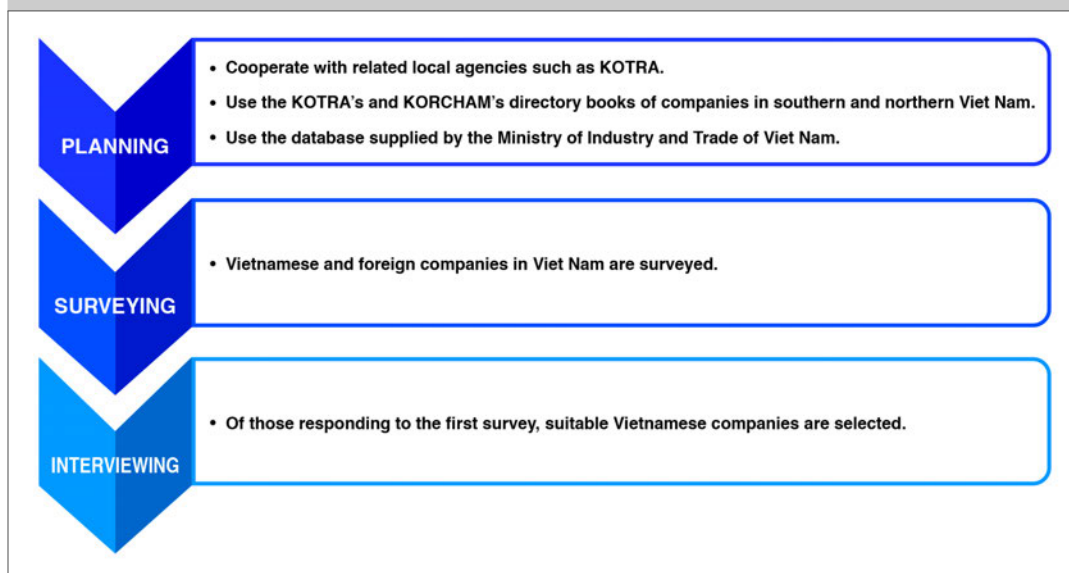
- To identify the current status on FTA utilization by companies in Viet Nam, their understanding of the KVFTA, and the difficulties they have faced using the FTA
- To examine how the government agencies of Viet Nam assist in increasing the FTA utilization and to establish ways for future assists

2. Survey Subjects and Methods

A. Survey Subjects

- Method to Select Survey Subjects

Figure 7. Method to Select Survey Subjects



■ Survey Subjects

- Since the purpose of this survey is to identify the current status of KVFTA utilization by companies in Viet Nam and the difficulties they have faced using the FTA, the survey subjects included both local companies and foreign businesses in Viet Nam.

Table 24. Classification of Survey Subjects

(Unit: Number of Companies, %)		
Classification	No. of Responding Companies	Percentage (%)
Vietnamese Company	19	49
Foreign Company in Viet Nam	19	49
Impossible to Identify	1	2
Total	39	100

- Of 3,000 companies, 39 ones responded to the first survey online and the companies that responded are as follows.

Table 25. Classification of Survey Subjects by Business Sector

Sector	Electric/ Electronic	Machinery/ Precision	Textiles/ Clothing	Steel/ Metal	Food/ Beverage
Percentage	8	3	18	3	15
Sector	Agricultural/Fishery	Wooden Furniture	Service	Others	Total
Percentage	8	3	18	3	39 Companies

Table 26. FTA Utilization or Non-Utilization by Survey Subjects

(Unit: Number of Companies, %)		
	No. of Companies	Percentage (%)
FTA Used	28	72
FTA Not Used	11	28
Total	39	100

Table 27. Types of FTA Utilization by Survey Subjects

(Unit: Number of Companies, %)		
	No. of Companies	Percentage (%)
Use for Export Only	7	25
Use for Import Only	7	25
Use for Both Export and Import	14	50
Total	28	100

B. Survey Methods

- The first survey was conducted online to understand the overall status of FTA utilization, and the second in-depth interview was carried out by phone to secure reliability of responses to the survey with somewhat low response rate and to identify concrete difficulties individual companies had in using the FTA.

Table 28. Survey Methods

	1 st Online Survey	2 nd In-Depth Interview
Period	Jan. 24, 2018 – Mar. 31, 2018	Mar. 5, 2018 – Mar. 9, 2018
Method	Online survey	In-depth interview
Content	Overall status of FTA utilization	Based on the first survey, further interview

■ First Online Survey

- The first survey was conducted online by sending to responsible personnel of the selected companies (survey subjects) an e-mail including an Internet address (URL).

■ Second In-Depth Interview

- A further in-depth interview was conducted with the companies that had responded to the survey.
- Of the companies that had responded to the survey, 9 ones that were

exporting directly or indirectly to Korea and using the FTA were selected, and an in-depth interview was conducted with them.

3. Content of Survey

A. First Online Survey

- The questionnaire consists of 12 questions which were designed to find out the current status of FTA utilization, such as questions about the type of FTA utilization, difficulties in using the FTA, sources to search for FTA-related information, and support by government agencies regarding the FTA.

B. Second In-Depth Interview

- A checklist for an in-depth interview was drawn up for the answers each of the companies had selected in the questionnaire.

Table 29. Checklist for Second In-Depth Interview (an excerpt from the list)

1 st Survey	Answers by Company in 1 st Survey	Checklist for In-Depth Interview
What is the biggest difficulty in using the FTA (or C/O issuance) for exports?	The rules of origin are difficult to understand.	1. What are the items for which the company utilizes the FTA? Do you know about the corresponding rules of origin?
		2. How do you learn about the rules of origin for existing and new items?
		3. Describe the internal procedure to determine the country of origin.
		4. How is the tariff classification made for finished products?
	Tariff classification is difficult to make for the raw materials used.	1. How is the tariff classification made for raw materials?
	Origin certification requires large numbers of supporting documents (including origin information management and confirmation).	1. What are the documents required to submit or keep?

4. Analysis of Survey Results

A. Current Status of FTA Utilization

- Of The companies responding to the survey, 72% replied that they were using the FTA, and of the companies using the FTA, 50% utilized the FTA for both exports and imports.
- Of the companies answered that they were exporting directly or indirectly⁷ to Korea (24 businesses), about 83% were found to use the FTA.

Figure 8. Is the company utilizing the FTA?

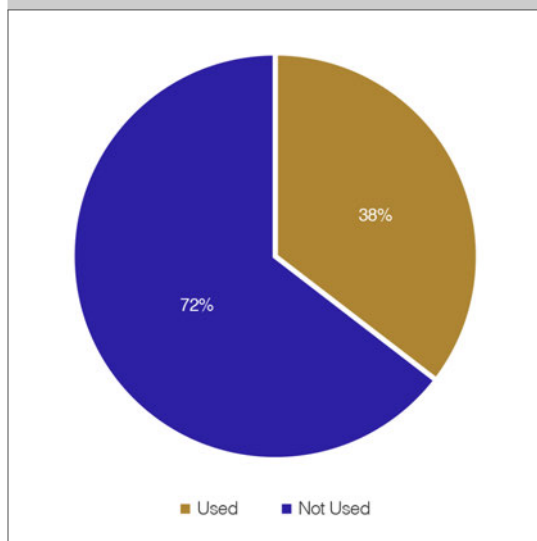
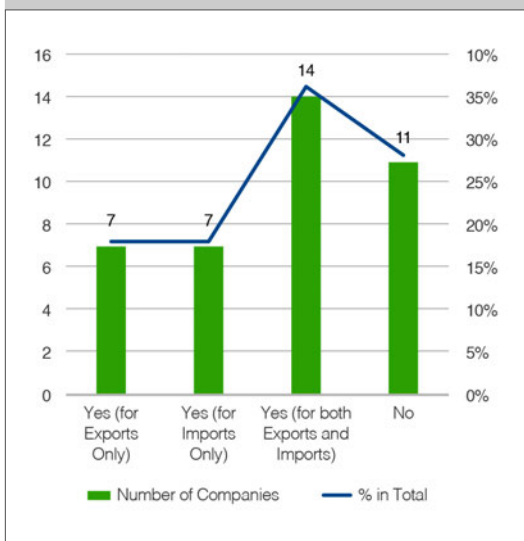


Figure 9. Status of FTA Utilization



B. Current Status of KVFTA Utilization

- Of the companies answered that they were using FTAs, ones that were using only the KVFTA were 24%, which is lower than that of others using only the KAFTA (28%) and that of the others using both the KAFTA and KAFTA (31%).

⁷ Companies that supply materials to those exporting goods to Korea

Figure 10. which FTA is the company using?

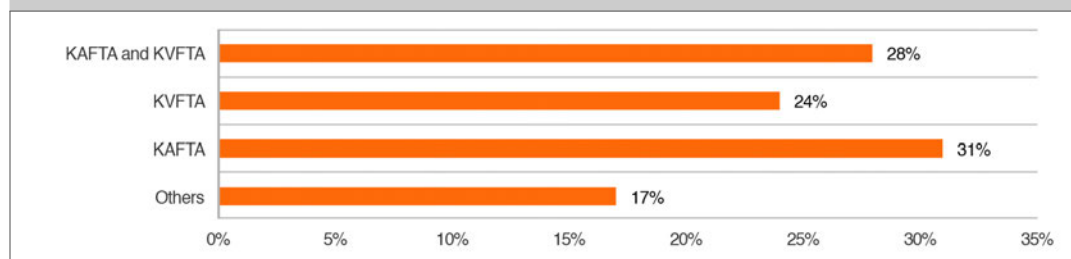
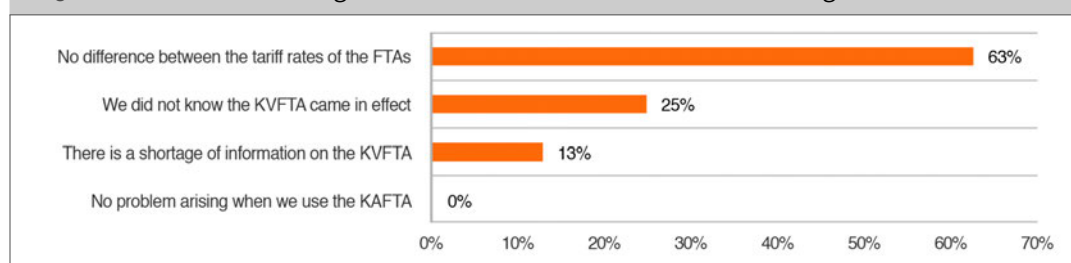


Figure 11. For those using the KAFTA. What is the reason for using the KAFTA?



- Of the companies using the KAFTA only, about 63% replied they used only the KAFTA because they thought there was no problem in using the single agreement.

In-Depth Interview

Company	FTA in Use	Reason for Use
1	KVFTA	Customer's request
2		Few benefits from use of the KVFTA
3		No answer
4	KAFTA	Customer's request
5		Customer's request
6	KAFTA and KVFTA	Customer's request

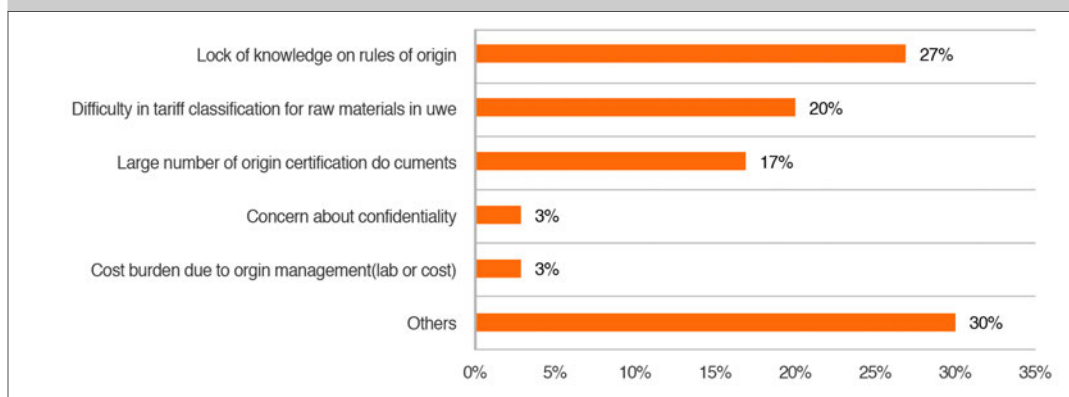
- Of the interviewed companies, the number of those engaged in export/import transactions with Korean businesses was six.

- Of the six companies trading with Korean businesses, three ones replied they used the KAFTA, two ones used the KVFTA, and there was one company using both K-ASEAN and KVFTAs.
- Four out of the six companies answered they used a certain FTA ‘by consultation with their customer or according to a customer’s request.’

C. Difficulties in Using FTA for Exports

- Of the companies answering they used the FTA for exports, about 27% pointed out lack of knowledge about the rules of origin, and about 20% indicated difficulty in tariff classification for raw materials in use, as the biggest difficulty in obtaining a certificate of origin.

Figure 12. What is the biggest difficulty in using the FTA (obtaining a C/O) for exports? (multiple answers allowed)



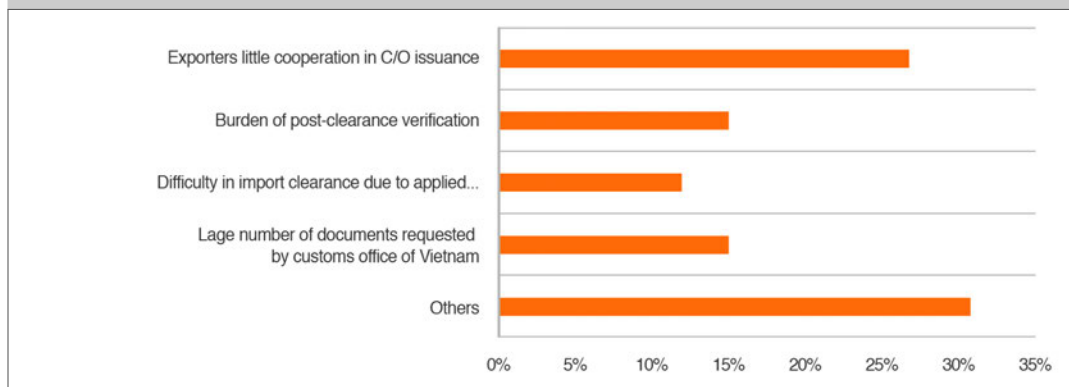
In-Depth Interview	
Difficulty in Using FTA	Internal Solution
Lack of Knowledge about Rules of Origin	Determined based on existing materials about origin determination
	Search online
	Inquiries directly to the customs
	Inquiries to a forwarder
	Consultation with a customer of Korea
Difficulty in Tariff Classification for Raw Materials	Determined based on the documents supplied by a customer, such as clearance documents
	Inquiries to a forwarder

- Similar to the result of the first online survey, five out of the interviewed companies pointed out lack of knowledge about the rules of origin as the biggest difficulty in using the FTA. The solutions to the difficulty included 1) inquiries to the customs, customers, etc., 2) search online, and 3) reference to existing materials on origin determination.
- One of the other difficulties they pointed out was a costly, complicated, and time-consuming procedure for C/O issuance.

D. Difficulties in Using FTA for Imports

- Of the companies replying that they used the FTA for imports, about 27% answered they had difficulty in using the FTA because of exporter's little cooperation in issuing a certificate of origin. The second largest difficulty was the burden of post-importation verification (15%) and large numbers of supporting documents requested by the customs of Viet Nam (15%).

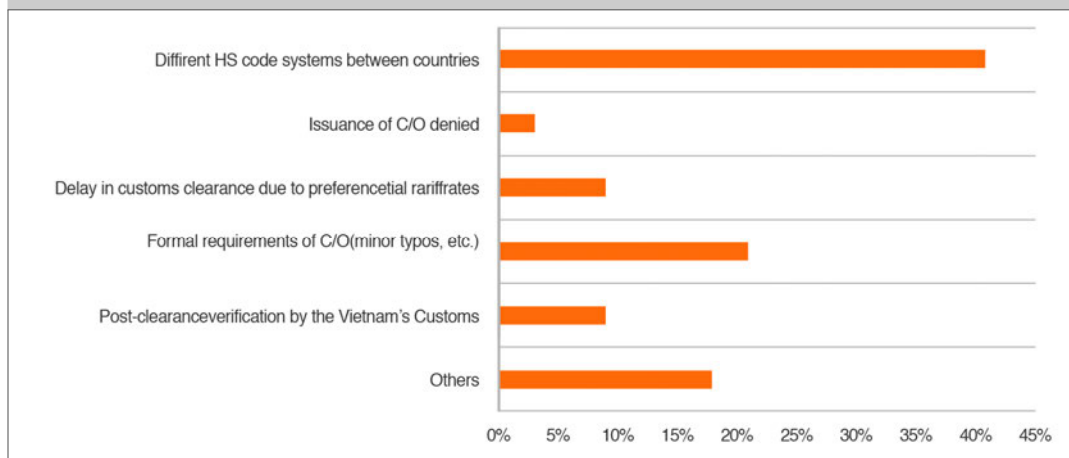
Figure 13. What is the biggest difficulty in using the FTA (in applying preferential tariff rates) for imports? (multiple answers allowed)



E. Other Issues (Difficulties) They Experienced in Using FTA

- Of the companies answered they used the FTA, about 41% experienced issues in relation to different HS code systems between exporting and importing countries.

Figure 14. Which is the FTA issue the company has experienced?



In-Depth Interview	
Issue on FTA Utilization	Specific Case
Different HS Code Systems between Countries	<p>Many countries including Viet Nam, China and Korea have different HS code systems.</p> <ul style="list-style-type: none"> • A different HS code system led to denial of the preferential tariff rates in an importing country. • In this case, a certificate had to be re-issued and sent to the exporter, which delayed the import clearance.
Formal Requirements of Certificate of Origin	A certificate of origin was not accepted because of misspelled or omitted words like a misspelled product name. A certificate of origin had to be re-issued for that reason.
Others	There is a shortage of detailed information and materials on the FTA.

- Of the interviewed companies, three answered they had experienced issues in relation to different HS codes between countries.
- A company replied that they had faced difficulties in using the FTA owing to lack of detailed information and materials on the FTA (one company).

F. Vietnamese Government Agencies' Support

- Of all the companies surveyed, about 49% answered they had received no support from government agencies.

Figure 15. Where do you get information on the KVFTA?

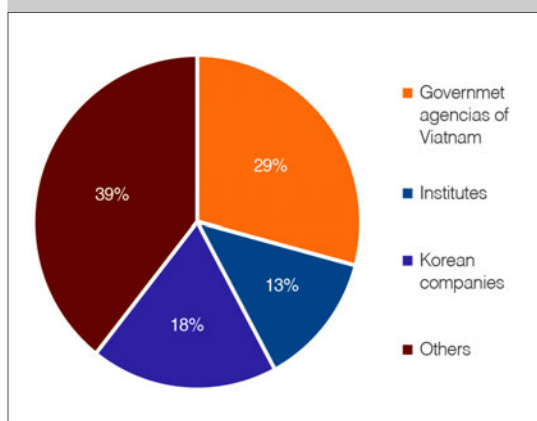
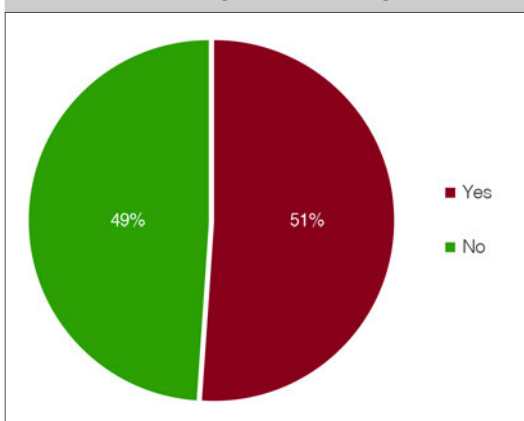
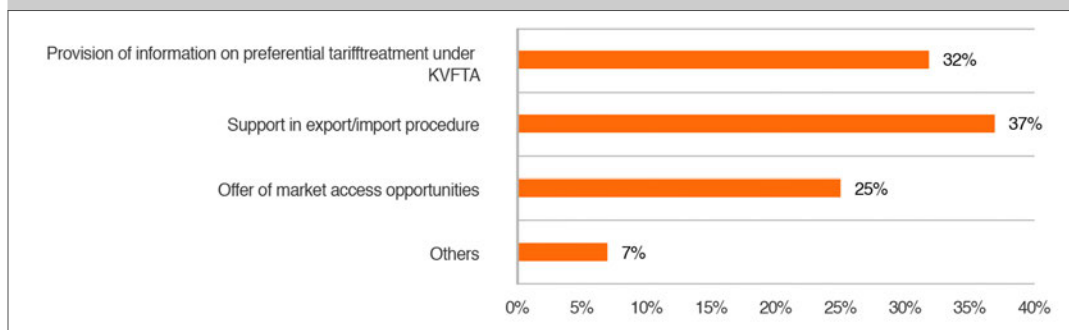


Figure 16. Have you ever received support from government agencies?



- The area in which they wanted to be supported most was support in the export/import procedure (about 37%), followed by provision of information about FTA utilization (about 32%).

Figure 17. What kind of support do you want receive from Vietnamese government agencies (multiple answers allowed)?



In-Depth Interview

Vietnamese Government Agency	Support
Viet Nam's Ministry of Industry and Trade (MOIT)	<ul style="list-style-type: none"> • Supported in difficulties related with FTA utilization, Updated information • Receiving updated information by e-mail • Kept informed of latest information on FTA • Receiving information on changes in FTA
Viet Nam Chamber of Commerce and Industry (VCCI)	<ul style="list-style-type: none"> • Receiving updated information by e-mail • Receiving information on C/O issuance

- Of the companies interviewed, seven answered they had received support from Vietnamese government agencies, and just two businesses replied they had received no support from such agencies.
- The supports the companies, which answered they had been supported, had received are as above.

In-Depth Interview	
Support	Detailed Description
Information on Utilization of KVFTA	<ul style="list-style-type: none"> • Information on FTA utilization including application for C/O issuance and documents to be submitted • Seminars need to be held per group (or region/province) for the purpose of consultation about preferential tariff treatment under the KVFTA. • It is necessary to form institutes and organizations for managers and to open regular training courses, which will train and support managers. • Seminars and training courses, customized to each industry, should be held.
Support in Export/Import Procedure	<ul style="list-style-type: none"> • An electronic procedure for C/O issuance • Support in the export procedure
Offer of Market Access Opportunities	<ul style="list-style-type: none"> • Support in expansion to overseas markets through use of the FTA

- The supports they want to receive from government agencies are as above.

Part 3 Implications of Survey on Current Status

1. Necessities to Establish a Procedure to Issue the C/O Online

- The ECOSYS has a system through which documents required for issuance of a certificate of origin can be uploaded, but companies did not seem to actively use the system.
- Many companies even did not know about the fact they can upload documents online, because of few promotional or training activities.
 - Other businesses, which knew about online uploading, were often not accustomed to handling works electronically.
 - The others, even though having uploaded documents online, had to visit an issuing office to submit the original of a certificate of origin and an application for certificate issuance. Applying for a certificate of origin online, therefore, did not offer any great benefit, failing to attract attention.

- Based on the ECOSYS, a system needs to be built through which companies not only apply for a certificate of origin and submit required documents, but also obtain the certificate.
- There are 54 offices that issue certificates of origin in Viet Nam, but companies still find it hard to access those offices.
- The reason for their perception that an issuing office is hard to access is because they need to directly visit an issuing office to obtain a certificate of origin.
- It takes not less than four hours approximately to obtain a C/O, including the time of travel to the issuing office which is located at a distance of a couple of hours and the time required to apply for certificate issuance, wait and submit documents.
- To handle such works, they have to arrange to have a responsible department or use an agency for certificate issuance, which results in a burden of indirect costs.

2. Awareness of Duty to Keep Documents

- The companies interviewed in depth or visited for a survey on current status were highly aware of their duty to keep documents related with certificate issuance for five years.
- Some companies even had dedicated personnel perform the record-keeping duty. Their awareness of the duty to keep documents was generally high, so the related documents had been well maintained.
- However, there always exists a potential risk of loss of documents as all the management activities including origin determination, preparation of required documents, issuance of certificates of origin and record-keeping are written by hand.

- It is required to introduce a system for origin determination and record-keeping in order to minimize human errors and exclusion of FTA tariffs by post-verification.
- Korea has origin management systems developed by government agencies, such as FTA PASS and FTA KOREA. As of the end of 2017, 16,489 companies used the FTA PASS and 13,901 businesses used the FTA KOREA, to determine a country of origin and issue a certificate of origin.

3. Cooperation between Countries to Confirm Preferential Tariff Rates of Each Country

- In the survey on the current status of FTA utilization, a number of companies answered that they wanted to be supported by government agencies in checking the tariff rates of a destination country for their exports.
 - The sources they could refer to in order to check preferential tariff rates on exports included the text of the KVFTA and the websites of the Customs Office of their country and importer. Such sources, however, have the following problems.

A. Difficulties in Acquiring FTA Tariff Rate Information

- It is difficult to acquire FTA tariff rate information based on information on the Customs Office's websites of Korea and Viet Nam.
 - To be specific, there were many cases with difficulty of accurately understanding FTA tariff rate information, such as inaccurate annual tariff rate information in the case of stepwise abolition of tariff rate for a concession item.
 - The websites of the Korea's Ministry of Trade, Industry and Energy and the Korea International Trade Association provided the information on basic and preferential tariff rates under FTAs, but such information needed to be updated, which made it seem unreliable.

- The Vietnamese companies surveyed answered that there was actually no easy way on such websites to check preferential tariff rates on exports under the FTA.

B. High Entry Barriers Such as Language Difference

- Language difference makes it difficult for personnel of normal companies to visit the Customs Office's website of the destination country for their exports and to find out necessary information like preferential tariff treatment.

C. Difficult to Interpret Provisions of FTA

- For information on preferential tariff rates on exports, the exporters cannot but refer to the text of an FTA because the information on official websites, such as the Customs Office's website, is often insufficient.
- But, it is difficult for personnel of normal companies to accurately interpret the provisions of an FTA with technical terms and abbreviations.
- Above all, it is imperative to introduce a system which enables exporters to search the Customs Office's website of their country for preferential tariff rates on exports, specified in their language.
- Furthermore, the contracting parties of an FTA need to cooperate with each other to construct a single window through which businesses can confirm preferential tariff rates of each country.

CHAPTER

04



Pilot Consultation to Reinforce Competency for FTA Utilization

Part 1 Overview of Pilot Consultation

Part 2 Analysis of Consultation Results

Part 3 Implications of Pilot Consultation for
Companies

Chapter

4

Pilot Consultation to Reinforce Competency for FTA Utilization

Part 1 Overview of Pilot Consultation

1. Purpose of Pilot Consultation

■ For Companies Using the FTA

- To identify potential risk factors in connection with use of the FTA by examining their internal procedures for origin verification and issuance of certificates of origin, and the way they have performed the duty to keep documents
- To reinforce a businesses' competency to use the FTA by finding out the difficulties they have in using the FTA and suggesting solutions
- To introduce an origin management system of Korea and present the process for origin determination using the system, ultimately improving the Vietnamese companies' awareness about such systems

■ For Companies Not Using the FTA

- To provide training on the overall procedure for FTA utilization

- To offer consultation on difficulties that may occur during preparation for FTA utilization and on other inquiries
- To introduce an origin management system of Korea and present the process for origin determination using the system, ultimately improving the Vietnamese companies' awareness about such systems

2. Target and Methods of Pilot Consultation

■ Target of Pilot Consultation

- Of those using the FTA, one company engaged in the business of textile/clothing goods, which are one of the main trading items under the KVFTA
- One company that is planning to use an FTA and engaged in the business of agricultural/fishery products, which are one of the promising exports under the KVFTA

■ Methods of Pilot Consultation

Table 30. Methods of Pilot Consultation

	Consultation Process	Requested Documents & Inquiries
1	Identify the transaction structure.	<ul style="list-style-type: none"> • Transaction Structure Diagram • Bill of Materials (BOM) • Unit Sale Cost • Unit Purchase Cost • HS Code for Goods • HS Code for Raw Materials • Supporting Documents for Origin Verification of Raw Materials
2	Select the main article for export	
3	Check the HS code for the article	
4	Check the preferential tariff rate under the KVFTA.	
5	Check the rules of origin.	
6	Determine the country of origin.	
7	Prepare documents required for C/O issuance.	
8	Obtain the C/O for the company.	
9	Provide the information on documents for post origin verification.	

3. Pilot Consultation & Its Focus

- Check the suitability of FTA utilization (or preparation for FTA utilization), using a checklist.
 - Identify the transaction structure.
 - Select the main article for export.
 - Examine if the main article is assigned proper HS code.
 - Check the preferential tariff rate under the KVFTA in order to examine benefits from use of the agreement.
- Check the suitability of origin determination and record-keeping, using a check list.
 - Check the suitability of the procedure for origin determination.
 - Check if required documents are prepared and if they are suitable for submission.
 - Check if the duty to keep documents has been performed.
- Identify the difficulties in using the FTA and what needs to be supported.
 - Ask questions on difficulties in using the FTA and types of support the government agencies need to provide.
 - Offer consultation about issuance of certificates of origin, record-keeping, and other matters regarding FTA utilization.
- Checking usefulness of the Korea's origin management system
 - Identify the company's system to obtain a certificate of origin, and keep and control documents.
 - Introduce a Korea's system that enables companies to determine the origin and control documents online (ex. FTA PASS and FTA KOREA).
 - Present a procedure for origin determination using a system that takes into account the characteristics and management system of the company.

Figure 18. Origin Management Systems of Korea (example)

FTA PASS	FTA KOREA
	
https://www.ftapass.or.kr/index.do	https://fta.utradehub.or.kr/fta/origin/common/main/index.do

Part 2 Analysis of Consultation Results

1. Company in Northern Viet Nam (Hanoi): Garco 10 Corporation (Vietnamese Business)

A. Check the company information including the transaction structure.

- The company imports fabrics, produces garments through cutting and sawing, and supplies the finished garments to the domestic market of Viet Nam or exports them overseas.
- Fabrics are imported from China (50% or more), Korea and so on, and about 80% of the total sales are from export and the rest from domestic supply.
- The goods are exported to about 60 countries, including the major destinations, the U.S. (42%-45%) and Europe (35%), and Japan, Korea, Taiwan and China.

- As of 2017, about 184,000 pieces were exported to Korea, amounting to 3,800,000 USD (based on FOB).

B. Check the suitability of FTA utilization (using a checklist).

- Select the main article for export.
 - Select an article that is one of the major exports and exported to Korea and on which preferential tariff treatment is granted under the KVFTA

Figure 19. Selection of Main Article for Export

5. Item number	6. Merchandise number and name as declared	7. Number and type of packages, description of goods (in multiple quantities where appropriate and HS code of the goods in the importing country)	8. Origin criterion (see Chapter 4, Annex)	9. Gross weight or other quantity and value (FOB only when PVO is indicated in item 7)	10. Number and date of invoice
	STYLE WOMEN'S COAT RA185JK1106	HS CODE 62021100	(PCS)	3,794.8	INVOICE NO. 255/AM/C/14 Date 22-Jan-18
TOTAL (SAY: TWO THOUSAND SEVEN HUNDRED NINETY FOUR PIECES ONLY)					

- Check the suitability of the HS code and the preferential tariff rate under the KVFTA.
 - Women's coats were selected as the main export, and an HS Code Description for Raw Materials was obtained to check the suitability of the HS code assigned to the export. The fabrics for making a women's coat, specified on the description, are as follows.

- Since wool occupies the largest share of the total weight, 54%, the article corresponds to a coat made of wool.
- (Related Provision) Subparagraph 2 of the Notes, Section XI of the Tariff Schedule: (A) Goods classifiable in Chapters 50 to 55 or in heading 58.09 or 59.02 and of a mixture of two or more textile materials are to be classified as if consisting wholly of that one textile material which predominates by weight over any other single textile material.
- A women's coat made of wool is classified as 6202.11.00, so the HS code for the article was found to be suitably determined.
- The preferential tariff rate corresponding to the code 6202.11.00 under the KVFTA: 0%

Figure 20. HS Code Description for Raw Materials (example)

BẢNG GIẢI TRÌNH MÃ HS NGUYÊN PHỤ LIỆU

Mẫu 03/TBHM/GC/2014, Khố 44

Hợp đồng gia công số: 29/GT/GAR-WLC/17
Phiếu vận chuyển: WORLD LEOPARDS CO
Bên nhận gia công: Tổng công ty May 10-CTCP
Môi trường gia công: Sản phẩm may các loại
Môi trường gia công: RAUSUKI H&H
Đơn vị Hải quan làm thủ tục: Chi cục HQ Quản lý hàng đầu tư - gia công

Trang số: thời hạn: 31/03/2021
Ngày: 01/09/2016
Địa chỉ: Sài Gòn-Lạng Giang-Hà Nội
Số hàng: 400000
Số lượng: Đơn vị tính: Chiếc

Vải dệt thời 54% Wool 40% Polyester
1 6% other

STT	Tên nguyên phụ liệu, vật tư	Mã HS	Đơn vị tính	Định mức tiêu hao nguyên liệu (%)	Định mức kế hoạch (%)	Đơn vị tính	Số TK
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Vải dệt thời 54% Wool 40% Polyester	51122000	Mét vuông	2.4	3	2.472	NK
2	Đường băng vải dệt	A001	Mét vuông	0.24	3	0.2472	NK
3	Chỉ các loại (Mau VN)	AN071	Mét	100	0	100	Mau VN
4	Cúc đính nhựa	A029	Cặp Chấu	2	3	2.06	NK
5	Cúc bằng vải	A017	Cặp Chấu	4	3	4.12	NK
6	Nhấn vải	A018	Cặp Chấu	4	3	4.12	NK
7	Nhấn giấy	A017	Cặp Chấu	4	3	4.12	NK
8	Cà cổ nhựa	A013	Cặp Chấu	2	3	2.06	NK
9	Chùm kim loại	A044	Cặp Chấu	3	3	3.09	NK
10	Giấy lót	A025	Cặp Chấu	1	3	1.03	NK
11	Bìa lưng	A007	Cặp Chấu	1	3	1.03	NK
12	Kheoan cổ nhựa	A010	Cặp Chấu	1	3	1.03	NK
13	Kheoan cổ dây	A009	Cặp Chấu	1	3	1.03	NK
14	Nút cổ nhựa	A011	Cặp Chấu	1	3	1.03	NK
15	Kẹp kim loại	A016	Cặp Chấu	1	3	1.03	NK
16	Kẹp nhựa	A015	Cặp Chấu	3	3	3.09	NK
17	Túi poly	A062	Cặp Chấu	1	3	1.03	NK
18	Băng dính (Mau VN)	AN053	Mét	0.3	0	0.3	Mau VN
19	Hàng cotton (Mau VN)	AN053	Mét vuông	0.03	0	0.03	Mau VN

Ngày 01 tháng 01 năm 2018
Công chức Hải quan tiếp nhận định mức
(Ký, đóng dấu công chức)

Ngày 01 tháng 01 năm 2018
Đại diện theo pháp luật của thương nhân
(Ký tên, đóng dấu)

Materials: Wool 54%, Polyester 40%, and Others 6%

Table 31. Preferential Tariff Rate under KVFTA

HS Code	Description	KVFTA Tariff (%)
62.02	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 62.04.	2018
	- Overcoats, raincoats, car-coats, capes, cloaks and similar articles:	
6202.11.00	- - Of wool or fine animal hair	0
6202.12.00	- - Of cotton	0

C. Check the suitability of origin determination and record-keeping.

- Applicable Rule of Origin: Change of Chapter (CC) criterion (cut and sewn in the contracting party)


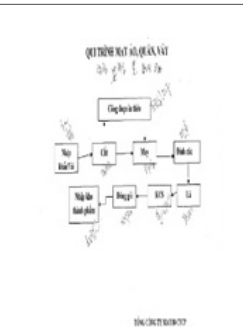


Table 32. Applicable Rules of Origin

Heading	Subheading	Product Description	Applicable Product Specific Rule of Origin
62.02		Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 62.04.	
		- Overcoats, raincoats, car-coats, capes, cloaks and similar articles:	
	6202.11	- - Of wool or fine animal hair	CC, provided that the good is both cut and sewn in the territory of any Party; or RVC(40)

- Check the procedure for origin determination.
 - Since the company has a lot of experience in export, the HS code for a new article is determined by its dedicated personnel who refer to the existing references when determining such codes. And origin determination is made with the data accumulated through import clearance.

- Records on origin determination and other related documents are all written and controlled by hand.
- Check the suitability of origin determination, C/O issuance and record-keeping.
 - An interview with the personnel in charge of export was conducted to check the procedures for determining the country of origin and for obtaining a certificate of origin for women's coats.
 - The documents the company has to submit to apply for a certificate of origin are as follows.
 - An HS code description and a manufacturing process were checked to examine the suitability of origin determination. Whether or not Viet Nam is acceptable as the country of origin was examined with the responsible personnel.

Figure 21. Documents Submitted for Application for C/O Issuance

Export Declaration	Manufacturing Process	HS Code Description for Raw Materials	Shipping Documents
			

- The applicable rule of origin was found to be the Change of Chapter (CC) criterion (cut and sewn in the contracting party), and origin determination had been made accordingly.

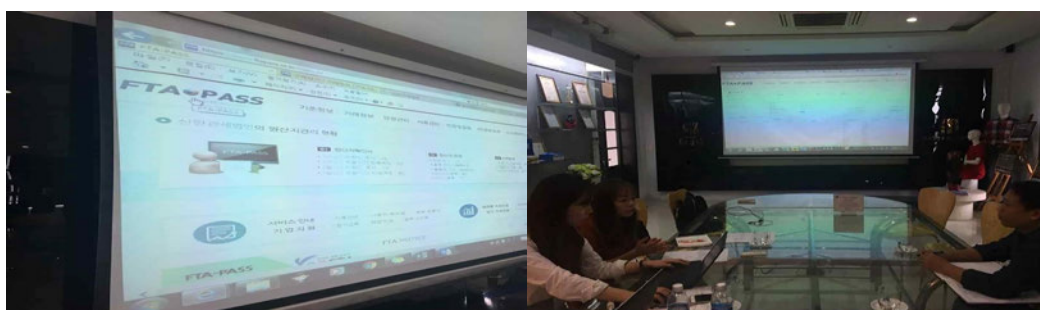
Figure 22. Manufacturing Process Figure 26. HS Code Description for Raw Materials

[illegible]

D. Demonstrate the Korea's origin management system.

■ Simulation of Origin Management System

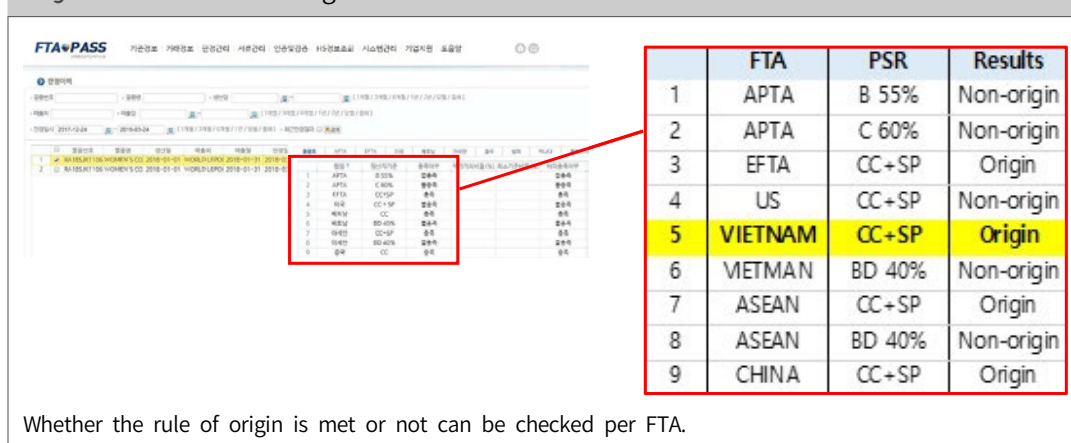
Figure 23. Demonstration of Origin Management System



- ① Save all the data of obtained documents in an excel file format so that they can be uploaded to the origin management system.
- ② Upload the data on a buyer on the assumption that all raw materials were bought from a company “A” and articles were all exported and sold to a Korean company “B.”
- ③ Register the finished article (women’s coat) and raw materials numbers.
- ④ Register names, quantities, units, and other data of the raw materials used for production of women’s coats.
- ⑤ Register the HS codes for women’s coats and raw materials used for production.
- ⑥ Upload all the basic data and determine the country of origin.

- Korea's origin management systems (FTA PASS and FTA KOREA) were introduced, and origin determination using the FTA PASS was demonstrated in order to collect opinions of Vietnamese businesses about their preferences and building an origin determination system.
- The system displays per FTA whether or not the rule of origin for an article is met (result of origin determination). For example, in the case of exports to several countries, the country of origin is determined per FTA once the data have been uploaded.

Figure 24. Results of Origin Determination



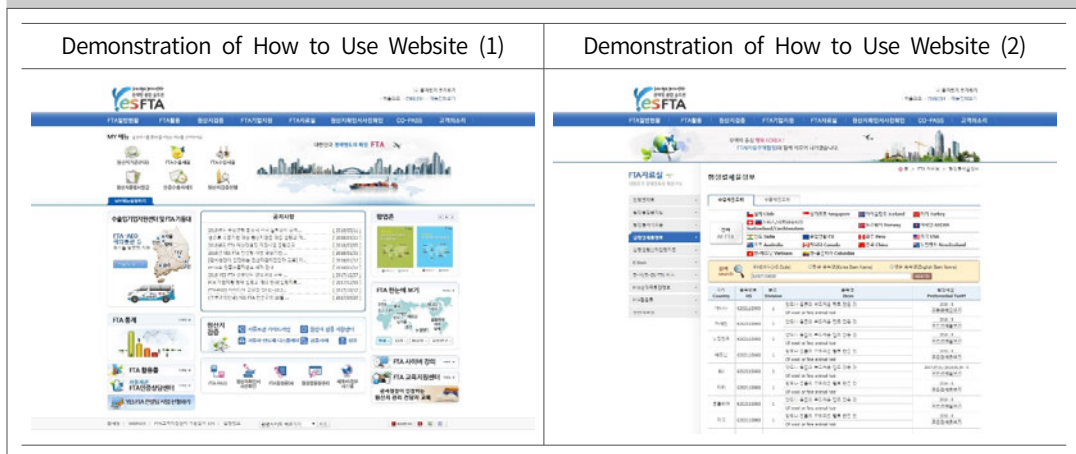
■ Corporate Opinions on Introduction of Origin Management System

- It is often not easy to find information on origin determination when a new FTA comes into force, so making it difficult to determine the country of origin under the FTA.
- It becomes more difficult to determine the country of origin and control documents per FTA, particularly when single items are to be exported to several countries.
- Therefore, it is necessary to introduce an origin management system that helps determine the country of origin and control documents not only for the KVFTA but for all the FTAs entered by Viet Nam.

E. Identify other difficulties they have in using the FTA and the types of support in need.

- The utilization rate of the KVFTA was low because they thought there was a lack of guidebooks as to FTA utilization at an early stage of its implementation.
- Since it is not easy for the management or other personnel of a normal firm to interpret the text of the FTA, there have always been demands for guidebooks to FTA utilization.

Figure 25. Websites Providing Information on Preferential Tariff Rates



- There is a shortage of information (websites) on MFN rates and preferential tariff rates, applicable to the destination country for exports, which makes it difficult to judge whether it is beneficial to use the FTA.
- The website of Korea that provides such information was presented, and how to check the preferential import tariffs of Korea on the website was demonstrated to the personnel in charge of export.

F. Improvement Measures Found from Consultation

Risk Factors	Consultation Effects & Improvement Measures
Origin determination made by hand	<ul style="list-style-type: none"> • They became more aware of risk factors that occur when the procedures for origin determination and record-keeping are made by hand. • A system needs to be built for origin management.
C/O issuance-related documents kept in hard copy	
Only one person in charge of origin management	<ul style="list-style-type: none"> • They realized the danger of the structure in which origin management is dependent on the personnel in charge. Origin verification can become difficult for personal reasons of such personnel, like human errors and leaving a company. • A system needs to be built for company-wide origin management.

2. Company in Southern Viet Nam (Ho Chi Minh): Green Field Farm (Vietnamese Business)

A. Check the company information including the transaction structure.

- Running a farm in Viet Nam, the company produces and sells agricultural products including mangos and pineapples. Its products are supplied only to the domestic market as of now.
- The company is planning to export mangoes, pineapples, bananas and others to Korea and import such products as apples, pears and persimmons from Korea. (In 2017, it participated in a forum on agricultural trade between Korea and Viet Nam as an effort for its direct export to Korea.)
- Since it does not have any experience of direct exportation, the company needs to judge if it is beneficial to use the KVFTA by checking the HS codes, rules of origin and preferential tariff rates on their products.

B. Check the suitability of preparation for FTA utilization (using a checklist).

- Select the main articles for export.
 - Select two articles that are one of the main products the company sells in the Vietnamese domestic market and to be exported to Korea.
- Check the HS codes and preferential tariff rates on the main exports under the KVFTA.
 - Present the HS code system and how to check HS codes for the exports.
 - The preferential tariff rates on fresh mangoes (0804.50) and fresh pineapples (0804.30) under the KVFTA: 18%

Table 33. HS Codes & Preferential Tariff Rated on Main Exports

HS Code	Description	VKFTA Tariff(%)
08.04	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dried.	
0804.30.00	- Pineapples	18
0804.50	- Guavas, mangoes and mangosteens:	
0804.50.20	- - Mangoes	18

- Analyze benefits and effects from use of the KVFTA.
 - Mangoes and pineapples, if exported to Korea, correspond to the basic tariff rate of 45%, but under the KVFTA, are given the preferential tariff rate of 18%, a 27% reduction in the tariff rate.
 - Particularly, pineapples are not the goods granted tariff concessions under the KAFTA, which means the KVFTA is more beneficial if applied for the export of pineapples.
 - In addition, the products to be imported from Korea to Viet Nam, including apples, pears, grapes and persimmons, correspond to zero tariffs under both K-V and KAFTAs.

- It is, therefore, judged that the company, when exporting or importing goods to or from Korea, will have more benefits from the KVFTA.

Table 34. Analysis of Benefits on Exports and Imports under KVFTA

Article	HS Code	Korea → Viet Nam			Viet Nam → Korea			Remarks
		Basic	KVFTA	KAFTA	WTO	KVFTA	KAFTA	
Apple	0808.10	10%	0%	0%	45%	45%	45%	No benefits
Pear	0808.30	10%	0%	0%	45%	45%	45%	No benefits
Grapes	0806.10	10%	0%	0%	45%	36%	36%	
Sweet persimmons	0810.70	25%	0%	0%	45%	36%	36%	
Other persimmons			0%	0%	67.50%	5%	5%	
Mango	0804.50-2000	25%	0%	0%	45%	18%	24%	
Pineapple	0804.30	30%	0%	0%	45%	18%	No Concession	KVFTA; beneficiary
Banana (Plantains)	0803.10	25%	0%	0%	90%	30%		
Banana (Others)	0803.90	25%	0%	0%	90%	18%		
Chrysanthemum	0602.90	25%	0%	0%	18%	0%	0%	

C. Present the procedure for origin determination and the duty to keep documents.

■ Applicable Rule of Origin: Wholly Obtained or Produced (WO) Goods

Table 35. Applicable Rules of Origin

Heading	Subheading	Product Description	Applicable Product Specific Rule of Origin
08.04		Dates, figs, pineapples, avocados, guavas, mangoes and mangos teens, fresh or dried.	
	0804.30	- Pineapples	WO
	0804.40	- Avocados	WO
	0804.50	- Guavas, mangoes and mangos teens	WO

- Check if the rule of origin (WO) is met.
 - Mangoes and pineapples are plant products, and the company, while directly operating a farm in Viet Nam, grows and harvests the products.
 - According to the KVFTA, “a good which is wholly obtained or produced entirely in the territory of the exporting party” means “plants and plant products grown and harvested there.” So, the products meet the rule of origin (WO).
 - Consultation was offered to the company about how to interpret the text of the KVFTA and to check the rules of origin corresponding to articles.

Figure 26. Wholly Obtained or Produced Goods under KVFTA

WO means that the good must be wholly produced or obtained in accordance with Article 3.1.

Article 3.2: Wholly Obtained or Produced Goods

Within the meaning of subparagraph 1(a) of Article 3.1, the following goods shall be considered to be wholly obtained or produced in the territory of a Party:

- (a) Plants and plant products grown and harvested there;
- (b) Live animals born and raised there;
- (c) Goods obtained from live animals referred to in subparagraph (b);
- (d) Goods obtained from hunting or trapping with the land territory, or fishing or aquaculture conducted within the internal waters or within the territorial sea of that Party;
- (e) Minerals and other naturally occurring substances, not included in subparagraph (a) through (d), extracted or taken from the soil, waters, seabed or beneath the seabed in the Party;

D. Examine the Feasibility of Origin Management System

- Introduction to Origin Management System
 - Korea’s origin management systems (FTA PASS and FTA KOREA) were introduced, and the FTA Korea Agri. version was presented in order to collect opinions of Vietnamese businesses about their preferences and building an origin determination system.
 - Korea has built an origin management system exclusively for agricultural products by considering the characteristics of the agricultural products industry.
 - The system has such advantages that it is possible to upload data at once online even in the case of several trading countries and articles and that it

displays per FTA whether the rules of origin are met or not.

- When it is confirmed that the rule of origin is met, the system is linked to a system of the Korea Customs Service so that a certificate of origin can be issued electronically.
- The documents required after exportation are stored in the judgment system, which makes it easy to keep the documents.

Figure 27. Introduction to FTA Korea Agri. Version

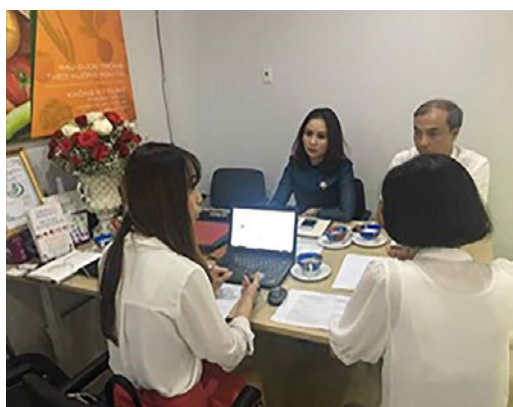
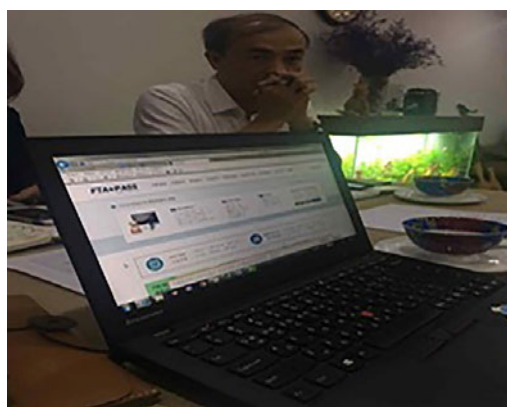


Figure 28. Introduction to FTA Korea Agri. Version



■ Corporate Opinions on Introduction of Origin Management System

- They think the system is highly advantageous in that they can determine the country of origin and keep documents online, and so want such a system to be introduced in Viet Nam.
- They hope that a system will be built that connects to a system of the Customs Office, helping them determine the country of origin and obtain/issue a certificate of origin online.

E. Identify other difficulties they have in using the FTA and the types of support in need.

■ They think the Vietnamese are generally little interested in the FTA.

- There should be more active training or consultation on basic information of

the FTA such as benefits from utilization and rules of origin.

- There is a shortage of information (websites) on MFN rates and preferential tariff rates, applicable to the destination country for exports, which makes it difficult to judge whether it is beneficial to use the FTA.

Part **3** Implications of Pilot Consultation for Companies

1. Necessity to Build an Origin Determination System

- The advantages of the Korea's origin management systems are as follows: first, it is possible to determine the country of origin per FTA even in such cases of a number of customers or products; and based on the uploaded data, required documents for origin determination are automatically kept and stored online.
- The companies having received the pilot consultation were all highly favorable to the origin management system because the rules of origin can be checked by FTA, all at once, origin determination is made automatically by FTA.
- The companies were well aware of origin determination and record-keeping, but the related procedures were all made by hand, which may involve a potential risk of penalties from human errors.
- It is, therefore, thought that even though the companies, those currently using the KVFTA or arranging to use it, understand well the generals of the agreement such as origin determination, an origin management system needs to be built in order to lower the barriers to FTA utilization and to increase the FTA utilization rate with lower costs and lesser time.

2. Websites and Guides to Help Check Preferential Tariff Rates of Contracting Parties

- The companies that received the pilot consultation knew well how to check, on the website of the Ministry of Industry and Trade, the preferential tariff rates on goods imported from Korea under the KVFTA.
- They, however, said it was difficult to check the preferential tariff rates of Korea on the goods exported to Korea, which is the same as a survey result on the current status.
- There were no websites or other windows that provide information on MFN rates and applied tariff rates of the destination countries for exports, so it was difficult for them to check and apply the rates.
- Therefore, it is imperative that Korean and Vietnamese government agencies cooperate with each other to build a website and supply guidebooks that help businesses find easily preferential tariff rates of each country.

3. Necessity to Build an Environment for More Systematic Origin Management

- Besides, other problems were found, such as lack of experienced personnel, low awareness of post origin verification, compared to the FTA utilization rate, and lack of general knowledge on origin determination like HS codes.
- It is, thus, necessary to build an infrastructure for more systematic origin management.

CHAPTER

05

Comparison & Analysis of Legislations and Systems to Reinforce Competency for FTA Utilization

- Part 1 System of Korea's FTA-Related
Legislation
- Part 2 System of Viet Nam's FTA-Related
Legislation
- Part 3 Comparison & Analysis of FTA-Related
Legislations of Korea and Viet Nam
- Part 4 Systems and Programs Necessary to
Reinforce Competency for FTA Utilization

Chapter

5

Comparison & Analysis of Legislations and Systems to Reinforce Competency for FTA Utilization

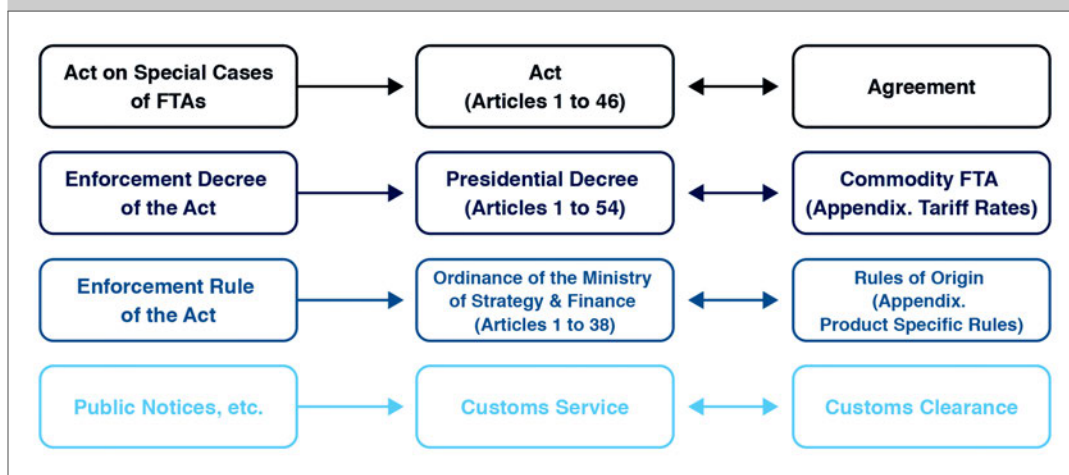
Part 1

System of Korea's FTA-Related Legislation

1. Legislation System of Korea

- The Korean legislation is composed of three stages – Act, Enforcement Decree, and Enforcement Rule – and operated by those subordinate to the Enforcement Rule, that is, Notice, Guidelines and so on.
- An Act stipulates general matters, details of which are operated by enforcement decrees and enforcement rules.
- The Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements (The Act on Special Cases of FTAs) has the characteristics of an implementation procedures Act for each of the FTAs effectuated. If there is a conflict between the Act on Special Cases of FTAs and an FTA, the FTA prevails.

Figure 29. System of FTA-Related Legislation of Korea



2. Korea's FTA-Related Legislation

- The Act on Special Cases of the Customs Act for the Implementation of Free Trade Agreements (hereinafter called the “Act on Special Cases of FTAs”)
 - The Act on Special Cases of FTAs is to include the generals of FTAs in the Korean legislation system and is a statute to enact general matters necessary for implementation of FTAs. The Act, thus, will serve as the framework act concerning the implementation of all future FTAs entered by Korea.
- Enforcement Decree of the Act on Special Cases of FTAs
 - The Act on Special Cases of FTAs delegates special matters of each of the FTAs to the Enforcement Decree thereof. In particular, the preferential tariff rates are specified per FTA in an Appendix to the Enforcement Decree.
- Enforcement Rule of the Act on Special Cases of FTAs
 - The Act on Special Cases of FTAs delegates special matters of each of the FTAs to the Enforcement Rule thereof. In particular, the rules of origin are specified per FTA in an Appendix to the Enforcement Rule.

- Notice on Performance of the Act on Special Cases of FTAs
 - The notice stipulates in detail the customs clearance procedures for the matters specified in the Act on Special Cases of FTAs.

Part

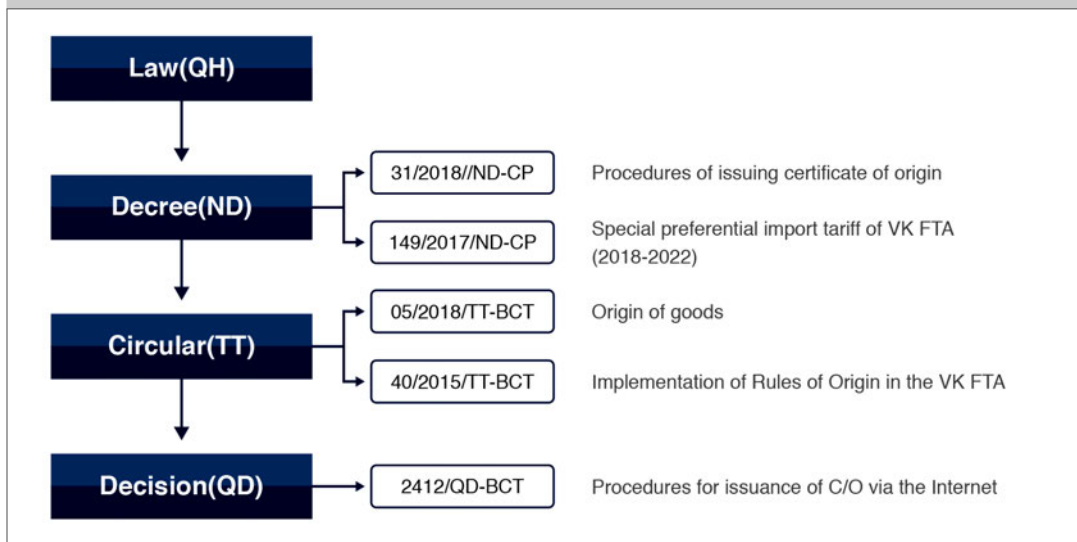
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System of Viet Nam’s FTA-Related Legislation

1. Legislation System of Viet Nam

- Similar to the Korean legislation, the legislation of Viet Nam is composed of three stages – Law (QH), Decree (ND), and Circular (TT) – and operated by those subordinate to the Circular, that is, Decision (QD), Directive (CT) and so on.

Figure 30. System of Viet Nam’s FTA-Related Legislation



- The legislation system regarding customs duties consists of two major laws, the Customs Law and the Law on Export and Import Duties, and a number of Decrees, Circulars, Decisions and so on. Especially, many important matters on customs administration are specified in the Circulars enacted by the Viet Nam Customs.
- There is no such unified FTA-related act as the Act on Special Cases of FTAs of Korea, but the Circulars prescribe matters on implementation of each of the FTAs.

2. Viet Nam's FTA-Related Legislation

■ Decree No. 31/2018/ND-CP

- Decree No. 31 regulates the common C/O issuance procedure related to all agreements signed by Viet Nam such as FTA, EPA, etc.

■ Decree No. 149/2017/ND-CP

- Decree No. 149 regulates the K-V FTA tariff rates for the period between 2018 and 2022. (Tariff rates before 2018 are regulated by 131/2016/ND-CP.)

■ Circular No. 05/2018/TT-BCT

- Circular No. 05 is a circular to Decree No. 31/2018/ND-CP that regulates more detailed C/O issuance procedure.

■ Circular No.40/2015/TT-BCT

- Circular No. 40 prescribes the procedures for implementation of the KVFTA, such as the procedures for origin determination, application of preferential tariff rates and origin verification.

■ 2412/QD-BCT

- Decision No. 2414 specifies in detail a procedure to issue a certificate of origin online (ECOSYS).

Part **3**

Comparison & Analysis of FTA-Related Legislations of Korea and Viet Nam

1. Analysis of Korea's FTA-Related Legislation

■ HS Code

- Article 86 of the Customs Act specifies the pre-confirmation of tariffs on certain goods.

■ Origin Determination

- The Act on Special Cases of FTAs prescribes the general rules of origin (including special rules), while Article 4 of the Enforcement Decree thereof stipulates the rules of origin by FTA. (The rules of origin under the KVFTA are set forth in Appendix 14 to the Enforcement Decree.)
- All the FTAs concluded by Korea are specified in the Act on Special Cases of FTAs, and each of them is set forth in the Appendices to the Act.

■ Origin Certification

- General procedures for origin certification, applicable to most FTAs, are prescribed in the Enforcement Decree and the Enforcement Rule, and in particular, the designated forms of certificates of origin under each of the FTAs are provided separately in an Appendix to the Enforcement Rule
- The Notice of the Act on Special Cases of FTAs stipulates in detail the procedures necessary at business sites, such as applicants for issuance of certificates of origin, issuing authorities, and application method.

■ Preferential Tariff Treatments

- Preferential tariff rates are set forth in all of the Act, Enforcement Decree, Enforcement Rule and Notice, and particularly, the Enforcement Decree specifies the preferential tariff rates by FTA in an Appendix thereto.

- Post-clearance claims are stipulated in the Notice, so a post-clearance claim, even though not specified in an FTA, can be made according to the domestic law.

■ Record-Keeping

- The Act provides that documents have to be kept for five years, and the Enforcement Decree specifies the types of documents each party of trading is required to keep.

■ Origin Verification

- The Act stipulates the objects of origin verification, the Enforcement Decree sets by FTA the time limits of application for postponing the verification, and the Enforcement Rule specifies by FTA the ways to conduct origin verification.

Table 36. Analysis of Korea's FTA-Related Legislation

Classification	Sub-Classification	Customs Act	Act on Special Cases of FTAs	Decree of the Act	Rule of the Act	Notice of the Act
HS Code	Pre-Confirmation of Tariff Program	ü				
Origin Determination	Rules of Origin		ü		ü	
	Special Rules					
Origin Certification	Origin Supporting Documents			ü		
	Submission of Origin Supporting Documents, etc.		ü			
	Period of C/O Application					
	Matters to be Stated in C/O			ü		
	C/O Application Method					ü
	How to State Matters in C/O			ü		
	C/O Issuing Authorities				ü	ü
	Applicant for C/O Issuance	ü				ü
	C/O Issuance Procedure				ü	
	C/O Issuance Period				ü	
	C/O Expiry Date			ü		
	C/O Forms				ü	

Table 36. Continued

Classification	Sub-Classification	Customs Act	Act on Special Cases of FTAs	Decree of the Act	Rule of the Act	Notice of the Act
Application of Preferential Tariff Rates	C/O Issuance Fee				ü	
	Preferential Tariff Rates		ü			
	Claim for Preferential Tariff Treatment		ü	ü	ü	
	Post-Clearance Claim for Preferential Tariff Treatment, etc.		ü	ü		ü
Record-Keeping	Keeping of Origin Supporting Documents, etc.		ü	ü		
Origin Verification	Supporting Documents to be Kept, etc.			ü		
	Origin Verification		ü	ü	ü	

2. Analysis of Viet Nam's FTA-Related Legislation

■ HS Code

- The Pre-Confirmation of HS Code program can be used in cases where a good has not been exported or imported before or a good is expected to cause difficulty in determining an HS code.
- The Pre-Confirmation of HS Code program is referred to in Circular 38/2015/TT/BCT (Amended Legislation: 39/2018/TT/BTC) and Decree 08/2015/ND-CP: The Circular 38/2015/TT/BTC (Amended Legislation: 39/2018/TT/BTC) prescribes the documents to be submitted, and the Decree 08/2015/ND-CP sets forth more detailed matters such as the period of confirmation and the validity thereof.

■ Origin Determination

- The rules of origin (including special rules) under the K-V FTA are provided for in Circular No. 40/2015/TT-BCT, which covers the K-V FTA. The rules of origin for each of the FTAs are specified in each corresponding Circular.

■ Origin Certification

- Origin certification related with the K-V FTA, such as matters to be stated in the certificate, expiry date and a designated form of certification, is prescribed in Circular No. 40/2015/TT-BCT, and other general procedures regarding C/O issuance are referred to be Circular No. 31.

■ Preferential Tariff Treatment

- The preferential tariff rates and post-clearance claims under the K-V FTA are set forth in Circular No. 40/2015/TT-BCT, while the bound tariff rates under the K-V FTA are stipulated separately in Decree No. 149/2017/ND-CP. The bound tariff rates for each of the FTAs are specified in each corresponding Decree.

■ Record-Keeping

- The record-keeping duty under the K-V FTA is provided for in Circular No. 40/2015/TT-BCT.

■ Origin Verification

- Circular No. 40/2015/TT-BCT sets forth matters on origin verification under the K-V FTA.

Table 37. Analysis of Viet Nam's FTA-Related Legislation

Classification	Sub-Classification	08/2015/ ND-CP 38/2015/ TT-BCT	40/2015/ TT-BCT	31/2018/ ND-CP	05/2018/T T-BCT	149/2017/ ND-CP
HS Code	Pre-Confirmation of Tariff Program	ü				
Origin Determination	Rules of Origin		ü		ü	
	Special Rules		ü	ü		
Origin Certification	Origin Supporting Documents		ü	ü		
	Submission of Origin Supporting Documents, etc.		ü	ü		
	Time of C/O Issuance		ü			
	Matters to be Stated in C/O		ü			
	C/O Application Method			ü		
	How to State Matters in C/O				ü	
	C/O Issuing Authorities		ü	ü		
	Applicant for C/O Issuance			ü		
	C/O Issuance Procedure			ü		
	C/O Issuance Period					
	C/O Expiry Date		ü			
	C/O Forms		ü			
Application of Preferential Tariff Rates	C/O Issuance Fee					
	Preferential Tariff Rates					ü
	Claim for Preferential Tariff Treatment		ü			
	Post-Clearance Claim for Preferential Tariff Treatment, etc.		ü			
	Restrictions on Application of Preferential Tariff Rates					
Record-Keeping	Keeping of Origin Supporting Documents, etc.		ü	ü		
Origin Verification	Supporting Documents to be Kept, etc.			ü		
	Origin Verification		ü	ü		

3. Implications of Legislation Comparison and Analysis

- Necessity to Examine the Ways to Introduce Systems that Reinforce the Competency for FTA Utilization.
 - It is necessary to examine the ways to introduce programs or systems that can help reinforce the competency for FTA utilization, such as Approved Exporters and Declaration of Inward Processing.
- Necessity to Examine FTA-Related Legislation and Measures to Introduce Laws of Other Countries
 - In Korea, there is a special legislation related to FTA known as the Special Act on FTA. Matters common to FTAs constitute an Act, and then other matters specific to each of them are stipulated in appendices thereto.
 - On the contrary, Viet Nam does not have separate acts on special cases of FTA, but FTA-related legislations are scattered among various laws, which makes them somewhat confusing.
 - Therefore, to increase accessibility to legislations related to FTA implementation and procedure, it would be necessary to review an appropriate plan to reorganize the legislation system based on the environment of Viet Nam by checking current FTA legislations and legislations related to other countries.



Systems and Programs Necessary to Reinforce Competency for FTA Utilization

1. In Terms of Systems

- Korea has established a range of FTA-related programs and systems to increase FTA utilization rates, whereas in Viet Nam, most of the FTA-related procedures have been made by hand. So, this section introduces the FTA-related systems Korea is currently operating, as a measure to increase FTA utilization rates.

A. Online C/O Issuance System

■ Concept

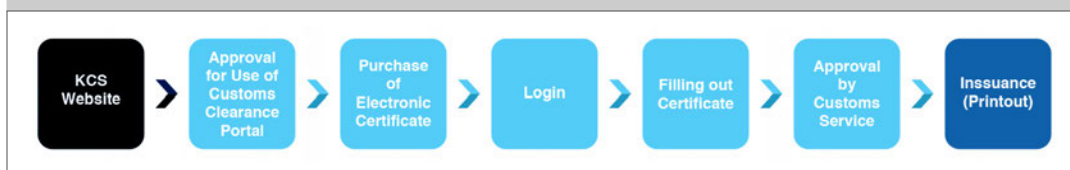
- This is a system that enables online processing of all the procedures from application for certificate of origin issuance and submission of documents to certificate issuance.

■ Korea's C/O Issuance System

- In Korea, a business, in principle, has to apply for issuance of a certificate of origin online,⁸ and a series of steps for certificate issuance are to be made online, including filling out an application form, submitting required documents and obtaining a certificate of origin, whereas in Viet Nam, a company, even though having applied for issuance online, is required to submit documents directly or by mail to an issuing office. (Online application is optional.)

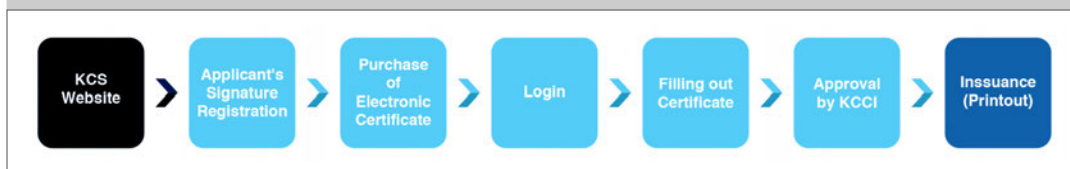
■ Online:

Figure 31. C/O Issuance Procedure of Korea Customs Service



■ Online:

Figure 32. C/O Issuance Procedure of Korea Chamber of Commerce & Industry



⁸ Article 26 of the Notice of the Act on Special Cases of FTAs (Application for Issuance of Certificate of Origin)

■ Offline:

Prepare documents, visit and submit the documents directly to the KCCI, and obtain a certificate of origin.

- In Korea, the entire process of issuing a certificate of origin is carried out online, so it usually takes about two hours or less for a company, if certified as an Approved Exporter, to apply for issuance of a certificate of origin and obtain the certificate, but it normally takes about a day in Viet Nam (based on the office hours).

■ Necessity to Introduce the System

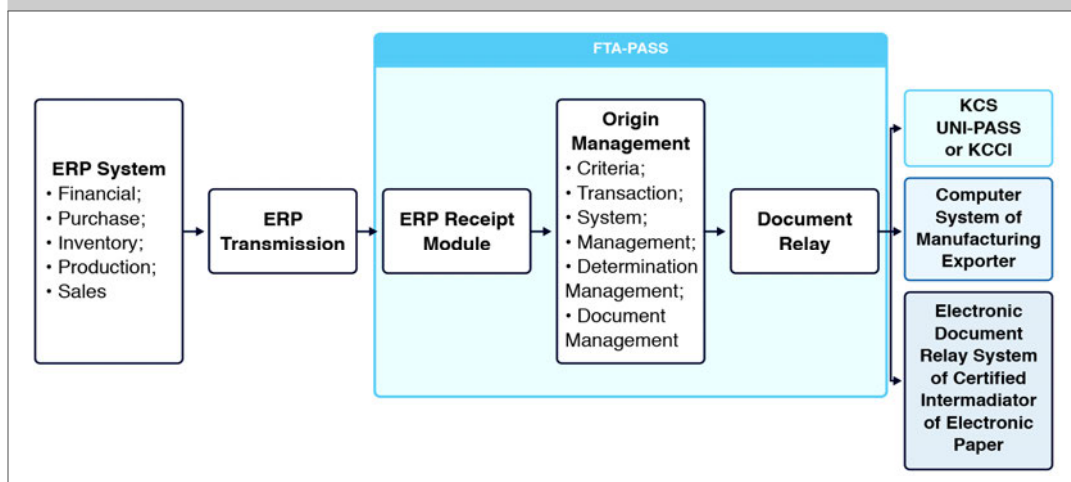
- Since the biggest difficulty in using the FTA was found to be a direct visit to an issuing office to submit documents, an electronic issuance system is necessary to reinforce the competency for FTA utilization.

B. Origin Management System

■ Concept

- This is a system built to help companies that have difficulties managing the country of origin under FTAs. In the system, once origin-related data are entered, the country of origin is determined automatically.

Figure 33. Configuration of Origin management System



■ Korea's Origin Management System

- Developed by the Korean government, two origin management systems, FTA KOREA (Ministry of Trade, Industry and Energy) and FTA PASS (Korea Customs Service), are available free of charge to companies.

Table 38. State of FTA KOREA & FTA PASS Utilization

(Unit: Number of Cases/Cumulative as of the end of 2017)

	FTA KOREA	FTA PASS
No. of Member Companies	13,901	16,489
No. of Origin Determinations	1,664,973	64,106,296
No. of Documents Issued	4,758	195,562

Source: KT NET, Korea Institute of Origin Information

- Besides the origin management system developed by the government, lots of exporters and importers have developed their own origin management system that links to corporate ERP, which all have led to active use of an electronic origin management system.

■ Necessity to Introduce the System

- A procedure for origin determination, if carried out not by an electronic system, but by hand, may result in incorrect origin determination, and with FTAs in effect increasing over time, the rules of origin become varied depending on the FTAs. Companies are required to make a correct determination through an electronic system according to corresponding rules of origin.
- FTAs normally provide that documents required for origin certification be kept for five years. Documents, if kept in hard copy at several places, may be damaged or lost. An electronic system is, therefore, required that can automatically save the history of certificate issuance and keep the submitted documents.

C. Electronic Origin Data Exchange System (EODES)

■ Concept

- With the electronic origin data exchange system, the customs authorities of trading countries can share the information on origin certification and notify the other customs of the preferential tariff rate on the certificate under a corresponding FTA.

■ Korea's Electronic Data Exchange System

- Korea is currently operating an electronic data exchange system for the China-Korea FTA.

■ Necessity to Introduce the System

- A certificate of origin, issued in the exporting country, is sent in time to the Customs of the importing country through this system, and the Customs can check the accuracy of the reported information on the certificate at an audit, which can reduce a risk of penalties that may arise in connection with post-clearance auditing.
- In the long term, this system will contribute to increasing the rate of FTA utilization as it is one of the efforts of the customs authorities to share the information on origin certification and help exporters and importers use the FTA in an easier and faster way.

Figure 34. Korea's Electronic Data Exchange System

CO-PASS 진행정보

CO-PASS Process-Info

CO-PASS 进行情况

Settings (*essential info. Put Ref.code only for KR → CN.)

Issued Date	<input type="text"/> ~ <input type="text"/>	Transmitted Date	<input type="text"/> ~ <input type="text"/>	<input type="button" value="search"/>
FTA/Country	-- All -- ~ -- All --	Transmission *	<input checked="" type="radio"/> KR → CN <input type="radio"/> CN → KR	
Ref.No *	<input type="text"/>	Ref.Code *	<input type="text"/>	<input type="button" value="Reset"/>

Ref.list (Click Date of Transmission/Reception)

Transmission/Reception	Transmission/Reception Date	Result	Response	Response Time	Reason for failure	Clearance	Date
------------------------	-----------------------------	--------	----------	---------------	--------------------	-----------	------

Details/Detailed Info

Common Info

C/O number	C/O date
<div style="display: flex;"> <div style="width: 20%;">Exporter</div> <div style="width: 80%;">Company Name</div> </div>	

D. Website to Provide Information on Tariff Rates of Destination Country for Exports

■ Concept

- Such a website was found to be one of those the companies using an FTA need most. It is necessary to build and operate a website that provides information on preferential tariff rates by FTA.

■ Korean Website that Provides Information on Export Tariff Rates

- Korea Customs Service is operating a website that a visitor can search by HS code or article name in Korean or English for export tariff rates under each of the FTAs.

■ Necessity to Introduce the System

- Such a website is the most basic necessity in utilizing an FTA. Exporting companies need to identify bound tariff rates on goods to be exported but often face difficulties finding out the tariff rates of the destination country for exports.

- That is to say, the companies, even though wishing to use an FTA, is not able to identify benefits from use of the FTA, thus failing to use it. The government needs to build such a website and make it available to exporters.

Figure 35. Korean Website Providing Information on Tariff Rates of Destination Countries for Exports

Preferential Tariff Rate(Export from Korea)

칠레 Chile	싱가포르(한.싱) KOREA-SINGAPORE	말레이시아 Malaysia
인도네시아 Indonesia	캄보디아 Cambodia	캐나다 Canada
한-베트남 Vietnam	미얀마 Myanmar	태국 Thailand
브루나이 Brunei	필리핀 Philippines	라오스 Laos
유럽연합 EU	페루 Peru	인도 India
미국 USA	싱가포르(한.아세안) Singapore(KOREA-ASEAN)	터키 Turkey
뉴질랜드 New Zealand	한-콜롬비아 Colombia	호주 Australia
베트남(한.아세안) Vietnam(KOREA-ASEAN)	아이슬란드 Iceland	스위스/리히텐슈타인 Switzerland/Liechtenstein
노르웨이 Norway		

☒ HS코드 (HS Code)
 ☐ 영문 품목명 (English Item Name)

2. In Terms of Programs

- Korea has established and operated various programs to increase FTA utilization rates, but there has been a lack of FTA-related laws and programs in Viet Nam. This part introduces the FTA-related programs Korea is currently operating.

Table 39. Comparison of FTA-Related Programs

FTA-Related Program	In Use (ü/û)	
	Korea	Viet Nam
Declaration of Origin	ü	ü
Approved Exporters	ü	û
Customs' Advance Verification of Certificate of Origin	ü	û
Simplified Certificate of Origin Confirmation for Agricultural, Livestock, Fishery Products and Traditional Foods	ü	û
Simplified Issuance of Certificate of Origin	ü	û
Declaration of Inward Processing	ü	û

A. Declaration of Origin Program

■ Concept

- A producer (supplier) proves the country of origin for materials or finished goods supplied domestically.
- The country of origin proved can be used repeatedly for a period of not more than one year in the case where materials are supplied to a single producer or exporter for a long time.

■ Effect

- Origin certification becomes more accurate and prompt as the program designates standard forms for supporting documents on domestic raw materials.
- The program has a supplier of raw material prove the country of origin, relieving an exporter of the burden of origin certification for materials in use for production.

■ Necessity to Introduce the Program

- According to a recent amendment of the legislation in Viet Nam, Circular No. 05/2018/TT-BCT introduced a system similar to Korea's origin (comprehensive) verification system.

- However, the system of Viet Nam does not include the origin⁹ (comprehensive) declaration and can only be used once for every issuance. An origin declaration needs to be submitted whenever the original certificate is issued. Therefore, it can be burdensome for companies that repetitively supply products to the same producer or exporter, Viet Nam may consider introducing the concept of the origin (comprehensive) declaration of Korea.

Figure 36. Origin Declaration Form (Vietnam language)

PHỤ LỤC X

BẢN KHAI BÁO XUẤT XỨ CỦA NHÀ SẢN XUẤT/NHÀ CUNG CẤP NGUYÊN LIỆU TRONG NƯỚC
(ban hành kèm theo Thông tư số 05/2018/TT-BCT ngày 03 tháng 4 năm 2018 quy định về xuất xứ hàng hóa)

Tên nhà sản xuất: Công ty

Mã số Doanh nghiệp:

Số lượng:

Trị giá (FOB):.....USD

Hóa đơn giá trị gia tăng:

(Tên nhà sản xuất/nhà cung cấp nguyên liệu trong nước) xác nhận rằng nguyên liệu/hàng hóa (1) (Mô tả hàng hóa, mã HS 6 số) khai tại văn bản này được sản xuất tại nhà máy của Công ty chúng tôi tại (2)..... Việt Nam có xuất xứ Việt Nam và đáp ứng tiêu chí xuất xứ (3)..... theo quy định tại Chương Quy tắc xuất xứ hàng hóa trong (4)

Công ty cam kết thông tin khai báo trên là đúng và chịu trách nhiệm trước pháp luật về thông tin đã khai.

....., ngày ... tháng ... năm 20...

Người đại diện theo pháp luật của thương nhân
(Ký, đóng dấu, ghi rõ họ, tên)

Ghi chú.

- Mẫu Bản khai báo này áp dụng đối với nguyên liệu/hàng hóa có xuất xứ được sản xuất tại Việt Nam và sử dụng làm nguyên liệu đầu vào cho công đoạn tiếp theo để sản xuất ra một hàng hóa xuất khẩu khác của thương nhân đề nghị cấp C/O (trừ thương nhân đề nghị cấp C/O mẫu D).

(1) Trường hợp có nhiều nguyên liệu/hàng hóa cần khai báo xuất xứ, thương nhân có thể liệt kê thành một danh mục đính kèm văn bản xác nhận này (đóng dấu giáp lai của thương nhân)

(2) Ghi địa chỉ nhà máy hoặc xưởng sản xuất của Công ty tại Việt Nam

(3) Ghi tiêu chí xuất xứ cụ thể (ví dụ: CC/RVC...%)

(4) Ghi tên FTA/Thông tư... (ví dụ: VKFTA/Phụ lục I Thông tư....)

⁹ Origin (comprehensive) declaration: A declaration form that allows companies to use the initially issued origin declaration repeatedly for a fixed period on a material or product repetitively supplied to the same producer or exporter

Figure 37. Origin Declaration Form (Translated)

Appendix X

ORIGIN DECLARATION OF DOMESTIC MANUFACTURERS AND DOMESTIC MATERIAL SUPPLIER

(issued together with Circular no.05/2018/TT-BTC dated 03 April 2018 on Elaboration on Goods Origin)

Manufacturer Name: Company:

Business code:

Quantity:

FOB value:

VAT invoice No.:

(Name of the domestic company / manufacturer of raw material) confirms that the material / product (1) (the description of the goods, the HS code of 6 numbers) stated in this document is produced at our company's factory at (2)in Vietnam originating from Vietnam and can meet the criterion of origin (3)as prescribed in the Chapter of Rules of Origin in (4)

The company guarantees that the above mentioned information is correct and takes all responsibility for the declared information

... day ... month ... year 20 ..

Legal representative of the trader

(Signature, seal, full name)

Note:

- This form is applicable to originating materials / goods made in Vietnam and used as inputs for the next stage to produce another export goods of the trader. (except for form D)

(1) In case there are many materials / products to be declared, the enterprise can make list and attach to this document.

(2) Address of manufacture or factory of Vietnamese company

(3) Specify origin criteria (EX: CC/RVC...%)

(4) Specify name of FTA / Decree ... (Ex: VKFTA/Annex I circular ...)

B. Approved Exporters Program

■ Concept

- An exporter certified by the customs authorities to have the capability of origin certification is granted the right to issue a certificate of origin or the benefit of simplified document submission.

■ Effect

- This program is to reduce the inconvenience of preparing and submitting large numbers of supporting documents every time a business applies for issuance of a certificate of origin under an FTA.
- When an Approved Exporter applies for issuance of a certificate of origin, the time required for an audit is cut to two hours or less.
- In other words, the program grants an exporter a benefit of simplified certificate issuance, relieving the exporter of one of the difficulties in using an FTA (the time and cost required to obtain a certificate of origin), and ultimately contributing to an increased FTA utilization rate.

Table 40. Types of Korea's Approved Exporters Program

	Approved Exporters by Company	Approved Exporters by Article
Scope of Benefit	All agreements and all articles	Approved agreements, HS code 6 digits
Validity	5 years	5 years (Applied differently depending on legal compliance)
Approval Authorities	Main Customs (Seoul, Busan, Incheon, Daegu, Gwangju) and Pyeongtaek Customs	
Approval Criteria	Legal compliance and capability of origin certification by FTA	Legal compliance and capability of origin certification for HS code 6 digits

■ Necessity to Introduce the Program

- The program encourages businesses to have their own capability of origin management, finally reducing the labor and costs required for inspecting the documents submitted for certificate issuance.
- The Korea-EU FTA requires an Approved Exporter No. in the case where a business wishes to be granted preferential tariff treatment for an article worth more than 6,000 euros. Viet Nam, thus, also needs to review this system prior to the effectuation of the FTA with the EU.

Table 41. State of Approved Exporters of Korea (No. of Companies)

(As of March 2016)	Approved Exporters by Company	Approved Exporters by Article
Sub-Total	1,006	8,932
Total	9,938	

Source: Korea Customs Service

C. Customs' Advance Verification of Certificate of Origin for SMEs

■ Concept

- The Customs Service examines in advance the suitability of the Declaration of Origin prepared and issued by a small- or medium-sized manufacturer.

■ Effect

- For small and medium-sized manufacturers, which may have less understanding of FTAs or less ability for origin determination, the Customs Service examines the suitability of a Declaration of Origin prepared by such a manufacturer, helping them to use FTAs in a reliable way.

D. Simplified Certificate of Origin Confirmation for Agricultural, Livestock, Fishery Products and Traditional Foods

■ Concept

- For agricultural, livestock, fishery products, and traditional foods like Kimchi, the country of origin can be confirmed with any of the following: Certificate of Agricultural Product Traceability Management Registration, Certificate of Fishery Product Traceability Management Registration and Quality Certificate for Traditional Food.

■ Effect

- The program simplifies the origin certification procedure for the businesses of agricultural, livestock, fishery products, and traditional foods which have difficulties in proving the country of origin due to lots of documents required. The program is expected to increase FTA utilization rates.

E. Simplified Issuance of Certificate of Origin

■ Concept

- For certain articles of which country of origin can be determined with ease, it becomes easier to obtain a certificate of origin.

■ Effect

- A certificate of origin for general goods requires a number of documents to be submitted, whereas only the Origin Verification Questionnaire and the Declaration of Inward Processing are required when a certificate of origin is issued for articles subject to the program of Simplified Issuance. It is also possible to fill out a Declaration of Inward Processing in a simplified way.

F. Declaration of Inward Processing

■ Concept

- Those which produce and supply materials, when requested by a producer or exporter using them in production, can confirm that the materials have been produced domestically.

■ Effect

- This program compensates for such cases where a Declaration of Origin cannot be issued and makes it easier to verify the accumulation of production processes in Korea. Consequently, the program makes it simpler to meet the rules of origin.

CHAPTER

06



Conclusion

Chapter

6

Conclusion

As shown below, this chapter classifies the difficulties in using the KVFTA, which have been identified by research stage, and presents solutions to the difficulties by dividing the solutions into those of government level and enterprise level.

Table 42. Conclusion of Research

Research Stage	Difficulty in Using the KVFTA	Solutions	
		Government Level	Enterprise Level
Survey on Current Status	<ul style="list-style-type: none"> Required to directly visit a C/O issuing office to submit documents 	<ul style="list-style-type: none"> Introduction of Electronic C/O Issuance System 	<ul style="list-style-type: none"> Understanding of Online C/O Issuance Procedure
	<ul style="list-style-type: none"> Lack of C/O issuing offices 	<ul style="list-style-type: none"> Increase of C/O Issuing Offices 	<ul style="list-style-type: none"> Utilization of Agency Specialized in C/O Issuance
	<ul style="list-style-type: none"> Difficult to find tariff rates of destination countries for exports 	<ul style="list-style-type: none"> Building a Database that Provides Information on Tariff Rates on Exports Operating a Website that Provides Information on Tariff Rates on Exports 	<ul style="list-style-type: none"> Close Cooperation with Trading Country
	<ul style="list-style-type: none"> Different HS code systems between exporters and importers 	<ul style="list-style-type: none"> Provision of Guidelines on C/O-Related Work Procedures Promotion of C/O-Related Regulations 	<ul style="list-style-type: none"> Understanding of FTA-Related Laws and Regulations Placement of Responsible Personnel
Consultation	<ul style="list-style-type: none"> Origin determination made by hand 	<ul style="list-style-type: none"> Review of Measures to Introduce Origin Management System 	<ul style="list-style-type: none"> Use of Origin Management System Publication of Work Manuals
	<ul style="list-style-type: none"> Origin-related documents keeping 		

Table 42. Continued

Research Stage	Difficulty in Using the KVFTA	Solutions	
		Government Level	Enterprise Level
Analysis of Legislation and Programs	<ul style="list-style-type: none"> Absence of Standards Act for FTAs 	<ul style="list-style-type: none"> Reviewing or Introducing FTA-Related Legislation of Other Countries 	<ul style="list-style-type: none"> Understanding of FTA-Related Laws and Regulations Placement of Responsible Personnel
	<ul style="list-style-type: none"> Shortage of FTA-related programs 	<ul style="list-style-type: none"> Reviewing Measures to Introduce FTA-Related Programs 	<ul style="list-style-type: none"> Understanding of FTA-Related Supports

1. Comparison of FTA Utilization Environment Between Companies of Korea and Viet Nam

Table 43. Comparison of FTA Utilization Environment Between Companies of Korea and Viet Nam

Category	Korea	Viet Nam
FTA Effectuation Status	<ul style="list-style-type: none"> 15 FTAs (Vietnam, Europe, U.S, ASEAN, China, etc.) 	<ul style="list-style-type: none"> 10 FTAs (Korea, ASEAN, China, Japan, etc.)
Method of C/O Issuance	<ul style="list-style-type: none"> Issued by agencies or autonomously 	<ul style="list-style-type: none"> Issued by agencies
Issuing Agencies	<ul style="list-style-type: none"> Customhouse / Chamber of Commerce (electronic request and issuance) 	<ul style="list-style-type: none"> MOIT (electronic request and issuance upon visit)
Origin Management Body	<ul style="list-style-type: none"> Internal and external experts of companies 	<ul style="list-style-type: none"> Managed internally within companies
Origin Management Method	<ul style="list-style-type: none"> Primarily based on the origin management system 	<ul style="list-style-type: none"> Primarily managed by employees in charge
Origin Verification Experience	<ul style="list-style-type: none"> Many origin verifications with EU, U.S, etc. 	<ul style="list-style-type: none"> Undisclosed
Key Point of Origin Management	<ul style="list-style-type: none"> HS code, partner origin verification, BOM, material price, sales price management, etc. 	<p>[Reinforcement of competency for FTA utilization of companies]</p>
FTA Incentives During Import	<ul style="list-style-type: none"> Application of FTA upon importation 	<ul style="list-style-type: none"> Low FTA incentives when importing EPE and tariff suspension articles
FTA Post-Application (Refund)	<ul style="list-style-type: none"> 1 year for all FTAs 	<ul style="list-style-type: none"> 1 year only for the K-V FTA and 30 days for other FTAs (however, advanced reporting is required upon importation)
Simplified FTA Issuance System	<ul style="list-style-type: none"> Origin verified exporter, simplified C/O issuance, etc. 	<p>[Reinforcement of competency for FTA utilization of government]</p>

■ FTA Effectuation Status

- Korea has currently signed 15 FTAs including the FTA with Viet Nam, and Viet Nam has 10 FTAs including the FTA with Korea.

■ Method of C/O Issuance

- There are two methods of issuing C/O, namely autonomous issuance and agency issuance. Whereas Korea is using both methods depending on the FTA, Viet Nam has adopted agency issuance in all of its FTAs.

■ Issuing Agencies

- In Korea, Customhouse or Chamber of Commerce issues C/O. In Viet Nam, the Ministry of Industry and Trade (MOIT) issues C/O.

■ Origin Management Body

- Korea primarily manages origin by appointing persons in charge of origin management for internal management of companies or entrusting to external experts. Viet Nam primarily manages origin by internal management of companies.

■ Origin Management Method

- Whereas many Korean companies handle origin management using the origin management system or computer, Viet Nam mostly manages origin by handwriting.

■ Key Point of Origin Management

- Korea primarily performs origin management by focusing on basic data for determining origin such as HS code, BOM (Bill of Materials), raw material cost and sales price and response to origin verification. This is a method of reinforcing competency for FTA utilization on the corporate level. Companies of Viet Nam must also manage origin by focusing on these items.

■ FTA Incentives During Import

- Whereas Korea applies the FTA to raw materials being exported, Viet Nam suspends the import tariff in the cases of EPE (Export Processing Enterprise) and tariff suspension articles. There are many companies of Viet Nam that do not utilize the FTA.

■ FTA Post-Application (Refund)

- In Korea, the FTA can be applied afterward within 1 year from the import declaration date if the FTA tariff rate had not been applied upon import declaration. The tariff corresponding to the difference between the basic tariff rate and FTA tariff rate is refunded. On the contrary, Viet Nam explicitly regulates that the FTA can be applied afterward for 1 year from the import declaration date, only in the K-V FTA. Viet Nam only allows post-application for 30 days in other FTAs.

■ Simplified FTA Issuance System

- As introduced earlier in the FTA system of Korea, Korea has various systems related to the FTA such as the origin verified exporter system and simplified C/O issuance. This is the method of reinforcing competency for FTA utilization on the government level, so the government of Viet Nam needs to place efforts into this area.

2. Government's Direction to Reinforce Competency for FTA Utilization

■ Introduction of Electronic C/O Issuance System

- In Viet Nam, a business can apply for issuance of a certificate of origin online (ECOSYS) but the final stage of issuance is completed by the applicant's visit to the office. The procedure for certificate issuance has not been totally computerized yet.
- This situation, compared to a 100% computerized procedure, can lead to difficulties such as the travel time to a certificate-issuing office, the time

necessary to obtain and submit required documents, unnecessary labor costs for document submission, and risk of document forgery or loss.

- In particular, the ECOSYS of the Ministry of Industry and Trade (MOIT) added a new uploading function in the certificate issuance procedure in 2015, so documents can be submitted online for the EAEV, VC, and ASEAN FTAs. Companies, however, still have to visit an issuing office to submit documents for certificate issuance under the other FTAs concluded by Viet Nam, including KVFTA and KAFTA. If online uploading of documents is expanded to include all the other FTAs, then paper works will be minimized, maximizing the efficiency of work.
- In addition, it is thought that an electronic system to issue certificates of origin, if introduced in Viet Nam, will not only increase FTA utilization rates by improving exporter's convenience but also enhance the work efficiency of government agencies.

■ Increase of C/O Issuing Offices

- To obtain a certificate of origin in Viet Nam, it is required to visit a local office of the MOIT or Viet Nam Chamber of Commerce and Industry (VCCI).
- But, there is a shortage of local issuing offices, and furthermore, the information on such offices is not sufficient, which has caused companies a lot of inconveniences.
- Companies in some regions have low access to an issuing office, spending much time in obtaining a certificate of origin.
- The government of Viet Nam, thus, needs to formulate measures to increase issuing offices by for example, investigating all the offices and maintaining a database of them.
- Considering the issues on labor force and costs arising out of the increase of issuing offices, the government has to review such alternatives as an electronic certificate issuance system.

■ Building a Database and Operating a Website that Provides Information on Tariff Rates on Exports

- The websites operated by the Customs Offices of FTA contracting countries have provided information on tariff rates, but they have low accessibility from a user's point of view and have failed to provide a concrete route for users to find the tariff rates of the destination countries for exports.
- There should be efforts to support export at government level, such as building a database or operating a website that provides information on tariff rates of major destination countries for exports.

■ Necessity to Supply Guidelines on C/O-Related Work Procedures and Promote Related Regulations

- Such issues as different HS code systems between countries may delay the issuance of a certificate of origin or customs clearance. It will be necessary to supply guidelines on solutions to major difficulties companies have in obtaining certificates of origin and to promote the relevant regulations.

■ Review of Measures to Introduce Origin Management System

- Most of the procedures regarding certificates of origin, such as origin determination and certificate issuance, have been carried out by hand, which may result in incorrect or unreliable origin determination and increase a risk of penalties at post-clearance verification.
- Origin determination needs to be systematized so as to reduce possible errors in the determination and increase its accuracy, which will, in turn, lead to a decreased risk of penalties.
- By systematizing such procedures, companies also can reduce the time and cost required for origin determination, compared to the procedures made by hand.

■ Reviewing or Introducing FTA-Related Legislation of Other Countries

- The FTA-related legislation of Viet Nam is currently composed of acts and subordinate statutes scattered by FTA, so companies using an FTA tend to have low accessibility to them. It is, thus, necessary to review the legislation systems concerning FTAs of other countries in which the FTA utilization rates are high, and to examine the ways to introduce suitable systems.
- With FTAs in effect increasing over time, it is inevitable to establish a Standards Act applicable to all FTAs. If an Act is to be formulated every time a new agreement is concluded, a country cannot but rely on an agreement presented by the other contracting party due to an absence of the framework for FTAs and will lose the initiative in negotiations to the other party.
- In Viet Nam, it is imperative to include the generals of FTAs in the domestic legislation system, like the Act on Special Cases of Korea, and to enact a Framework Act concerning the implementation of future FTAs to be effectuated.
- In addition, Viet Nam has to conduct a thorough review of the systems regulated in other countries to increase FTA utilization rates. For example, a company, if wishing to be granted preferential tariff rates on imports, is required to submit original documents, whereas Korea and the United States legally allow copies to be submitted. This can be a measure to support exporters and importers by preventing customs clearance from being delayed, which may result in corporate loss.

■ Reviewing Measures to Introduce Programs to Reinforce Competency for FTA Utilization

- Considering the circumstances of Viet Nam, the government is required to review the feasibility of the advanced programs of other countries to reinforce the competency for FTA utilization, such as Declaration of Origin and Approved Exporters, and those programs, if found to be feasible, have to be set forth legally.

3. Enterprises' Direction to Reinforce Competency for FTA Utilization

A. Analysis of Factors Hindering FTA Utilization of Vietnamese Companies

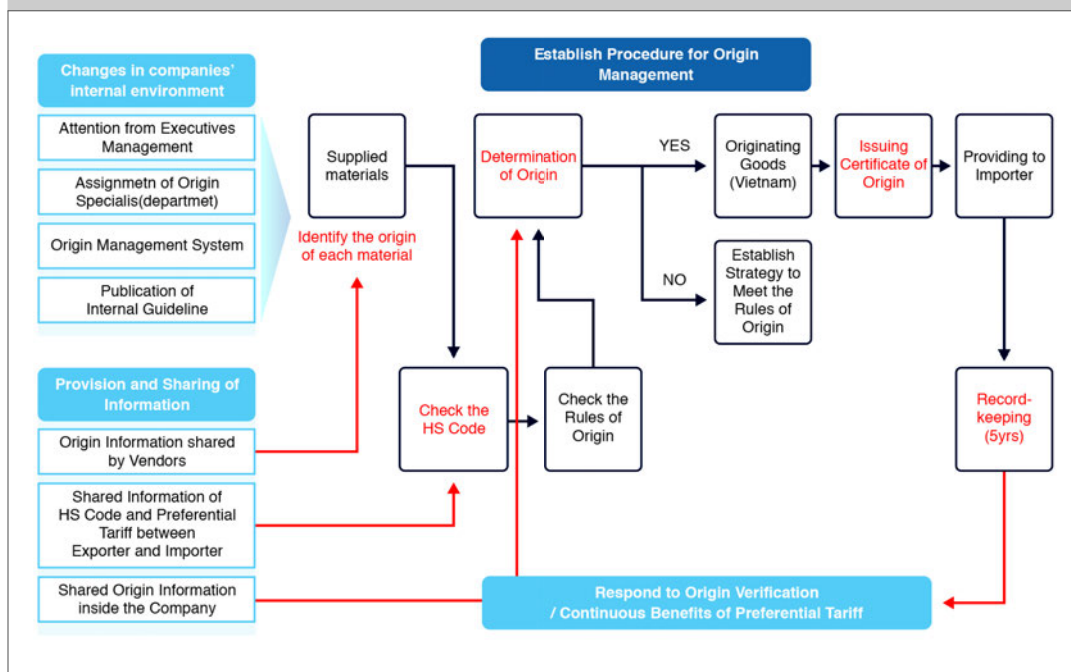
■ Lack of Information and Knowledge About the FTA

- The general lack of information and knowledge about the FTA is a factor hindering FTA utilization. Especially, despite the willingness to utilize the FTA, companies have somewhat limited accessibility to information and knowledge about the FTA such as the method of utilizing the FTA.

■ Lack of Awareness About Necessity of FTA Utilization

- The lack of awareness about the necessity of FTA utilization caused by the lack of information and knowledge of companies about tariff benefits and preferential tariff rates is also a factor inhibiting FTA utilization.

Figure 38. Environment to Reinforce Competency of Vietnamese Companies



■ Lack of Benefits Compared to Costs of FTA Utilization

- There may be companies that give up on FTA utilization if benefits from the FTA are inadequate compared to time and cost required for FTA utilization.

■ Concern for External Disclosure of Internal Information

- Since FTA utilization sometimes requires sensitive data of companies that correspond to business secrets such as of BOM (Bill of Materials), the concern for external disclosure of internal information may act as a factor hindering FTA utilization.

■ No Internal or External Environment of Companies to Utilize FTA

- For effective FTA utilization, it is necessary to establish internal environment of companies to conduct origin management education and prepare work manual for origin management, as well as external environment of the government to introduce systems related to origin management.

B. Tasks to Reinforce Competency for Utilization (11 Tasks)

■ Attention and Willingness of Managers

- To improve the environment for FTA utilization, it is necessary to enhance attention, willingness and awareness of both hands-on workers and managers in charge of the FTA.

■ Appointment of Persons (Departments) for Origin Management

- Especially, since the FTA requires professional knowledge, it would be necessary to appoint persons or departments exclusively in charge of origin management.

■ Utilization of Origin Management System

- For more efficient FTA utilization, it is necessary to consider the method of changing the current origin management system based on handwriting.

■ Preparation of Work Manual of Companies

- Most of Vietnamese companies do not have an FTA work manual prepared. This can cause a serious problem in handling the FTA when the person in charge of the FTA is absent. This needs to be prevented in advance by preparing an FTA work manual appropriate for individual companies.

■ Knowledge of Persons in Charge About Origin Management

- The handling of the FTA does not always occur on a daily basis. Since different FTAs apply different regulations, it is necessary to increase the level of FTA knowledge of persons in charge of origin management by conducting periodic education on the FTA.

■ Management of HS Code of Products and Raw Materials

- Since HS code is the most basic information needed to determine origin, each company not only needs to manage HS code of products manufactured but also manage HS code of raw materials used to manufacture products.

■ Management of Raw Material Origin and Expense

- To determine origin of a final product manufactured, origin and expense of each raw material used to manufacture the product must be managed accurately.

■ Storage and Management of Origin Verification Documents

- To prepare for FTA post-verification, exporters and importers are obliged to store origin verification documents for 5 years. Each company must store and manage origin verification documents.

■ Sharing of Origin Information Within Company

- Since the FTA often requires company-wide cooperation of production, accounting, procurement, etc., origin information needs to be shared smoothly among different departments.

■ Sharing of Origin Information Between Partner and Exporter

- For consistent determination of origin, origin information of raw materials supplied by partners needs to be managed. This means that partners and exporters must constantly share origin information.

■ Sharing of HS Code and Tariff Benefit Information Among Exporters and Importers

- Exporters issuing C/O and importers receiving direct tariff benefits via C/O need to cooperate closely. For proper FTA utilization, exporters and importers must communicate actively by checking HS codes and tariff rates for articles exported previously.

C. Method of Reinforcing Competency for Utilization

■ Education of Companies on FTA Origin Management

- To reinforce competency for FTA utilization, companies must conduct periodic education on basic legislations and regulations related to FTA utilization, online C/O request process, etc.

■ Review of Introduction of Origin Management Work Manual and System

- For efficient handling of the FTA, individual companies need to prepare and utilize a specialized FTA work manual of each company. They also need to review introduction of the origin management system by analyzing advantages of the system such as prevention of errors in the origin determination results that may occur from manual origin determination, ease of storage of origin verification documents, ease of management of origin determination history, etc.

■ Utilization of External Experts

- Considering time and labor required to handle the FTA, it can be more efficient for a company to utilize external experts than to handle the FTA internally. Each company may consider utilizing external experts or professional agency

exclusive in charge of origin management.

- Especially, according to the K-V FTA, companies are required to visit a C/O issuing agency and submit the origin verification document in order to issue a C/O in Viet Nam. They must wait for about 2 hours after submission of the document. Significant time is taken to fill out the C/O request form and submit the document. To maximize work efficiency, entrusting a portion of the work (e.g. use of a professional agency that submits C/O data on behalf of the company) to a professional agency can be a method of reinforcing competency for FTA utilization.

■ Preparation of HS Code Master for Products and Raw Materials Handled

- It is essential to manage HS codes for products and raw materials to ensure origin management. Each company may create and utilize an HS code master for systematic management of HS code.

■ Mutual HS Code Verification Between Foreign Buyer and Domestic Supplier

- Prior to export or import, companies can closely cooperate with the buyer to mutually verify HS code of the transacted article and check the tariff rates of the target nation in advance, confirming benefits of FTA utilization. It is necessary to prevent possible problems from differences in HS code between the two countries, such as delay of customs clearance, etc.

■ Basic Information for Origin Management of Exported Articles – Management of Production Information

- Since origin determination in the FTA premises that the article subject to origin determination must be produced in the country that signed the FTA, it is essential to manage information about production and manufacture.

■ Basic Information for Origin Management of Exported Articles – Management of Purchase and Sales Information

- Since origin determination in the FTA requires information about overall flow of the article until it is manufactured, it is necessary to manage general information including warehousing history after purchase of raw materials, inventory management and sales of final products.

■ Basic Information for Origin Management of Exported Articles – Management of Price Information

- Companies are required to internally manage prices of articles such as purchasing prices of raw materials and sales prices of exported (supplied) articles, which are essentially required for origin determination (e.g. standard for added value).

■ Preparation of Method of Origin Management for Articles Supplied by Domestic Suppliers

- Since the outcome of origin determination for a product can differ according to the origins of the raw materials used to make the product, it is not only necessary to manage the origin of the product but also to manage the origins of raw materials supplied by domestic suppliers.



■ Preparation of Periodic Origin Management Inspection Process

- After issuance of C/O and application of the FTA tariff rate, follow-up management measures such as document storage for post-verification of the origin are required. Companies need to inspect origin management status periodically. To do so, companies must establish an internal origin management inspection process.

Appendix

1. Content of Survey on Current Status

■ Government Agency

Visiting Vietnamese government Agency		
Purpose of visit	<ol style="list-style-type: none"> 1. Identify the status of Vietnam-ASEAN / Korea-Vietnam FTA utilization 2. Identify the current FTA-related laws and regulations 3. Identify differences in the issuance of non-preferential C / O for preferential FTA C / O purposes 	
Visiting Organizations	<p>Vietnam Customs Service, Vietnam VCCI, Vietnam Ministry of Industry and Trade (MOIT)</p>	
		
Meeting contents	<ul style="list-style-type: none"> • General information about companies in Vietnam • Identifying the difficulties that Vietnamese companies face in using the FTA, especially the KVFTA or the KAFTA. • Request information about FTA utilization rate <ul style="list-style-type: none"> - Percentage of C / O Issuance / Amount compared to Total Export Credits / Amount - Percentage of Form AK / VK issued to Korea - Percentage of total imports / amount / amount of tax rate applied - Number of FTA Customs Tariffs Applied to Korea • Confirmation of system and support program to be introduced in relation to issue of C / O • Identify the key factors that deny coverage tax rates <ul style="list-style-type: none"> - Request for information on C / O issuance rejection or rejection of agreement tax rate 	

■ Vietnamese companies and local companies

○ Northern Vietnam [Hanoi] Company

Company name	Garco 10 Corporation		
Main item	Jacket, shirt	division	Vietnamese companies
Export & Import Status	(Major exporting countries) USA, Europe		
	(Major importing countries) Fabric import from China, Korea, etc.		
Company Status and FTA application procedure	<ul style="list-style-type: none"> As a processing company, it is subject to the tariff when importing raw materials for export. For export, C/O issuance according to the exporting country <ul style="list-style-type: none"> 100 % Form VK issued for export to Korea Determination of HS Code of export goods and issuance of C/O based on existing C / O that is issued / kept <ul style="list-style-type: none"> It is confirmed that there is a dedicated manpower for C/O issuance but the decision of origin is made by hand 		
Errors in using FTA	<ul style="list-style-type: none"> If the FTA is concluded with a new country, there is a lack of relevant information, which makes it difficult for companies to utilize the FTA at an early stage. If the HS code of the importing country and the exporting country are different, there is difficulty because there is no precise instructions 		
Proposed contents of Vietnamese government agency	<ul style="list-style-type: none"> Information on export tariff rates Establishment of online system for the determination of origin and document management 		

Company name	KIEUN TRADING		
Main item	Men's underwear	division	Korean companies
Export & Import Status	(Major exporting countries) Korea (50%), USA		
	(Major importing country) All raw materials Imported from Korea		
Company Status and FTA application procedure	<ul style="list-style-type: none"> • As a processing company, it is subject to the tariff when importing raw materials for export. • For export, C/O issuance according to the exporting country <ul style="list-style-type: none"> - Form VK issued when exporting to Korea - MOIT recommended Form VK to be issued. • After applying for C/O through online <ul style="list-style-type: none"> - Submitting related documents such as C/O application, export declaration, shipping documents (Invoice, B/L, P/L) and Consumption File directly to C/O issuance office 		
Errors in using FTA	<ul style="list-style-type: none"> • Cost and time of issuing C/O <ul style="list-style-type: none"> - It takes about one day from application to issue - The accessibility of C/O issuance office is low, so the submission documents are entrusted to agency. 		

Company name	DEAYANG GARMENT		
Main items	Men's and women's sports apparel	Division	Korean company
Export & Import Status	(Major exporting countries) Korea (100%)		
	(Major importing countries) Korea (80%), China (20%) Fabric import		
Company Status and FTA application procedure	<ul style="list-style-type: none"> As a processing company, it is subject to the tariff when importing raw materials for export. Issuing Form VK for export to Korea <ul style="list-style-type: none"> Upon request of Korean buyer After applying for C/O through online <ul style="list-style-type: none"> Submitting related documents such as C/O application, export declaration, shipping documents (Invoice, B/L, P/L) and Consumption File directly to C/O issuance office 		
Errors in using FTA	<ul style="list-style-type: none"> C/O Issuance Time and Cost <ul style="list-style-type: none"> It takes about one day from application to issue The accessibility of C/O issuance office is low, so the submission documents are entrusted to agency. 		
Vietnamese government agency suggestion contents	<ul style="list-style-type: none"> Increase the number of C / O issuing offices to reduce the time and cost burden. 		

Company name	Hyundai Thanh Cong Vietnam Jsc.								
Main items	Automotive & Auto Parts			Division		Vietnamese companies			
Export & Import Status	(Major exporting country) No exports, full supply to Vietnam								
	(Major importing countries) Import of automobile parts from Korea and China								
Company Status and FTA application procedure	<ul style="list-style-type: none">Imports automobile parts, manufactures finished cars (CKD) at local factories, imports finished cars (CBU) and sells them to domestic market in VietnamNot using FTA<ul style="list-style-type: none">The reason why the FTA agreement tax rate is not applied is that the difference in tax rate between the MFN tax rate and the negotiated tax rate of imported parts is not large or there is not much profit because there are many long-term items.Check HS codes for automobiles and auto parts every year and compose tax comparison table<ul style="list-style-type: none">Analyze cost and benefit when applying FTA and decide whether to apply FTA								
	*: Applied WTO tax rate								
	Type of vehicle			HS code	MFN	AKFTA		VKFTA	
					2016	2017	2018	2017	2018
	Passenger vehicle	Gas engine	Cylinder capacity not exceeding 1,000 cc	8703.21.99	70%	*	*	78%	78%
			Cylinder capacity exceeding 1,000 cc but not exceeding 1,500 cc	8703.22.99	70%	*	*	78%	78%
			Cylinder capacity exceeding 1,500 cc but not exceeding 3,000 cc	8703.23.91	70%	*	*	78%	78%
				8703.23.92					
				8703.23.93	8703.23.94	61%			74%
		Cylinder capacity exceeding 3,000 cc	8703.24.99	61%	*	*	74%	74%	
Diesel engine		Cylinder Capacity not exceeding 1,500 cc	8703.31.99	70%	*	*	78%	78%	
		Cylinder capacity exceeding 1,500 cc but not exceeding 2,000 cc	8703.32.99	70%	*	*	78%	78%	
		Cylinder capacity exceeding 2,500 cc	8703.33.99	70%	*	*	78%	78%	

Company name	ABK VINA Logistics		
Main items	Forwarding Service (Variety of clothing, agricultural products, etc.)	Division	Korean company
Export & Import Status	(Major exporting countries) Korea, Japan, etc.		
Company Status and FTA application procedure	<ul style="list-style-type: none"> • It is a forwarding company handling various goods such as clothing and agricultural products. It receives all the documents necessary for C/O issuance from the shippers and performs a series of processes from online application to C/O issuance. • When exporting to Korea, Form VK is mainly issued <ul style="list-style-type: none"> - It is in accordance with the requirements of Korean buyers. Form AK was used before the VK FTA came into effect. • Receive C/O issuance online and visit C/O issuance office to receive C/O <ul style="list-style-type: none"> - C/O Issuing Office requires a minimum of 2 to 4 hours of waiting time for C/O issuance • After the issuance of the C / O, all related documents are delivered to the shippers, so there is no responsibility for document keeping. • Visit MOIT office to issue C / O <ul style="list-style-type: none"> - To check the specific procedure, accompanied by the C / O issuer of the vendor, visit the MOIT office to issue the C / O 		

Company name	Kefico		
Main items	Automotive Parts	Division	Korean companies
Export & Import Status	(Major exporting countries) Korea (100%)		
	(Major importing countries) Raw material imports from Korea (28%), USA (40%), Europe and Asia		
Company Status and FTA application procedure	<ul style="list-style-type: none"> • EP company manufacturing autoparts and exporting to Korea • Form AK issued to Korea - Form AK is being utilized to apply the cumulative standard of ASEAN country raw materials 		
Proposed contents of Vietnamese government agency	<ul style="list-style-type: none"> • C/O issuance as well as C/O issuance all online 		

Company name	Ha Noi Trade Corporation (Hapro)		
Main items	Hand Grab Products	division	Vietnamese company
Export & Import Status	(Major exporting countries) Exports to over 70 countries including Korea		
	(Major importing countries) imports from various countries including Korea		
Company Status and FTA application procedure	<ul style="list-style-type: none"> • Hapro is a border enterprise with 22 affiliates and 5,000 employees of Hanoi people, mainly producing handgrap products, selling or exporting • Korea-FTA FTA when importing goods from Korea • Form VK and Form AK are used for export. - We are dealing with items with little difference between VK and AK FTA agreement rates, and are issuing C / O in the form requested by the buyer without any discrimination. 		
Proposed contents of Vietnamese government agency	<ul style="list-style-type: none"> • C/O issuance as well as C/O issuance all online 		

Company name	Hi-tech Hanoi Co., Ltd.		
Main item	Epoxy, UV adhesive	Divisions	Korean Company
Export & Import Status	Local delivery to Vietnam EPE Company (major exporting countries) and no export		
	(Major Importers) Korea (100 %)		
Company status and Process for using FTA	<ul style="list-style-type: none"> • Vietnamese EPE Company has purchased goods from its headquarters in Korea to clear the country. The company has imported some of the adhesive for a small sale with the EPE maintenance and Non-ATE supplier. • Use of the Aslan FTA when importing some of the glue <ul style="list-style-type: none"> - Conventional tax rate of zero percent - Vietnam Customs recommends using VK FTA 		
Errors using FTA	<ul style="list-style-type: none"> • Delayed import clearance when applying agreement tax rate <ul style="list-style-type: none"> - The C/O copy is not accepted and the original C/O must be submitted directly after it is sent from Korea, so import customs clearance is often delayed. 		
Proposed contents of Vietnamese government agency	<ul style="list-style-type: none"> • Provide related training and 1: 1 consulting when applying for the first FTA 		

Company name	Samwon International Co., Ltd.		
Main item	Frozen mango, pineapple, etc.	division	Korean company
Export & Import Status	(Major exporting countries) Korea (100%)		
	(Major importing countries) Korea (100%)		
Company Status and FTA application procedure	<ul style="list-style-type: none"> • Mango and pineapple produced in Vietnam are frozen and exported directly to Korea. In addition, some items such as apples and pears are imported from Korea and sold in Vietnam. • Form VK 100% issued to Korea 		
Errors using FTA	<ul style="list-style-type: none"> • Difficulty in classifying product items <ul style="list-style-type: none"> - Difficult to determine HS Code for mixed agricultural and marine products - The HS Code is determined by inquiring to the Korea Customs Service or the Customs Customs at the time of customs clearance • There is no precise guidance on how to process if the HS Code differs between the importing and exporting countries 		
Proposed contents of Vietnamese government agency	<ul style="list-style-type: none"> • Overall publicity, education and support related to FTA utilization 		

○ Southern Vietnam [Ho Chi Minh] Company

Company name	Tropical Fruit Co., Ltd.		
Main item	Tropical fruits such as dragon and coconut	Division	Vietnamese company
Export & Import Status	(Major exporting countries) EU, Australia, Korea etc.		
Company Status and FTA application procedure	<ul style="list-style-type: none"> • A contract with a farm that directly grows tropical fruits, and then imports and exports fruits to the farm • Form AK issued to Korea in 2015 <ul style="list-style-type: none"> - Form AK issued before the VK FTA takes effect • The time required for C/O issuance usually takes about 8 hours. • C/O application, export declaration, shipping documents (invoice, B/L, P/L) • In MOIT, we went directly to the farm to verify that we are actually growing fruit. 		

Company name	CAN Chemical Co., Ltd.		
Main item	PE foam, laser, electronic accessories	Division	Korean company
Export & Import Status	(Major exporting countries) Most exported to Vietnam, some exported to Korea (Major importing country) Some raw materials are imported from Korea, mostly local procurement		
Company Status and FTA application procedure	<ul style="list-style-type: none"> • Use VK / AK Form when exporting to Korea • Some raw materials are imported from Korea, but the agreement tax rate is not applied 		

Company name	Seaprimexco Vietnam		
Main item	shrimp	Division	Vietnamese company
Export & Import Status	(Major exporting countries) Korea (20-25%), USA, Canada, etc.		
	(Major importer) Imported tempura, sauce, etc. from Thailand		
Company Status and FTA application procedure	<ul style="list-style-type: none"> • (Major importer) Imported tempura, sauce, etc. from Thailand • Form AK issued to Korea <ul style="list-style-type: none"> - Form AK issued upon request of Korean buyers • We have been verifying that the shrimp was purchased in Vietnam about once a year, but there was no problem in verification 		
Proposed contents of Vietnamese government agency	<ul style="list-style-type: none"> • C/O issuance as well as C/O issuance all online 		

Company name	Dien Quang Lamp Jcs.		
Main item	Lighting equipment such as lamps	division	Vietnamese company
Export & Import Status	(Major exporting countries) Cuban, Brazil and export to about 30 countries (Korea has a history of export in the past)		
	(Major importing countries) Raw materials import from Korea, Taiwan, China and Japan		
Company Status and FTA application procedure	<ul style="list-style-type: none"> • Form AK issued when exporting to Korea • We have been verifying that the shrimp was purchased in Vietnam about once a year, but there was no problem in verification 		
Proposed contents of Vietnamese government agency	<ul style="list-style-type: none"> • Establishment of a website for checking the import tax rate of the partner country 		

Company name	Thao Hein Co., Ltd.		
Main item	Frozen shrimp, sea squirt, etc.	Division	Vietnamese company
Export & Import Status	(Major exporting countries) Most of agricultural and marine products are exported to Korea		
Company Status and FTA application procedure	<ul style="list-style-type: none"> • The agricultural and marine products are directly grown / produced or purchased locally, processed and exported directly, and other products are exported • 100% FTA is applied for goods that are directly exported except for export agency • Form VK for agricultural products and Form AK for marine products. <ul style="list-style-type: none"> - Depending on the needs of Korean buyers (with more tax benefits) • Receive C / O issuance online, visit C / O issuance office directly, submit documents and receive C / O <ul style="list-style-type: none"> - In case of agricultural and marine products, C / O can be issued with export declaration form, shipping documents (invoice, B / L, P / L), confirmation of purchase and receipt • There is no issuance fee, but there is a cost to purchase Form AK / VK • Related documents are kept for 5 years 		

- ☐ ASEAN-Korea FTA + Vietnam-Korea FTA → Skip Question 5
- ☐ Other FTAs (e.g. ASEAN-China FTA, ASEAN FTA) → Skip Question 5
5. What is the reason for your company to utilize ASEAN-Korea FTA instead of Korea-Viet Nam FTA?
- ☐ Low margins of preference on Vietnam-Korea FTA
- ☐ Could not perceive that Vietnam-Korea FTA has entered into force
- ☐ Lack of information on Vietnam-Korea FTA
- ☐ No problem with current status utilizing ASEAN-Korea FTA
- ☐ Others ()
6. What is the biggest difficulties to utilize FTA when exporting goods, i.e., when applying for Certificate of Origin? (select all that apply)
- ☐ Lack of understanding of PSR and classification
- ☐ Difficulties of classification according to rules of origin
- ☐ Too many proofs and documents for origin required
(including management and verification of origin)
- ☐ Concerning about confidentiality outflow
- ☐ Cost burden of origin management, including staffing costs
- ☐ Others: ()
7. What is the biggest difficulties to utilize FTA when importing goods, i.e., when claiming preferential tariff treatment? (select all that apply)
- ☐ Difficulties getting the Certificate of Origin from exporters in Korea
- ☐ Burden on verification of origin
- ☐ Customs clearance problems when claiming preferential tariff treatment
(e.g. clearance delay)
- ☐ Too many proofs and documents for preferential tariff treatment required by
Vietnamese /Korean Customs
- ☐ Others: ()
8. Which of the following FTA issues have you experienced? (select all that apply)
- ☐ Difference in HS Code between two parties of an FTA

- [] Exporters not willing to issue Certificate of Origin
- [] Clearance delay due to claiming preferential tariff treatment
- [] Requirements regarding to effective Certificate of Origin (e.g. denial of issuance due to typo, simple errors)
- [] Request of post verification by Vietnamese Customs
- [] Others : ()

9. What is the main reason for your company not to utilize FTA? (select all that apply)

- [] Lack of information on FTA
- [] No incentives (e.g. margin of preference too small, small trading volume, other preferential schemes etc.)
- [] Cannot meet the Rules of Origin requirement for using FTA
- [] Relatively high cost of origin management
- [] Lack of professional manpower
- [] Others: ()

10. Where do you get information and understandings regarding Korea-Viet Nam FTA?

- [] From government authorities of Viet Nam (please specify the name(s):
())
- [] From associations (please specify the name(s): ())
- [] From Korean partners
- [] Other: ()

11. Do you get any support from government authorities?

- [] No
- [] Yes (Please specify the name of the organization(s): ())
- (Please rate your satisfaction level from 1(lowest) to 5(highest): ())

12. What kind of assistance do you expect to get from government authorities of Vietnam?

- [] To provide information on preferential treatment of VKFTA
- [] To provide support in import export procedures

(origin verification, C/O issuance etc.)

[] To provide market access opportunities

[] Other: ()

2. Checklist for Second In-Depth Interview

Remarks

A Further in-depth interview was conducted with the companies that had responded to the 1st online survey. A checklist for an in-depth interview as following below was drawn up for the answers each of the companies had selected in questionnaire of 1st survey.

Checklist

① Regarding to Questionnaire #2

- Transaction Type

Answers in 1st Survey	Checklist in 2nd In-Depth Interview
For exporting directly to Korea	-
For exporting directly to countries other than Korea	-
For supplying to exporting companies which export to Korea	-
For supplying to exporting companies which export to countries other than Korea	-
For supplying to domestic demand in Vietnam	-
No response	Which of the following types of products does your company produce?

② Regarding to Questionnaire #4
- Type of FTA Utilizing

Answers in 1st Survey	Checklist in 2nd In-Depth Interview
ASEAN-Korea FTA	What is the reason for your company to utilize ASEAN-Korea FTA instead of Viet Nam-Korea FTA?
Vietnam-Korea FTA	What is the reason for your company to utilize Only Viet Nam-Korea FTA?
ASEAN-Korea FTA + Vietnam-Korea FTA	What is the reason for your company to utilize both ASEAN-Korea FTA and Viet Nam-Korea FTA?
Other FTAs (e.g. ASEAN-China FTA, ASEAN FTA)	1. Which FTA does your company to utilize? 2. Does your company utilize other FTAs as well as VK FTA or AK FTA?

③ Regarding to Questionnaire #5
- (only to companies utilizing ASEAN-Korea FTA) Reason for Utilizing ASEAN-Korea FTA

Answers in 1st Survey	Checklist in 2nd In-Depth Interview
Low margins of preference on Vietnam-Korea FTA	-
Could not perceive that Vietnam-Korea FTA has entered into force	-
Lack of information on Vietnam-Korea FTA	-
No problem with current status utilizing ASEAN-Korea FTA	1. Does your company analyze the benefits of utilization of ASEAN-KR FTA? (if yes) What are the effects of using the ASEAN-KR FTA? (please select one answer) - No clear effect so far - Increase in sales but no change in profit - Increase in sales and in profit
	2. Does your company compare and analyze the effects of ASEAN-KR and Viet Nam-KR FTA? (if yes) (1) Preferential rates with AK and VK FTA is low? (2) Are there any other advantages in utilizing AK FTA?

④ Regarding to Questionnaire #6

- Difficulties to Utilize FTA when Exporting Goods

Answers in 1st Survey	Checklist in 2nd In-Depth Interview
Lack of understanding of PSR and classification	<ol style="list-style-type: none"> 1. Please describe the specific items that utilize FTA. 2. Do you recognize the Preference Criterion (PSR) of that items? 3. How do you get information and determine Preference of Criterion (PSR) for the items? 4. What is the internal procedure for determining origin of the goods? 5. How do you determine HS code of the finished goods?
Difficulties of classification according to rules of origin	<ol style="list-style-type: none"> 1. How do you determine HS code of the materials for the finished goods?
Too many proofs and documents for origin required (including management and verification of origin)	<ol style="list-style-type: none"> 1. What types of documents is your company be required to submit or storage?
Concerning about confidentiality outflow	-
Cost burden of origin management, including staffing costs	-
Others	<ol style="list-style-type: none"> 1. What is specific difficulties for your company to utilize FTA when exporting goods (when applying for Certificate of Origin)? (please select answer) <ul style="list-style-type: none"> - time and cost for applying C/O - complicated procedure for applying C/O - others :()

⑤ Regarding to Questionnaire #7

- Difficulties to Utilize FTA when Importing Goods

Answers in 1st Survey	Checklist in 2nd In-Depth Interview
Difficulties getting the Certificate of Origin from exporters in Korea	<ol style="list-style-type: none"> 1. Has your company rejected even though your company request issuance of C/O to Korean exporters? (if yes) What is the reason for Korean exporter to reject to issue C/O? <ul style="list-style-type: none"> - For example; - cannot meet the rules or origin requirement for using FTA - non-cooperation by exporters, etc.

Answers in 1st Survey	Checklist in 2nd In-Depth Interview
Burden on verification of origin	<ol style="list-style-type: none"> 1. Have you experienced Verification of Origin? If yes, which country's authorities did conduct Verification? 2. As a result of Verification, customs authorities confirm preferential origin and rates or deny? 3. How did your company deal with the verification? Please describe detailed process for claiming appropriateness of the origin. 4. What type of the proofs and documents do Customs authorities request for verification of origin?
Customs clearance problems when claiming preferential tariff treatment (e.g. clearance delay)	<ol style="list-style-type: none"> 1. Which type of customs clearance problems when claiming preferential tariff treatment? <ul style="list-style-type: none"> - Clearance Delay - Clearance Reject (if yes, what is the reason for customs to reject clearance? - Others: ()
Too many proofs and documents for preferential tariff treatment required by Vietnamese/Korean Customs	<ol style="list-style-type: none"> 1. What type of proofs and documents does Vietnamese Customs require?
Too many proofs and documents for preferential tariff treatment required by Vietnamese/Korean Customs	<ol style="list-style-type: none"> 1. What is other difficulties to utilize FTA when importing goods? Please describe specifically.
Others	<ol style="list-style-type: none"> 1. Have you experienced Verification of Origin? If yes, which country's authorities did conduct Verification? 2. As a result of Verification, customs authorities confirm preferential origin and rates or deny? 3. How did your company deal with the verification? Please describe detailed process for claiming appropriateness of the origin. 4. What type of the proofs and documents do customs authorities request for verification of origin?

⑥ Regarding to Questionnaire #8

- Others Issues when Utilizing FTA

Answers in 1st Survey	Checklist in 2nd In-Depth Interview
Difference in HS Code between two parties of an FTA	<ol style="list-style-type: none"> 1. Please describe specifically the issue you experienced about difference in HS CODE 2. Also, how did your company deal with that issue? Please describe detailed process for resolving problem and the results.
Exporters not willing to issue Certificate of Origin	<ol style="list-style-type: none"> 1. What is the reason for exporters not willing to issue Certificate of Origin?
Clearance delay due to claiming preferential tariff treatment	-
Requirements regarding to effective Certificate of Origin (e.g. denial of issuance due to typo, simple errors)	<ol style="list-style-type: none"> 1. Please describe a specific issue about formal requirement of Certificate of Origin. 2. Also, how did your company deal with that issue? Please describe detailed process for resolving problem and the results.
Request of post verification by Vietnamese Customs	<ol style="list-style-type: none"> 1. What specific items did Vietnamese Customs verify the origin of? 2. As a result of verification, the preferential tariff rate be allowed? 3. How did your company deal with the verification? Please describe detailed process for claiming appropriateness of the origin. 4. What type of the proofs and documents do customs authorities request for verification of origin?
Others	<ol style="list-style-type: none"> 1. What is other issues your company experienced when utilizing FTA?

⑦ Regarding to Questionnaire #9
- Reason for Not Utilizing FTA

Answers in 1st Survey	Checklist in 2nd In-Depth Interview
Lack of information on FTA	1. Have your company discussed about whether to utilize FTA? 2. If yes, why did your company decide not to apply the FTA?
No incentives (e.g. margin of preference too small, small trading volume, other preferential schemes etc.)	-
Cannot meet the Rules of Origin requirement for using FTA	-
Relatively high cost of origin management	-
Lack of professional manpower	-
Others	What is other reasons for your company not to utilize FTA?

⑧ Regarding to Questionnaire #10
- Source for FTA Information

Answers in 1st Survey	Checklist in 2nd In-Depth Interview
From government authorities of Viet Nam	1. Please specify the name (e.g. Customs, MOIT, VCCI, etc.)
From associations	1. Please specify the name
From Korean partners	-
Others	1. Please specify the source

⑨ Regarding to Questionnaire #11
- Whether to be supported by Government Agency

Answers in 1st Survey	Checklist in 2nd In-Depth Interview
No	-
Yes	1. Name of government agency 2. Rate your satisfaction level (from 1 to 5) 3. Please describe detailed supports 4. Points to be improved

⑩ Regarding to Questionnaire #12

- Assistance expecting to receive from Government Agency

Answers in 1st Survey	Checklist in 2nd In-Depth Interview
To provide information on preferential treatment of VKFTA	1. What type of information or support do you want to receive? (For example, Guidance of issuing Certificate of Origin, Guidance of preparing evidential document for C/O, practical education for overall understanding of FTA, consultation)
To provide support in import export procedures (origin verification, C/O issuance etc.)	-
To provide market access opportunities	-
Others	Please describe specific assistance do you expect to get from government authorities.

3. Pilot Consultations and Results by Company

1. Target of Pilot Consultation

	FTA Utilization	Business Sector
1	Utilizing FTA	Textiles and Clothing
2	Planning to utilize FTA	Agricultural and Fishery Products

2. Content of Pilot Consultation

■ Method of Pilot Consultation

	Consultation Process	Requested Documents & Inquiries
1	Identify the transaction structure.	Transaction Structure Diagram Bill of Materials (BOM) Unit Sale Cost Unit Purchase Cost HS Code for Goods HS Code for Raw Materials Supporting Documents for Origin Verification of Raw Materials
2	Select the main article for export	
3	Check the HS code for the article	
4	Check the preferential tariff rate under the K-V FTA.	
5	Check the rules of origin.	
6	Determine the country of origin.	
7	Prepare documents required for C/O issuance.	
8	Obtain the C/O for the company.	
9	Provide the information on documents for post origin verification.	
10	Identify the transaction structure.	

■ Simulation of Origin Management System

- ① Save all the data of obtained documents in an excel file format so that they can be uploaded to the origin management system.
- ② Upload the data on a buyer on the assumption that all raw materials were bought from a company “A” and articles were all exported and sold to a Korean company “B.”

FTA PASS 관세청원산지관리시스템 기준정보 | 거래정보 | 판정관리 | 서류관리 | 인증및검증 | HS정보조회 | 시

▶ 거래처

▶ 거래처구분 전체 ▶ ▶ 업체명(한글) ▶ ▶ 업체명(영문) ▶ ▶ 사업자등록번호

▶ 거래처코드 ▶ ▶ 사용여부 사용 ▶ ▶ 검색

	<input type="checkbox"/>	거래처코드	거래처구분	사업자 등록번호	업체명(한글)	업체명(영문)	국가
1	<input type="checkbox"/>	A	2.매입처	222	A	A	베트남
2	<input type="checkbox"/>	GARCO 10	0.자사	000	GARCO 10	GARCO 10	베트남
3	<input type="checkbox"/>	WORLD LEPORTS	1.매입/매출처	111	WORLD LEPORTS CO	WORLD LEPORTS CO	한국
4	<input type="checkbox"/>	garco10	0.자사	211-86-05953	신한관세법인		한국

Figure 1. Upload the Data on a Buyer

- ③ Register the finished article (women's coat) and raw materials numbers.

FTA PASS 관세청원산지관리시스템 기준정보 | 거래정보 | 판정관리 | 서류관리 | 인증및검증 | HS정보조회 | 시스템관리 | 기업

▶ 물품정보

▶ 물품번호 ▶ ▶ 물품명(한글) ▶ ▶ 물품명(영문) ▶ ▶ 비고

▶ 규격(한글) ▶ ▶ 규격(영문) ▶ ▶ 가공단계 전체 ▶ ▶ 상품여부 전체 ▶ ▶ 사용여부 사용 ▶ ▶ 검색

	<input type="checkbox"/>	물품번호	물품명(한글)	규격(한글)	비고	가공단계	속성	상품여부	사용
1	<input type="checkbox"/>	A001	A001			원재료	직접재료	N	
2	<input type="checkbox"/>	A007	A007			원재료	직접재료	N	
3	<input type="checkbox"/>	A009	A009			원재료	직접재료	N	
4	<input type="checkbox"/>	A010	A010			원재료	직접재료	N	
5	<input type="checkbox"/>	A011	A011			원재료	직접재료	N	
6	<input type="checkbox"/>	A013	A013			원재료	직접재료	N	
7	<input type="checkbox"/>	A015	A015			원재료	직접재료	N	
8	<input type="checkbox"/>	A016	A016			원재료	직접재료	N	
9	<input type="checkbox"/>	A017	A017			원재료	직접재료	N	
10	<input type="checkbox"/>	A018	A018			원재료	직접재료	N	
11	<input type="checkbox"/>	A025	A025			원재료	직접재료	N	
12	<input type="checkbox"/>	A029	A029			원재료	직접재료	N	

1 - 17 / 17 Page 1 of 1 100 준비공설정

Figure 2. Register Information on Goods

- ④ Register names, quantities, units, and other data of the raw materials used for production of women's coats.

The screenshot shows the FTA-PASS system interface. At the top, there are navigation links: 기준정보, 거래정보, 판정관리, 서류관리, 인증및검증, HS정보조회, 시스템관리, 기업지원, and 도움말. The main section is titled '자재명세서' (Raw Material Statement). It includes a search bar with '물품번호' (RA18SJK1106), '물품명' (WOMEN'S COAT), and '적용시각일' (2018-01-01). Below this, there is a table of '원재료 및 중간재' (Raw Materials and Intermediate Materials) with columns: 물품번호, 물품명, 매입처, 매입일, 소요량, and 단위. The table lists items A001 through A013, all with a quantity of 1 and unit 'NC'.

Figure 3. Register Detailed Data on Raw Materials

- ⑤ Register the HS codes for women's coats and raw materials used for production.

The screenshot shows the FTA-PASS system interface for 'HS코드' (HS Code) registration. It includes a search bar with '물품번호' (A001), '물품명' (A001), '가공단계' (전체), '기준년도' (전체), '적용협정' (전체), '국가' (전체), and '세번' (59031). Below this, there is a table of '원산지 관리용' (Origin Management) with columns: 물품번호, 물품명, 규격, 가공단계, 적용협정, 국가, 기준년도, and 세번. The table lists items A001 through A018, all with a quantity of 1 and unit 'NC'.

Figure 4. Register HS Code for Goods

⑥ Upload all the basic data and determine the country of origin.

- The system displays per FTA whether or not the rule of origin for an article is met (result of origin determination). For example, in the case of exports to several countries, the country of origin is determined per FTA once the data have been uploaded.

Whether the rule of origin is met or not can be checked per FTA.

	FTA	PSR	Results
1	APTA	B 55%	Non-origin
2	APTA	C 60%	Non-origin
3	EFTA	CC+SP	Origin
4	US	CC+SP	Non-origin
5	VIETNAM	CC+SP	Origin
6	VIETNAM	BD 40%	Non-origin
7	ASEAN	CC+SP	Origin
8	ASEAN	BD 40%	Non-origin
9	CHINA	CC+SP	Origin

Figure 5. Results of Origin Determination

4. Major Provision of Korea's and Viet Nam's FTA related Legislation

ACT ON SPECIAL CASES OF THE CUSTOMS ACT FOR THE IMPLEMENTATION OF FREE TRADE AGREEMENTS (LAW/QH)	ENFORCEMENT DECREE OF THE ACT ON SPECIAL CASES OF THE CUSTOMS ACT FOR THE IMPLEMENTATION OF FREE TRADE AGREEMENTS (DECREE/ND)	ENFORCEMENT REGULATIONS OF THE ACT ON SPECIAL CASES OF THE CUSTOMS ACT FOR THE IMPLEMENTATION OF FREE TRADE AGREEMENTS (CIRCULAR/TT)
Article 1 (Purpose)	Article 1 (Purpose)	Article 1 (Purpose)
Article 2 (Definitions)	Article 2 (Conventional Tariff Rates)	Article 2 (Definitions)
Article 3 (Relations with other Acts)	Article 3 (Implementation of Quota-Based Differential Conventional Tariffs)	Article 3 (Quota-Based Differential Conventional Tariff on a First-Come, First-Served Basis)
Article 4 (Conventional Tariffs)	Article 4 (Requests for Application of Conventional Tariffs)	Article 4 (Criteria for determination of origin)
Article 5 (Priority in Application of Tariff Rates)	Article 5 (Requests, etc. for Ex Post Facto Application of Conventional Tariffs)	Article 5 (Determination of the origin of goods through non-origination countries)
Article 6 (Requirements for Application of Conventional Tariffs)	Article 6 (Certificates of Origin)	Article 6 (Goods for Which Examination Is Conducted Before Import Declaration Is Accepted)
Article 7 (Criteria for Determining Origins)	Article 7 (Requirements for Certification of Approved Exporters)	Article 7 (Issuance Method of Certificate of Origin)
Article 8 (Requests, etc. for Application of Conventional Tariffs)	Article 8 (Support for Verification of Origins by Small and Medium Enterprises)	Article 8 (Issuer of Certificate of Origin)
Article 9 (Requests for Ex Post Facto Application of Conventional Tariffs)	Article 9 (Methods for Notifying Revisions to Documents Evidencing Origin)	Article 9 (Duties of Certificate Issuing Organization)
Article 10 (Verification of Origins)	Article 10 (Documents Evidencing Origin to be Retained, etc.)	Article 10 (Procedures for Issuing Certificate of Origin for Export Goods)
Article 11 (Preparation, Issuance, etc. of Certificates of Origin)	Article 11 (Investigations of Origins of Exported Goods)	Article 11 (Submission of Relevant Materials and Guidance/Supervision)
Article 12 (Certification of Approved Exporters)	Article 12 (Requests to Postpone Investigations of Origins)	Article 12 (Declaration of Origin)
Article 13 (Support for Verification of Origins by Small and Medium Enterprises)	Article 13 (Investigations of Origins upon Request of Contracting States)	Article 13 (Declaration of Inward Processing)
Article 14 (Notification of Revisions to Documents Evidencing Origin)	Article 15 (Filing Objections to Outcome of Investigations of Origins)	Article 14 (Procedures for Issuing Self-Issued Certificate of Origin for Export/Import Goods)
Article 15 (Preservation of Documents Evidencing Origin, etc.)	Article 16 (Requests for Verification of Origins to Contracting States)	Article 15 (Form of Certificate of Origin in Accord with Contracting State)
Article 16 (Submission of Documents Evidencing Origin, etc.)	Article 17 (Suspension of Conventional Tariff Treatment)	Article 16 (Fees)
Article 17 (Investigations of Origins)	Article 18 (Lifting of Suspension of Conventional Tariff Treatment)	Article 17 (Certification of Company-specific Approved Exporters)
Article 18 (Investigations of Origins by Requests of Contracting States)	Article 19 (Management of Personally Identifiable Information)	Article 18 (Certification of Product-specific Approved Exporters)
Article 19 (Requests for Investigations of Origin to Contracting States)	Article 20 (Procedures for Safeguard Measures)	Article 19 (Period of Notification of Revisions to Error Regarding the Origin of Export Goods)
Article 20 (Investigations of Origin by Contracting States)	Article 21 (Notification of and Consultation on Safeguard Measures)	Article 20 (Period of Notification of Revisions to Error Regarding to Origin of Import Goods)
Article 21 (Suspension of Application of Conventional Tariffs during Periods of Investigations of Origins)	Article 22 (Goods subject to Safeguard Measures and Range of Rates of Customs Duties)	Article 21 (Submitter and Deadline for Submission of Documents)
Article 22 (Safeguard Measures)	Article 23 (Transition Periods of Safeguard Measures and Scope of Application Periods)	Article 22 (Written Investigation Method)
Article 23 (Provisional Safeguard Measures)	Article 24 (Prohibition of Reapplication of Safeguard Measures)	Article 23 (Field Investigation Method)
Article 24 (Special Safeguard Measures concerning Specified Agriculture)	Article 25 (Consultations on Methods of Trade Compensation after Safeguard Measures)	Article 24 (How to Investigate Country of Origin by Contracting Party)
Article 25 (Special Cases, etc. concerning Imposition of Emergency Tariffs Prescribed in the Customs Act)	Article 26 (Procedures for Reviewing Safeguard Measures)	Article 25 (Period for Notification of Results of Written Investigation and Field Investigation)
Article 26 (Countermeasures against Measures Taken by Contracting States)	Article 27 (States subject to Progressive Liberalization of Safeguard Measures)	Article 26 (Period of Suspension of Conventional Tariff Treatment)
Article 27 (Consultations, etc. on Anti-Dumping Duties)	Article 28 (Procedures for Provisional Safeguard Measures and Scope of Periods Thereof)	Article 27 (Goods Subject to Imposition of Special Emergency Tariffs on Agricultural, Forest and Live-stock Products in Accordance with the Agreement with Contracting Party)
Article 28 (Consultations, etc. on Countervailing Duties)	Article 29 (Special Cases concerning Procedures for Provisional Safeguard Measures)	Article 28 (Special Cases for Anti-Dumping Duties)
Article 29 (Special Exceptions to Customs Clearance Procedures)	Article 30 (Special Safeguard Measures against Specified Agricultural, Forest, and Livestock Goods)	Article 29 (Special Case for Express Shipment)
Article 30 (Exemption of Customs Duties for Temporarily Imported Goods, etc.)	Article 31 (Special Cases, etc. concerning Imposition of Emergency Tariffs under the Customs Act)	Article 30 (Customs Duty Exemptions for Temporarily Imported Goods, etc.)
Article 31 (Advance Rulings on Origins, etc.)	Article 32 (Special Cases concerning Countermeasures against Measures Taken by Contracting States)	Article 31 (Advance Rulings)
Article 32 (Modifications of Written Advance Rulings)	Article 33 (Consultations, etc. on Anti-Dumping Duties)	Article 32 (Notification of Modification of Contents of Advance Rulings)
Article 33 (Reciprocal Cooperation)	Article 34 (Consultations, etc. concerning Countervailing Duties)	Article 33 (Application for Suspension of Applying to Effect of Modification of Written Advance Rulings)
Article 34 (Applications, etc. for Reciprocal Consultations on Customs Duties)	Article 35 (Special Exceptions to Customs Clearance Procedures)	Article 34 (Specialist for Reciprocal Cooperation)
Article 35 (Restriction on Application of Conventional Tariffs)	Article 36 (Customs Duty Exemptions for Temporarily Imported Goods, etc.)	Article 35 (Special Cases concerning Procedures for Reciprocal Cooperation)
Article 36 (Additional Duties)	Article 37 (Advance Rulings, etc. on Origins)	Article 36 (Application Form of Reciprocal Cooperation, etc.)
Article 37 (Designation of Persons subject to Restrictions on Application of Conventional Tariffs and Revocation Thereof)	Article 38 (Filing Objections to Results of Advance Rulings on Origin, etc.)	Article 37 (Period for Replying Results of Verification of Contracting Party)
Article 38 (Duty of Confidentiality)	Article 39 (Modification of Contents of Advance Rulings)	Article 38 (Application form of Unassigning Designation of Persons Subject to Restrictions on Application of Conventional Tariffs)
Article 39 (Filing Objections)	Article 40 (Special Cases concerning Effects of Modifications of Written Advance Rulings)	
Article 40 (Submission, etc. of Documentary Evidence and Evidential Materials for Objections)	Article 41 (Procedures for Reciprocal Cooperation)	
Article 41 (Requests for Submission of Relevant Materials)	Article 42 (Special Cases concerning Procedures for Reciprocal Cooperation under the Agreement with the EU Party)	
Article 42 (Delegation of Authority)	Article 43 (Procedures, etc. for Filing Applications for Reciprocal Consultations on Customs Duties)	
Article 43 (Implementation of Agreements)	Article 44 (Restrictions on Application of Conventional Tariffs)	
Article 44 (Penalty Provisions)	Article 45 (Special Cases of Restrictions on Application of Conventional Tariffs)	
Article 45 (Joint Penalty Provisions)	Article 46 (Initial Date in Reckoning Periods of Excluding Imposition of Custom Duties)	
Article 46 (Administrative Fines)	Article 47 (Additional Duties)	
	Article 48 (Designation, etc. of Persons Subject to Restrictions on Application of Conventional Tariffs)	
	Article 49 (Revocation of Designation of Persons Subject to Restrictions on Application of Conventional Tariffs)	
	Article 50 (Duty of Confidentiality)	
	Article 51 (Persons Entitled to File Objections)	
	Article 52 (Delegation of Authority)	
	Article 53 (Determination on Document Formats)	
	Article 54 (Standards for Imposing Administrative Fines)	

40/2015/TT-BCT	31/2018/ND-CP	05/2018/TT-BCT
Article 1 The rules of origin of Vietnam - Korea	Chapter I GENERAL PROVISIONS	Chapter I GENERAL PROVISIONS
1. Rules of Origin (Appendix I)	Article 1 Scope	Article 1 Scope
2. Specific rules of the good item (Appendix II)	Article 2 Regulated entities	Article 2 Regulated entities
3. Guiding the implementation of Article 6 (Appendix III)	Article 3 Interpretation of terms	Article 3 Interpretation of terms
4. Procedures for issuance and inspection of origin (Appendix IV)	Chapter II PREFERENTIAL RULES OF ORIGIN	Chapter II IDENTIFICATION OF ORIGIN OF GOODS
5. Form of C/O VK granted by Vietnam (Appendix V)	Article 4 Preferential rules of origin under international treaties	Article 4 General rules for identifying origin of goods
6. Form of C/O KV granted by Korea (Appendix VI)	Article 5 Preferential rules of origin under general tariff preferences and other unilateral preferences	Article 5 Preferential rules of origin
7. Form of additional declaration on C/O (Appendix VII)	Chapter III NON-PREFERENTIAL RULES OF ORIGIN	Article 6 Non-preferential rules of origin
8. Guiding the declaration of C/O (Appendix VIII)	Article 6 Originating goods	Article 7 Declaration of origin of goods
9. List of C/O issuers (Appendix IX)	Article 7 Goods wholly produced or obtained	Chapter III DECLARATION OF C/O, C/O CONTINUATION SHEET AND CNM
Article 2 Procedures for issuance and inspection of C/O	Article 8 Goods not wholly produced or obtained	Article 8 C/O declaration
Article 3 Implementation provisions	Article 9 Minimal operations and processes	Article 9 C/O Continuation Sheet
	Article 10 Identification of origin of unassembled or knocked down packages, accessories, spare parts, tools or goods	Article 10 CNM declaration
	Article 11 De Minimis	Chapter IV IMPLEMENTATION
	Article 12 Indirect material	Article 11 Implementation
	Chapter IV CERTIFICATES OF ORIGIN	Article 12 Entry in force
	Article 13 Registration of trader profiles	
	Article 14 Application for change in issuing authority	
	Article 15 Application for issuance of C/O	
	Article 16 Declaration and issuance of C/O	
	Article 17 C/O issued retroactively/retrospectively	
	Article 18 Replacement C/O	
	Article 19 Issuance of C/O remaining origin	
	Article 20 Issuance of back-to-back C/O	
	Article 21 Refusal of application for C/O	
	Article 22 Revocation of issued C/O	
	Article 23 Responsibilities of issuing authority	
	Article 24 Responsibilities of applicants	
	Article 25 Self-certification of origin	
	Article 26 Certification of origin of imported goods	
	Article 27 Prior certification of origin of imported goods	
	Article 28 Verification of origin of exported goods and imported goods	
	Article 29 Actions against origin fraud	
	Article 30 Storing documents	
	Chapter V IMPLEMENTATION	
	Article 30 Tasks and powers of the Ministry of Industry and Trade	
	Article 31 Tasks and powers of the Ministry of Finance	
	Article 32 Responsibilities of relevant ministries and agencies	
	Chapter VI IMPLEMENTATION	
	Article 33 Entry in force	
	Article 34 Implementation	

5. Guidelines on FTA Utilization for Companies in Viet Nam

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Korea Productivity Center, 「Establishment of cooperative growth evaluation system using FTA」, Ministry of Commerce, Industry and Energy Research Service Project, 2013.

Kwon soon-kyun·Lee jeong-yoon, “Relative Importance Analysis of FTA Origin Management Capability Factor for Export Firms”, 「International economics」 Volume 32, Issue 3, 2017.

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KOTRA, 「Analysis of the 2nd Anniversary of the Effective FTA of Vietnam and Promising Export Items」

Korea International Trade Association, 「Expected Effects of a FTA in Vietnam」

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Ministry of Commerce, Industry and Energy, 「One Free Trade Agreement in Vietnam」

2018년 KOTRA 발간자료 목록

□ GMR (Global Market Report)

번호	제목	번호부여일
18-001	유럽 의료기기 시장동향 및 진출전략	2018.1
18-002	중남미 의료기기 시장동향과 우리기업 진출전략	2018.1
18-003	유럽 소비재 유통시장 진출 가이드	2018.1
18-004	한눈에 보는 수출유망국 (의료기기 ③편)	2018.1
18-005	2017년 하반기 수입규제 동향과 2018년 상반기 전망	2018.1
18-007	글로벌 로봇산업 시장동향 및 진출방안	2018.2
18-008	4차 산업혁명 관련 신산업 해외경쟁력 설문조사 분석	2018.3
18-009	글로벌 가공식품 시장동향과 우리기업 진출전략	2018.3
18-010	아프리카 의료기기 시장동향과 우리기업 진출전략	2018.3
18-011	글로벌 메가시티 히트상품-패션	2018.3
18-012	GCC 및 이란 중소기업 수출유망품목과 주요 인증제도	2018.4
18-013	4차 산업혁명 글로벌 트렌드 리포트 - CES 2018에서 본 소비, 일자리, 조직문화의 혁신	2018.4
18-014	아세안 주요국 화장품 유통 및 인증제도	2018.4
18-015	메르코수르 시장이 좋아하는 한국 상품	2018.5
18-016	글로벌 메가시티 히트상품-푸드(食)	2018.5
18-017	트럼프정부 인프라 부흥 정책에 따른 미국 P3 인프라시장 환경과 진출기회	2018.6
18-018	한-중미 FTA 분야별 활용방안	2018.6
18-019	일본 소비자의 변화와 일본기업의 비즈니스 모델 - P2P 공유경제를 중심으로	2018.6
18-020	한-터키 FTA 서비스·투자 협정 발효에 따른 유망분야	2018.7
18-021	글로벌 메가시티 히트상품 - 홈&리빙(住)	2018.7
18-022	미-중 통상분쟁 현황 및 전망	2018.7
18-023	사우디 ICTVA, 아랍에미리트 ICV 제도 도입 현황과 시사점	2018.7
18-024	2018년 상반기 對韓 수입규제 동향 및 하반기 전망	2018.7
18-025	2018년 글로벌 비관세장벽 동향	2018.8
18-026	2017/18 무역사기 피해 현황 및 대응방안	2018.8
18-027	NAFTA 재협상 타결과 영향	2018.9
18-028	서방의 대러시아 경제제재 현황과 시사점	2018.10
18-029	유럽 스타트업 생태계 현황과 협력방안	2018.10

번호	제목	번호부여일
18-030	2018 글로벌 화장품 산업 백서/ 1. 글로벌	2018.10
18-031	2018 글로벌 화장품 산업 백서/ 2. 선진시장	2018.10
18-032	2018 글로벌 화장품 산업 백서/ 3. 주력시장	2018.10
18-033	2018 글로벌 화장품 산업 백서/ 4. 신흥시장	2018.10
18-034	대이란 제재 복원, 중동 주요국 및 기업 반응조사	2018.10
18-035	EU 기금을 활용한 유망 프로젝트	2018.10
18-036	캐나다 전기자동차 부품시장 현황 및 진출전략	2018.11
18-037	인도네시아·말레이시아 할랄시장 진출전략	2018.11

□ GSR (Global Strategy Report)

번호	제목	번호부여일
18-001	러시아 극동지역 주요산업 협력방안	2018.3
18-002	EU의 일반개인정보보호법(GDPR) 발효와 대응과제	2018.4

□ KOCHI 자료

번호	제목	번호부여일
18-001	2017년 대중수출 성과와 2018년 전망	2018.1
18-002	중국 서비스산업의 부상과 진출 확대 방안	2018.4
18-003	양회에 나타난 중국의 2018년 경제정책과 시사점	2018.4
18-004	중국 지방 성시별 진출정보	2018.6

□ GIP (Global Issue Paper)

번호	제목	번호부여일
18-001	이란 핵합의 현황 점검과 우리기업 대응방안	2018.1
18-002	NAFTA 재협상과 멕시코 주요 산업별 영향	2018.9
18-003	2018 미국 중간선거 결과에 따른 정책전망 및 우리에게 주는 시사점	2018.11

□ GTR (Global Trade Report)

번호	제목	번호부여일
18-001	2017년 12월(연간) 수출 동향	2018.1
18-002	2018년 1월 수출 동향	2018.2
18-003	2018년 2월 수출 동향	2018.3
18-004	2018년 2분기 KOTRA 수출선행지수	2018.3
18-005	2018년 3월 수출 동향	2018.4
18-006	2018년 4월 수출 동향	2018.5
18-007	2018년 5월 수출 동향	2018.6
18-008	2018년 3분기 KOTRA 수출선행지수	2018.6
18-009	2018년 6월 수출 동향	2018.7
18-010	2018년 7월 수출 동향	2018.8
18-011	2018년 8월 수출 동향	2018.9
18-012	2018년 4분기 KOTRA 수출선행지수	2018.9
18-013	2018년 9월 수출 동향	2018.10
18-014	2018년 10월 수출 동향	2018.11

□ KOTRA 자료

번호	제목	번호부여일
18-001	글로벌 프랜차이즈 해외진출 전략	2018.1
18-002	한눈에 보는 해외 25개국 취업정보	2018.1
18-003	월드챔프 성공사례집: 2017년 코트라 월드챔프사업 참가기업의 수출 성공스토리	2018.2
18-004	2018-2019 해외전시회 한국관 디렉토리	2018.3
18-005	2017 KOTRA 글로벌 CSR 종합보고서	2018.3
18-006	해외에서 더 가까이 FTA 활용을 도와주는 FTA 해외활용지원센터 활동사례집	2018.3
18-007	2017 외국인투자자옴부즈만 연차보고서	2018.3
18-008	Foreign Investment Ombudsman Annual Report 2017	2018.3
18-009	2017 IP-DESK 백서	2018.3
18-010	2016/17 경제발전경험 공유사업(KSP) 산업&무역 정책자문 러시아 RUSSEZ : RUSSEZ 발전 전략 수립을 위한 정책 제언	2018.3
18-011	2016/17 Knowledge Sharing Program(Industry&Trade) with Russia RUSSEZ : Consulting for the Development of Russian Special Economic Zones(RUSSEZ)	2018.3

번호	제목	번호부여일
18-012	2016/17 경제발전경험 공유사업(KSP) 산업&무역 정책자문 러시아 연해주 : 루스키섬 개발 전략 및 투자 유치 방안	2018.3
18-013	2016/17 Knowledge Sharing Program(Industry&Trade) with Russia Primorsky Krai : Russky Island Development Strategy and Investment Promotion Plan	2018.3
18-014	2016/17 경제발전경험 공유사업(KSP) 산업&무역 정책자문 미얀마 : 미얀마 대외무역투자 증진방안	2018.3
18-015	2016/17 Knowledge Sharing Program(Industry&Trade) with Myanmar : Policy Recommendations for Industry, Trade and Investment Promotion in Myanmar	2018.3
18-016	2016/17 경제발전경험 공유사업(KSP) 산업&무역 정책자문 우즈베키스탄 : 섬유산업 발전을 위한 정책 수립 방안	2018.3
18-017	2016/17 Knowledge Sharing Program(Industry&Trade) with Uzbekistan : Policy Consultation for the Development of the Textile Industry in Uzbekistan	2018.3
18-018	2016/17 경제발전경험 공유사업(KSP) 산업&무역 정책자문 이란 1 : 이란의 외국인투자 유치 확대방안 : OIETAI의 역량강화를 위한 정책적 제언	2018.3
18-019	2016/17 Knowledge Sharing Program(Industry&Trade) with Iran 1 : Policy Recommendations for Capacity Building for OIETAI in Promotion of FDI to Iran	2018.3
18-020	2016/17 경제발전경험 공유사업(KSP) 산업&무역 정책자문 이란 2 : 이란 ICT 연구개발센터 발전방안 수립	2018.3
18-021	2016/17 Knowledge Sharing Program(Industry&Trade) with Iran 2 : Securing the Means for the Development of the Iranian ICT R&D Center	2018.3
18-022	2016/17 경제발전경험 공유사업(KSP) 산업&무역 정책자문 칠레 : 칠레 만성질환 환자를 위한 원격의료 컨설팅 및 모델링 디자인	2018.3
18-023	2016/17 Knowledge Sharing Program(Industry&Trade) with Chile : Consulta de Políticas sobre Telemedicina Domiciliaria y Diseño de Modelos de Telemedicina para Enfermedades Crónicas en Chile	2018.3
18-024	2016/17 경제발전경험 공유사업(KSP) 산업&무역 정책자문 케냐 : 케냐의 산업단지 개발 계획 수립	2018.3
18-025	2016/17 Knowledge Sharing Program(Industry&Trade) with Kenya : Policy Recommendations for Development Plan of an Industrial Park in Kenya	2018.3
18-026	2016/17 경제발전경험 공유사업(KSP) 산업&무역 정책자문 쿠바 : 쿠바의 신재생에너지 발전 역량강화	2018.3
18-027	2016/17 Knowledge Sharing Program(Industry&Trade) with Cuba : Capacity Building for Development of the Renewable Energy & Industrial Sectors in Cuba	2018.3
18-028	세계시장, 문을 열면 희망이 보인다: 온라인마케팅·무역사절단·지방지원단 특화사업 우수사례	2018.3
18-029	지사화 우수사례집: 2017 코트라 지사화사업을 통한 20개 기업의 수출 성공스토리	2018.3
18-030	서비스산업 해외진출 성공사례	2018.4
18-031	주요국별 경제통계 가이드북	2018.4
18-032	SEOUL FOOD 2018 디렉토리	2018.4

번호	제목	번호부여일
18-033	극동러시아 투자사례집	2018.4
18-034	외국인 부동산 취득안내	2018.6
18-035	글로벌 지식재산권 보호, 해외지재권보호실과 함께	2018.6
18-036	글로벌 IP 이슈페이퍼	2018.6
18-037	중국 위조상품 유통분석 (식품편)	2018.6
18-038	2017 북한 대외무역 동향	2018.7
18-039	외국인투자 Q&A	2018.7
18-040	제13회 외국인투자기업 채용박람회 Official Directory	2018.6
18-041	2017 KOTRA 지속가능경영 & 인권경영 보고서	2018.7
18-042	2017 KOTRA Sustainability & Human Rights Management Report	2018.7
18-043	Labor Law Guide for Foreign Investors (September 2018 Edition)	2018.7
18-044	Invest Korea 2017년도 연차보고서	2018.7
18-045	SEOUL FOOD 2018 결과보고서	2018.8
18-046	글로벌 조달시장 진출 가이드	2018.8
18-047	2018 러시아 투자실무가이드	2018.8
18-049	라오스 투자실무가이드	2018.10
18-050	Invest KOREA Annual Report 2017	2018.10
18-051	한눈에 보는 해외 13개국 취업비자정보	2018.10
18-052	IT기업 일본시장진출 내비게이터	2018.10
18-053	2018 일본취업박람회 디렉토리	2018.10
18-054	2019 한국이 열광할 세계 트렌드	2018.10
18-055	잘나가는 우리기업 해외투자 성공기: 한국투자기업지원센터 진출기업지원 우수사례집	2018.11
18-056	2019 해외시장 진출 유망·부진 품목	2018.11

□ 설명회자료

번호	제목	번호부여일
18-001	2018 세계시장 진출전략 설명회	2018.1
18-002	2018 방산·보안기업 지원 사업설명회	2018.2
18-003	KSP(Knowledge Sharing Program)연계 멕시코 KSP 에너지·바이오·IT 진출전략세미나	2018.2
18-004	바다로! 대륙으로! 시장을 넓혀라!, 아세안·인도·유라시아 진출 설명회	2018.2
18-005	KOTRA 해외수주협의회 제 31차 수요포럼: 해외 체류시 재난 및 안전 대응 방안	2018.3
18-006	2018 UN 공공조달 플라자 (UN Procurement Plaza 2018)	2018.3
18-007	홍콩의 금융·무역 플랫폼을 활용한 해외시장 진출 설명회	2018.3
18-008	미국 투자환경 설명회	2018.4
18-009	Global Project Plaza 2018	2018.4
18-010	중국 서비스 수출방법	2018.4
18-011	FTA를 활용한 중남미 진출전략 설명회	2018.4
18-012	EU 일반개인정보보호법(GDPR) 대응전략 포럼	2018.5
18-013	글로벌 메가시티를 사로잡은 히트상품	2018.6
18-014	급변하는 신흥국 소비시장, 트렌드 변화에 주목하라	2018.6
18-015	KOTRA 해외수주협의회 제 32차 수요포럼: 해외 프로젝트 보증 및 민간보험 활용방안	2018.6
18-016	'세계로 포럼' 中企 글로벌화, 협업으로 새로운 시장에서 기회를 찾다	2018.6
18-017	스마트혁신 홍콩을 통한 중국시장 진출전략 설명회	2018.7
18-018	최근 미국 통상정책과 우리의 기회	2018.7
18-019	프랑스 투자환경 설명회	2018.8
18-020	해외건설 재도약을 위한 새로운 도전 : KOTRA-CAK-KENCA 공동 개최 특별포럼 / KOTRA 해외수주협의회 제 33차 수요포럼	2018.9
18-021	해외 수입규제 및 비관세장벽 대응전략 세미나	2018.9
18-022	2018 글로벌 화장품 트렌드 포럼	2018.10
18-023	2018 글로벌 화장품 산업 백서: 2018 글로벌 화장품 트렌드 포럼 참고자료집	2018.10
18-024	글로벌 신통상포럼	2018.11