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Vietnam Japan Economic Partnership Agreement (VJEPA) was signed on December 25, 2008, and comes into force since October 1st, 2009

VIETNAM JAPAN ECONOMIC PARTNERSHIP AGREEMENT

This is the very first bilateral FTA of Vietnam, in which both Vietnam and Japan give the other more preferences than that agreed under the Agreement for Comprehensive Economic Partnership ASEAN – Japan (AJCEP). However, VJEPA does not replace AJCEP. These two FTAs coexist and enterprises can choose to use the more favorable one.

VJEPA has comprehensive content, covering many areas such as trade in goods, trade in services, investment, improvement of the business environment, movement of natural persons...

VIETNAM-JAPAN ECONOMIC PARTNERSHIP AGREEMENT

1. TRADE IN GOODS

Commitment on tariff

Japan committed to eliminate tariffs for 96.45% of the total tariff lines in the Tariff for Vietnamese goods by the end of the roadmap (in 2026), in which:

For agricultural products: Eliminate tariffs on 36% of agricultural product tax lines as soon as VJEPA comes into force (in 2009); continue to gradually eliminate agricultural product tax lines according to a specific schedule (longest until 2019) except for the excluded group (group X) (including 735/2350 agricultural tax lines that Japan strictly controls by tax quotas). quantitative measures) and the Post Negotiating Group (group C2) (a group of Japanese products undergoing structural reform).

For seafood: Committed to cutting tax immediately (in 2009) for 19% of fishery tax lines, after 15 years, a total of 57% of fishery tax will be reduced (188/330 lines); 33% of fishery tax lines (59/330 lines) apply import quotas.

For industrial goods: Eliminate tariffs immediately with 95% of the tax lines on industrial products, after 10 years, 97% of the tariff lines; about 57 industrial product tax lines still apply import quotas (mainly in textiles, leather, and leather); 58 tax lines with no commitments to cut (leather clothing, footwear).

Vietnam commits to eliminate tariffs for Japanese goods according to the following schedule:

From 2018, tariffs on 41.78% of tariff lines in the Tariff will be eliminated

By 2026 (the last year of the tax reduction roadmap) to eliminate tariffs for 90.64% of the tax lines in the Tariff.

The VJEPA has a "two-layer" structure, including the Agreement between Japan and Vietnam on Economic Partnership (Main Agreement) and the Agreement on Implementation between the Governments of Japan and Vietnam (Implementation Agreement) - allowing flexibility to adjust the actual VJEPA implementation method

Commitment on Rules and Procedures of Origin

A good is considered to be VJEPA originating if it is wholly obtained or produced in a Member country, or it meets one of the following two conditions:

Goods meeting the general origin criteria:

Regional Value Content (RVC): 40% minimum, or

HS Code Conversion (CTC): conversion at the 4-digit level (CTH – non-originating materials must be in a different HS Group from the HS Group of the finished product).

Goods with specific rules of origin: some goods do not apply the general rules of origin, but the specific rules of origin that apply to the good are covered by the Item-Specific Rules of Origin.

VJEPA Certificate of Origin is C/O form VJ. All VJ form C/Os are currently being issued in hard copy. C/O VJ can be issued before, during or after the export of the goods. VJEPA does not have a provision on Self-Certification of Origin.

2. TRADE IN SERVICES

VJEPA has a number of new commitments compared to the WTO regarding definitions and levels of competitive protection in some service sectors (telecommunications services, etc.).
Regarding service market openness:

The level of commitment to openness that Vietnam offers in the VJEPA is almost similar to that of Vietnam in the WTO;

Japan opens the service market to Vietnam much wider than its commitments in the WTO (especially professional services such as legal services, tax consulting, computer services, engineering, advertising, etc.). reporting, auditing, analysis, etc.; services in information, construction, distribution, education, environment, finance, healthcare, tourism).

3. MOVEMENT OF NATURAL PERSONS

VJEPA has an additional commitment to open its doors and receive business visitors, especially nurses if it meets all the conditions required by the law of the receiving country for a period of 3 years and can be extended. term.

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4. IMPLEMENTATION OF VIETNAM

Preferential import tax under VJEPA applied to Japanese goods in Vietnam is currently stipulated in Decree No. 155/2017/ND-CP dated December 27, 2017 upon Vietnam's special preferential import tariff in order to implement the Agreement between Vietnam and Japan on economic partnership for the period 2018 - 2023.

The regulations on the rules of origin of goods under VJEPA and the certification process of origin are specified in Circular No. 10/2009/TT-BCT dated May 18, 2009 upon the implementation of origin rules in VJEPA.

HA NOI HEAD OFFICE

Suit 12B05, M5 Building, 91 Nguyen Chi Thanh, Lang Ha Ward, Dong Da District, Ha Noi City

HOCHIMINH OFFICE

115 Dang Van Ngu, Ward 14, Phu Nhuan District, Ho Chi Minh City

HAI PHONG OFFICE

161/41 Thien Loi, Vinh Niem Ward, Le Duan District, Hai Phong City

CONTACT

Phone: (+84) 24 62751708 Email: info@blf.com.vn
Fax: (+84) 24 62751707 Website: https://blf.com.vn