

Subject to Legal Review for Accuracy, Clarity and Consistency

[DATE]

The Honorable Vu Huy Hoang
Minister of Trade and Industry
Ministry of Trade and Industry
Hanoi, Vietnam

Dear Minister Hoang:

I have the honor to confirm that the United States and Vietnam have reached agreement with respect to “Vietnam Registered Textile and Apparel Enterprises,” a bilateral instrument in accordance with Article 5 of Chapter 4 of the TPP Agreement attached to this letter.

I have the honor to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an agreement between our two Governments. This agreement shall be subject to dispute settlement under Chapter 28 of the TPP Agreement, and shall enter into force on the date of entry into force of the TPP Agreement between our two governments.

Sincerely,

Michael B. G. Froman

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The Honorable Michael Froman
United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Ambassador Froman:

I am pleased to receive your letter of [*insert date*], which reads as follows:

I have the honor to confirm that the United States and Vietnam have reached agreement with respect to “Vietnam Registered Textile and Apparel Enterprises,” a bilateral instrument in accordance with Article 5 of Chapter 4 of the TPP Agreement attached to this letter.

I have the honor to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an agreement between our two Governments. This agreement shall be subject to dispute settlement under Chapter 28 of the TPP Agreement, and shall enter into force on the date of entry into force of the TPP Agreement between our two governments.

I have the honor to confirm that the understanding referred to in your letter is shared by my Government, and that your letter and this letter in reply shall constitute an agreement between our two governments.

Sincerely,

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Vietnam Registered Textile and Apparel Enterprises

Establishment of Program

1. Vietnam shall establish or maintain a program to monitor the production and exportation of textile and apparel goods in its territory, including its free trade zones, and shall through its customs administration monitor the importation of textiles and apparel into its territory, including its free trade zones. This program and monitoring by the customs administration shall provide the information necessary for Vietnam or the United States to ascertain whether a customs offence relating to trade in textile and apparel goods is occurring or has occurred.
2. Implementation of paragraph 1 shall be used by Vietnam and the United States to support their respective risk management in identifying and addressing non-compliance with the terms of this Agreement or customs offences relating to production or trade of textile or apparel goods.

Registration of Enterprises, Information, and Enforcement Measures

3. The program shall include a registration system covering all enterprises which are identified by a Manufacturing Identification Number (MID) as defined in section 102.23 of Title 19 of the U.S. Code of Federal Regulations (19 CFR §102.23), or its successor, and operating in the territory of Vietnam, including its free trade zones, engaged in the production or export of textile or apparel goods to be imported into the United States.
4. Vietnam shall require each enterprise covered by the system in paragraph 3 to register with Vietnam and provide the information in paragraph 9 at the time of registration. Vietnam shall require each registered enterprise to update the information in paragraph 9(a) upon their own initiative, but at least when significant changes have occurred and not less than every two years.
5. In order to prevent customs offences by registered enterprises, Vietnam shall:
 - (a) provide in its laws or regulations that textile and apparel goods that are imported into, exported from, or produced in its territory, including its free trade zones, shall be labelled in accordance with its applicable laws and regulations and that documentation shall be available to ascertain their content and origin; and
 - (b) where it has information to suspect a customs offence, immediately refer the matter for appropriate enforcement action, such as seizure of goods, monetary fines or denial of entry.

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6. Where information or circumstances warrant an inspection of facilities of registered enterprises, the United States may inspect such facilities to verify compliance with this Agreement, following the procedures in Chapter 4, Article 6 of the Agreement.

Recordkeeping

7. Vietnam shall require each registered enterprise to maintain the following records:
- (a) for at least five years from the date of export of a textile or apparel good to the United States, information related to the shipment, such as customs and transport documents, including for country of origin, that an enterprise provided or made available to support a claim for preferential tariff treatment; and
 - (b) for the most recent five-year period, information regarding its production capabilities in general, such as general information on the size of facilities, types of equipment and the number of persons employed;
8. Records may be kept in any medium that allows for prompt retrieval.

Reports and Information Sharing

9. Vietnam shall provide or otherwise make available electronically to the United States the following:
- (a) Information, in a database format that allows data movement, extraction and analysis, regarding the textiles and apparel industry in Vietnam (*e.g.*, number of enterprises, imports and exports) and with the following specific information provided by the registered enterprises:
 - (i) the name and address of the owner or other person legally responsible for the enterprise and the location of all textile or apparel facilities owned or operated by that person in the territory of Vietnam, including its free trade zones;
 - (ii) the telephone number, facsimile number and e-mail address of the person in subparagraph (i);
 - (iii) the number of employees;
 - (iv) a general description of the textile or apparel goods the enterprise produces and its production capacity;
 - (v) the number and type of machines the enterprise uses to produce textile or apparel goods;
 - (vi) the approximate number of hours the enterprise's machines operate per week;

Subject to Legal Review for Accuracy, Clarity and Consistency

- (vii) the name and address of any supplier to that enterprise of textile or apparel goods;
 - (viii) the name of, and contact information for, each of the enterprise's direct customers in the United States;
 - (ix) imports by the enterprise, including a yearly summary of HTS numbers at the six digit tariff line, value and volume of goods for the preceding two years; and
 - (x) exports by the enterprise to the United States, including a summary of HTS number at the six digit tariff line, value and volume of goods for the preceding two years; and
- (b) an annual written report listing all the enterprises visited by Vietnam and the visit results, including each customs offence, including a failure to maintain or produce records, discovered and the resulting enforcement action, if any, by Vietnam.

Unless otherwise agreed, an annual report shall cover a calendar year and Vietnam shall provide the written report to the United States no later than March 31 each year. Vietnam shall designate any information in reports under subparagraphs (a) or (b) that it considers to be confidential.

10. The United States shall treat all information received under this agreement in accordance with Chapter 4, Article 9 of the Agreement and shall use the information for customs purposes described in paragraph 2.

11. The United States and Vietnam may agree to review the operation and effectiveness of this agreement no earlier than eight years after the date of its entry into force.