I. Vietnam custom organization

General Department of Viet Nam Customs – Director General

Vice Director General (4)

Departments (12)

Post Clearance Audit

Director

4 Deputy Director

6 Divisions

AEO

Local Customs (34)

PCA sub-departments

Others sub-depts
II. AEO OVERVIEW

- Objective: voice of private sector; identify potential problems.
- Participants: 8 companies (Process-criteria, validation techniques, training benefits post management)
II. AEO OVERVIEW

2.1 Implementation & Legislation

- Customs Law no 54/2014/QH13 dated 23/6/2014 (Articles: 42, 43, 44, 45);
- Import and Export Tax Law no 107/2016/QH13 dated 6/4/2016 (Articles: 9);
- Decree 08/2015/ND-CP dated 21/1/2015 (Articles: 9, 10, 11, 12);
- Decision no 2659 / QD - GDC dated 14/9/2015
II. AEO OVERVIEW

2.2 AEO Criteria

- Compliance records;
- Export, Import Volume;
- E-Customs, E-Tax procedures;
- Payment of export, import goods;
- Internal Control system;
- Compliance of accounting, auditing legislations.
- Security management
II. OVERVIEW OF AEO PROGRAM

2.3 Validation  Documentary + on-site:

30 working days

2.4 Authorizing Entities

- Export and import companies (including High-tech companies or major investment project);
- Exporters (product made by Vietnam)
- Customs brokers;
### II. OVERVIEW OF AEO PROGRAM

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<th>2.5 Post management</th>
<th>Annual internal assessment report</th>
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<td>2.6 Account manager</td>
<td>Counseling from customs official designated to each AEO for improving law compliance and satisfying AEO standards</td>
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II. OVERVIEW OF AEO PROGRAM

2.7 Renewal audit

- Subject: companies authorised as AEOs.
- Period: no later than 6 months before expiration of authorization.
- Contents: authorizity criteria.
- Method: document audit or on-site audit.
II. OVERVIEW OF AEO PROGRAM

2.8 Suspension and revocation of status

- Suspension: period 6 months: no report of change, no submission of annual report....
- Revocation: failure to meet criteria.

2.9 Validity period

- 3 years
III. AEO AUTHORIZATION PROCESS

- Application
- Local customs
- Criteria
- AEO GDVC
- AEO certificate
- Comprehensive audit
- Rejection
- Failure
- Fulfill

[Diagram showing the process flow from Application to AEO certificate, with the option to fulfill or fail at each stage.]
IV. SUBJECT OF APPLICATION

1. Enterprises operate in the field of export, import for at least 2 consecutive years

2. Customs brokers

3. High-tech enterprises pursuant to provisions of Ministry of Science and Technology

4. Key investment project approved by Prime Minister before being licensed for investment
IV. PRIORITY POLICY

1. Exemption from documents inspection, physical inspection (except for random purpose)

2. Customs clearance with incomplete declaration

3. Priority entitlement when making customs procedures

4. Specialized inspection
IV. PRIORITY POLICY

5. • Tax procedures

6. • Procedures for indirect export and import

7. • Post clearance audit
IV. Priority Policy

Priority in terms of tax procedures and PCA

**Tax Procedures**
- Tax is refunded first, inspection shall be conducted later
- Application documents: Regulated in Circular 38/2015/TT-BTC
- Allowed to submit settlement report for processed, manufactured and exported goods within 90 days after the end of the fiscal year
- Given priority when making tax procedures for export/import accordant with the regulations

**PCA**
- Exemption from PCA at declarant’s premises (except for sign of infringement)
- Implementation of PCA does not exceed 1 time in 3 consecutive years from the date issuing approval decision (except for cases where there are signs of law infringement)
V. CONDITIONS FOR AEO STATUS

1. Compliance with customs and tax legislation

2. Reach the required turnover for export, import

3. Having procedures for electronic customs and electronic tax in place
V. CONDITIONS FOR AEO STATUS

4. Payment for export, import goods

5. Internal management system

6. Good compliance with legislation on accounting, auditing
V. CONDITIONS FOR AEO STATUS

1. Required turnover for export, import

- Exporter: $\geq 100$ mil. USD/year

- Enterprise export goods manufactured in Viet Nam: $\geq 40$ mil. USD/year

- Enterprise export agriculture, aquatic products which are grown or manufactured in Viet Nam: $\geq 30$ mil. USD/year
V. CONDITIONS FOR AEO STATUS

1. Required turnover for export, import

Customs broker: the number of declarations under the broker’s name: \( \geq 20,000 \) declarations/year

High-tech enterprise in accordant with CNC Law: Turnover requirement is not applied for this type of enterprise
V. CONDITIONS FOR AEO STATUS

2. Internal management system

- Enterprise conducts and maintains process to manage, supervise, and control its entire operation

- Enterprise has measures and instruments, internal security process to ensure supply chain security of exported, imported goods
SUPPLY CHAIN SECURITY OF GOODS

- Supervise the process of goods transportation from enterprise’s premise ↔ port
- Check container security before loading goods to means of transport
- Supervise at key areas: warehouse, production area,…
- Decentralize staff to move around and work in appropriate areas
- Supervise information and technology security
- Staff security
VI. PROCEDURES FOR RECOGNITION, EXTENSION

1a. Requested documents

The written request using the provided form (attached to the Circular)

Financial report of 2 years under consideration

Auditing report of 2 years under consideration

Examination conclusion of 2 years under consideration (if any)

Description of internal security system

Certificate of merit (if any)
VI. PROCEDURES FOR RECOGNITION, EXTENSION

1b. Required documents for key investment project

Written proposal and commitment to implement the project in compliance with schedule (attached to the Circular)

Investment certificate, technical and financial report
VI. PROCEDURES FOR RECOGNITION, EXTENSION

Examination of enterprise’s records:
- Examination of dossier’s completeness, validity, legality
- Review of enterprise’s information, information collection from the area that enterprise is under management with the requirement for AEO application

Submit report within 5 working days

Provincial/City Customs Department

Written document specifying reasons

Ineligible

Physical inspection at enterprise's premise

Eligible

Base on the result of dossier examination and physical inspection, verification result of supplement information (if any)

GDVC

Ineligible

Written document specifying reasons

Eligible

DG of GDVC sign the Decision of recognition
VI. PROCEDURES FOR RECOGNITION, EXTENSION

Physical Inspection At Enterprise’s Premise

Check declared information in enterprise’s application documents for AEO recognition

Compare the result of physical inspection with the result of documentation verification

Conduct PCA in enterprise’s premise to assess the legal compliance of the enterprise in 24 consecutive months up to the time when that enterprise submit its application
VII. MANAGEMENT AFTER RECOGNITION

1. Responsibility of Customs Administration

**EXTENSION**
- Every 3 years: assess the conditions for AEO application, assess the compliance of enterprise with customs law and tax law => automatic extension

**SUSPENSION**
- Enterprise does not completely take responsibility specified in Article 45 of Customs Law after being notified by Customs Administration => temporary suspension for 60 days

**TERMINATION**
- Enterprise does not meet 1 of the required conditions
- Enterprise does not comply all the provisions specified in Article 45 of Customs Law when its termination period expires
- Enterprise requests for termination of AEO recognition
2. Responsibility of Enterprise

- Comply to Customs Law, Tax Law, Accounting Law, Auditing Law
- Send report every 3 months by electronic means of communication
- Submit financial and auditing report within 90 days after the end of the fiscal year
- Self-evaluate, detect and correct errors, report to Customs, maintain AEO conditions
- Report completely and in time when being notified of errors or unclear points in Customs documentation
- Provide GDVC with the list of enterprise’s authorized customs brokers
As Viet Nam comes to conclusion of AEO mutual recognition agreements with other countries, territories, all Viet Nam’s AEOs will be entitled to the priority policy of those countries, territories and vice versa.
IX. AEO BENEFITS

- Exemption from document inspection and goods physical inspection
- Customs clearance with incomplete (simplified) declarations
- Priority when customs procedures
- Post-clearance inspections
X. NUMBER OF AEO COMPANIES

- Year 2011: 8
- Year 2012: 11
- Year 2013: 21
- Year 2014: 39
- Year 2015: 51
XI. Mutual recognition

Studying WCO program
THANKS YOU