

Intervention of Viet Nam
Project Support for TFA implementation in Vietnam
(Viet Nam – United States of America)

Used for TFA meeting at WTO on 2 and 3 May 2018

Trade Facilitation is a key national priority for Vietnam's government. Since 2014, changes in legal and regulatory frameworks have significantly simplified customs procedures and increased transparency.

Viet Nam is partnering with Global Alliance for Trade Facilitation and the United States to further improve customs practices and to implement the TFA.

US and Viet Nam experts will work with the government and the private sector in Viet Nam to implement a modern customs bond system for the conditional release of goods.

Vietnam will be the first country in Asia with such an all-encompassing system. Traders will be able to purchase bonds to guarantee their payment of duties and taxes as well as regulatory compliance, allowing customs to expedite release of their goods.

The project involves,

- Analysing how the new system will enhance Vietnam's competitiveness in global supply chains:
- Designing a bond management software module that will interface with Vietnam's existing eCustoms system
- Developing a customs bond pricing model in consultation with insurers
- Providing training for customs and other government officials, as well as private sector stakeholders
- Supporting the legal and regulatory reforms required to implement the project

The introduction of a customs bond system is a win for the government, the private sector, and the wider Vietnamese population. It will:

- Streamline administrative requirements, this significantly reducing the need for physical inspections and documentation checks by border agencies
- Protect Vietnam's customs revenues and ensure compliance with laws and regulations
- Increase predictability and efficiency for traders, particularly small and medium sized enterprises, when shipping items to and from Vietnam
- Improve Vietnam's competitiveness and appeal for foreign direct investment

The project will also benefit from private sector support.

The private sector will be advising on software development, customs bond processes, bond valuation and risk management, and legal and regulatory reforms.

They will also assist with translations into Vietnamese and promoting the project to stakeholders.