MINISTRY OF INDUSTRY AND TRADE
THE SOCIALIST REPUBLIC OF VIETNAM

Ha Noi, 11 December 2020

Excellency,

I have the honour to refer to the Free Trade Agreement between the Socialist Republic of Viet Nam and the European Union (hereinafter referred to as "the EVFTA") signed in Ha Noi on 30 June 2019 and entered into force on 01 August 2020 and to the recent discussions concerning the implementation of the provisions relating to cumulation of origin under Articles 3.7 to 3.11 of Protocol 1 Concerning the Definition of the Concept of "Originating Products" and Methods of Administrative Cooperation (hereinafter referred to as "Protocol 1") of the EVFTA (hereinafter referred to as the "cumulation provisions"), which read as follows:

"7. Fabrics originating in the Republic of Korea shall be considered as originating in Viet Nam when further processed or incorporated into one of the products listed in Annex V to this Protocol obtained in Viet Nam, provided that they have undergone working or processing in Viet Nam which goes beyond the operations referred to in Article 6 (Insufficient Working or Processing).

8. For the purpose of paragraph 7, the origin of the fabrics shall be determined in accordance with the rules of origin applicable in the framework of the Free Trade Agreement between the European Union and its Member States, of the one part, and the Republic of Korea, of the other part, except for the rules set out in Annex II(a) to the Protocol concerning the Definition of "Originating Products" and Methods of Administrative Cooperation of that preferential trade agreement.

9. For the purpose of paragraph 7, the originating status of the fabrics exported from the Republic of Korea to Viet Nam to be used in further working or processing shall be established by a proof of origin as if those fabrics were exported directly from the Republic of Korea to the Union.

10. The cumulation provided for in paragraphs 7 to 9 applies if:

(a) the Republic of Korea applies with the Union a preferential trade

agreement in accordance with Article XXIV of GATT 1994;

(b) the Republic of Korea and Viet Nam have undertaken and notified to the Union their undertaking to:

(i) comply or ensure compliance with the cumulation provided for by this Article; and

(ii) provide the administrative cooperation necessary to ensure the correct implementation of this Protocol both with regard to the Union and between themselves.

11. Proofs of origin issued by Viet Nam by application of paragraph 7 shall bear the following entry: "Application of Article 3(7) of Protocol 1 to the Viet Nam - EU FTA"."

I have further the honour to propose, on behalf of the Government of the Socialist Republic of Viet Nam, for the implementation of the cumulation provisions, that the Government of the Socialist Republic of Viet Nam and the Government of the Republic of Korea shall undertake the following:

(i) to comply or ensure compliance with the cumulation provisions;

(ii) to provide the administrative cooperation necessary to ensure the correct implementation of the aforementioned Protocol 1 both with regard to the European Union and between themselves;

(iii) to cooperate on the procedures for implementing the cumulation provisions in accordance with their respective laws and regulations. Competent authorities of the two Governments may conclude an Administrative Arrangement that sets out the measures necessary for the implementation of the cumulation provisions; and

(iv) to notify the European Union of the foregoing joint undertaking (i) and (ii); and agree that the Joint Undertaking Notification shall be jointly notified to the European Union by the two Governments.

MINISTRY OF INDUSTRY AND TRADE
THE SOCIALIST REPUBLIC OF VIETNAM

If the above proposal is acceptable to the Government of the Republic of Korea, I have the honour to propose that this Note, together with Your Excellency's Note in reply indicating acceptance, shall constitute an agreement between the two Governments which shall enter into force on the first day of the first month following the month in which the European Union notifies the Government of the Socialist Republic of Viet Nam and the Government of the Republic of Korea of its receipt of the Joint Undertaking Notification, which will be given to the European Union by the two Governments after Your Excellency's reply. This Note is done in the English language.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Tran Tuan Anh
Minister of Industry and Trade
of the Socialist Republic of Viet Nam
Ha Noi, Viet Nam

His Excellency
Sung Yunmo
Minister of Trade, Industry and Energy
of the Republic of Korea

Ha Noi, 11 December 2020

Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note dated 11 December 2020, which reads as follows:

"I have the honour to refer to the Free Trade Agreement between the Socialist Republic of Viet Nam and the European Union (hereinafter referred to as "the EVFTA") signed in Ha Noi on 30 June 2019 and entered into force on 01 August 2020 and to the recent discussions concerning the implementation of the provisions relating to cumulation of origin under Articles 3.7 to 3.11 of Protocol 1 Concerning the Definition of the Concept of "Originating Products" and Methods of Administrative Cooperation (hereinafter referred to as "Protocol 1") of the EVFTA (hereinafter referred to as the "cumulation provisions"), which read as follows:

"7. Fabrics originating in the Republic of Korea shall be considered as originating in Viet Nam when further processed or incorporated into one of the products listed in Annex V to this Protocol obtained in Viet Nam, provided that they have undergone working or processing in Viet Nam which goes beyond the operations referred to in Article 6 (Insufficient Working or Processing).

8. For the purpose of paragraph 7, the origin of the fabrics shall be determined in accordance with the rules of origin applicable in the framework of the Free Trade Agreement between the European Union and its Member States, of the one part, and the Republic of Korea, of the other part, except

for the rules set out in Annex II(a) to the Protocol concerning the Definition of "Originating Products" and Methods of Administrative Cooperation of that preferential trade agreement.

9. For the purpose of paragraph 7, the originating status of the fabrics exported from the Republic of Korea to Viet Nam to be used in further working or processing shall be established by a proof of origin as if those fabrics were exported directly from the Republic of Korea to the Union.

10. The cumulation provided for in paragraphs 7 to 9 applies if:

(a) the Republic of Korea applies with the Union a preferential trade agreement in accordance with Article XXIV of GATT 1994;

(b) the Republic of Korea and Viet Nam have undertaken and notified to the Union their undertaking to:

(i) comply or ensure compliance with the cumulation provided for by this Article; and

(ii) provide the administrative cooperation necessary to ensure the correct implementation of this Protocol both with regard to the Union and between themselves.

11. Proofs of origin issued by Viet Nam by application of paragraph 7 shall bear the following entry: "Application of Article 3(7) of Protocol 1 to the Viet Nam - EU FTA"."

I have further the honour to propose, on behalf of the Government of the Socialist Republic of Viet Nam, for the implementation of the cumulation provisions, that the Government of the Socialist Republic of Viet Nam and the Government of the Republic of Korea shall undertake the following:

(i) to comply or ensure compliance with the cumulation provisions;

(ii) to provide the administrative cooperation necessary to ensure the correct implementation of the aforementioned Protocol 1 both with regard to the European Union and between themselves;

(iii) to cooperate on the procedures for implementing the cumulation provisions in accordance with their respective laws and regulations. Competent authorities of the two Governments may conclude an Administrative Arrangement that sets out the measures necessary for the implementation of the cumulation provisions; and

(iv) to notify the European Union of the foregoing joint undertaking (i) and (ii), and agree that the Joint Undertaking Notification shall be jointly notified to the European Union by the two Governments.

If the above proposal is acceptable to the Government of the Republic of Korea, I have the honour to propose that this Note, together with Your Excellency's Note in reply indicating acceptance, shall constitute an agreement between the two Governments which shall enter into force on the first day of the first month following the month in which the European Union notifies the Government of the Socialist Republic of Viet Nam and the Government of the Republic of Korea of its receipt of the Joint Undertaking Notification, which will be given to the European Union by the two Governments after Your Excellency's reply. This Note is done in the English language.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration."

I have the honour to confirm, on behalf of the Government of the Republic of Korea, that the proposal contained in Your Excellency's Note is acceptable to the

Government of the Republic of Korea and that Your Excellency's Note, together with this Note in reply, shall constitute an agreement between the two Governments which shall enter into force on the first day of the first month following the month in which the European Union notifies the Government of the Republic of Korea and the Government of the Socialist Republic of Viet Nam of its receipt of the Joint Undertaking Notification, which will be given to the European Union by the two Governments. This Note is done in the English language.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

성 윤 모

Sung Yunmo
Minister of Trade, Industry and Energy
of the Republic of Korea

His Excellency
Tran Tuan Anh
Minister of Industry and Trade
of the Socialist Republic of Viet Nam