



MINISTRY OF INDUSTRY AND TRADE
THE SOCIALIST REPUBLIC OF VIETNAM

4 February 2016

The Honourable Ildefonso Guajardo Villarreal
Secretary of Economy
Mexico

Dear Secretary,

I have the honour to acknowledge receipt of your letter of this date, which reads as follows:

“In connection with the signing on this date of the Trans-Pacific Partnership Agreement (hereinafter referred to as the “TPP Agreement”), I have the honour to confirm the following understanding reached between the Government of the United Mexican States (hereinafter referred to in this letter and its Annex as “Mexico”) and the Government of the Socialist Republic of Viet Nam (hereinafter referred to in this letter and its Annex as “Viet Nam”), during the course of the negotiations of the TPP Agreement:

Trade between Mexico and Viet Nam on certain textiles and apparel goods under the Short Supply List of Products and on babies’ synthetic garments

1. With respect to trade between Mexico and Viet Nam, paragraph 7 of Article 4.2 (Rules of Origin and Related Matters) of Chapter 4 (Textile and Apparel Goods) of the TPP Agreement shall not apply to the goods identified in the Annex to this letter. For the purposes of determining whether a good is considered originating from Viet Nam when it is manufactured with the materials identified in Appendix 1 (Short Supply List of Products) of Annex 4-A (Textiles and Apparel Product-Specific Rules of Origin) to the TPP Agreement and exported into Mexico, provisions in Annex to this letter shall apply solely to the goods identified there.

2. Except as provided in the Annex to this letter, Chapters 2 (National Treatment and Market Access for Goods), 3 (Rules of Origin and Origin Procedures), 4 (Textile and Apparel Goods) and 28 (Dispute Settlement) of the TPP Agreement are incorporated into and made part of this letter and its Annex, *mutatis mutandis*.

I have the honour to propose that this letter and its Annex, and your letter of confirmation in reply and its Annex, both equally authentic in the English and the Spanish languages, shall constitute an agreement between our Governments to enter into effect upon the entry into force of the TPP Agreement between our countries.”

I have the honour to confirm that the above reflects the agreement reached between the Government of the United Mexican States and the Government of the Socialist Republic of Viet Nam during the course of negotiations on the TPP Agreement, and that your letter and its Annex and this letter in reply and its Annex, both equally authentic in the Spanish and the English languages, shall constitute an agreement between the Government of the Socialist



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Republic of Viet Nam and the Government of the United Mexican States to enter into effect upon the entry into force of the TPP Agreement between our countries.

Sincerely,

A handwritten signature in black ink, appearing to read 'Vu Huy Hoang', written over a horizontal line.

Vu Huy Hoang
Minister of Industry and Trade
Socialist Republic of Viet Nam

ANNEX

Trade between Mexico and Viet Nam on certain textiles and apparel goods under the Short Supply List of Products and on babies' synthetic garments

1. Notwithstanding Article 4.2.7 (Rules of Origin and Related Matters) of Chapter 4 (Textile and Apparel Goods) and paragraph 4 of the General Notes of the Tariff Schedule of Mexico of Annex 2-D (Tariff Commitments) of Chapter 2 (National Treatment and Market Access for Goods) of the TPP Agreement, Mexico shall apply duty free treatment to the goods manufactured in Viet Nam with the materials identified in Appendix 1 (Short Supply List of Products) of Annex 4-A (Textiles and Apparel Product-Specific Rules of Origin) of the TPP Agreement, up to the amounts and time periods specified in the Tariff Preferential Limits (TPL's) defined in the following chart, and subject to the provisions of this Annex:¹

Description	TPL unit of measure	Initial annual TPL	Annual TPL increasing No.1	Annual TPL increasing No.2	Annual TPL increasing No. 3	Annual TPL increasing No. 4	Annual TPL increasing No. 5	Annual TPL to increase No. 6	Annual TPL increasing No. 7	Annual TPL increasing No. 8	Annual TPL increasing No. 9	Annual TPL increasing No. 10
Yarns classified in heading 52.02 through 52.07, 55.08, 55.09, 55.11 and fabrics classified in chapter 60 and products classified in chapter 58 and headings, 59.02 and 59.10, that are manufactured in Viet Nam with materials specified in number 56 and 58 of the Appendix 1 (Short Supply List	Kilograms	250,000	275,000	300,000	325,000	350,000	375,000	400,000	425,000	450,000	475,000	500,000

¹ For the purposes of this Annex, Mexico and Viet Nam understand that a "material listed in Appendix 1 (Short Supply List of Products)", and referring in paragraph 1, is a material that does not qualify as an originating material in accordance with the Annex 4-A (Textiles and Apparel Product-Specific Rules of Origin) of the Chapter 4 (Textile and Apparel Goods) of the TPP Agreement.

of Products) to Annex 4- A of Chapter 4 of the TPP Agreement												
Knitted apparel classified in chapter 61 identified in the column “End Use Requiremen t” in numbers 96, 6 and 182 of the Appendix 1 (Short Supply List of Products) to Annex 4- A of Chapter 4 of the TPP Agreement manufactur ed in Viet Nam with materials specified in the description column of these numbers, as appropriate. ²	Units	2,500, 000	2,750, 000	3,000, 000	3,250, 000	3,500, 000	3,750, 000	4,000, 000	4,250, 000	4,500, 000	4,750, 000	5,000, 000
Woven apparel classified in chapter 62 identified in the column “End Use Requiremen t” in numbers 97 and 170 of	Units	750,00 0	825,00 0	900,00 0	975,00 0	1,050, 000	1,125, 000	1,200, 000	1,275, 000	1,350, 000	1,425, 000	1,500, 000

² For the purposes of this Annex, for a material listed as temporary in Appendix 1 (Short Supply List of Products) to Annex 4-A (Textiles and Apparel Product - Specific Rules of Origin) of the TPP Agreement, the provisions in Article 4.2.9 (Rules of Origin and Related Matters) shall apply to material 6 referring in the TPL chart of paragraph 1 of this Annex and no TPL shall apply to the good which is identified in “End use requirement” column manufactured in Vietnam using materials in Short Supply Item number 6 after that item is removed from the Short Supply List of Products.

the Appendix 1 (Short Supply List of Products) to Annex 4- A of Chapter 4 of the TPP Agreement that are manufactur ed in Viet Nam with materials specified in the description column of these numbers, as appropriate.												
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2. The initial annual TPL established in the column “Initial annual TPL” of the chart shall commence at the date of the entry into force of the TPP Agreement for both Parties.

3. If Mexico imports at least 80% of the established TPL amount defined in the chart during an annual period, a TPL amount increase shall be applied to the respective goods for the next year, as indicated in the following Annual TPL increasing column in the chart. Otherwise, the annual TPL amount shall remain as the previous year.

4. No increases shall be granted to the TPL’s after reaching the amount in the column “Annual TPL increasing No. 10” of the chart. The amount of TPL resulted from the tenth increase shall apply thereafter.

5. A good exported from Viet Nam into Mexico above the corresponding TPL amount defined in the chart for an annual period shall comply with the specific rule of origin established for that good in Annex 4-A (Textiles and Apparel Product-Specific Rules of Origin) of Chapter 4 (Textile and Apparel Goods) to be eligible for preferential tariff treatment established under the Tariff Schedule of Mexico of Annex 2-D (Tariff Commitments) of Chapter 2 (National Treatment and Market Access for Goods) of the TPP Agreement.

6. Notwithstanding the Product-Specific Rule of Origin established in Annex 4-A (Textiles and Apparel Product-Specific Rules of Origin) for subheading 6111.30 (knitted babies garments of synthetic fibres) and 6209.30 (woven babies garments of synthetic fibres), and heading 96.19 (napkin liners or similar articles for babies of synthetic fibres), for the purposes of trade between Mexico and Viet Nam the following provisions shall apply:

- (a) Mexico shall grant to Viet Nam the preferential tariff treatment applicable to originating goods as set out in the Tariff Schedule of Mexico of Annex 2-D (Tariff Commitments) of Chapter 2 (National Treatment and Market Access) of the TPP Agreement, for Goods up to a TPL of 50,000 annual units to goods classified in subheading 6111.30 and 6209.30, and napkins, napkin liners or similar articles for babies of synthetic fibres of heading 96.19, that satisfies the applicable Product-

Specific Rule of Origin established in Annex 4-A (Textiles and Apparel Product-Specific Rules of Origin) of Chapter 4 (Textile and Apparel Goods), and

(b) Mexico shall grant to Viet Nam the preferential tariff treatment applicable to originating goods as set out in the Tariff Schedule of Mexico of Annex 2-D (Tariff Commitments) of Chapter 2 (National Treatment and Market Access for Goods) of the TPP Agreement to goods classified in subheading 6111.30, and 6209.30, and napkins, napkin liners or similar articles for babies of synthetic fibres of heading 96.19, without any limit only if the following Product-Specific Rule of Origin is satisfied:

- (i) A change to goods of subheading 6111.30 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 54.01 through 54.02, 5403.33 through 5403.39, 5403.42 through 54.08, 55.08 through 55.16, or 60.01 through 60.06, provided the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of one or more of the Parties.
- (ii) A change to goods of subheading 6209.30 from any other chapter, except from heading 51.06 through 51.13, 52.04 through 52.12, 54.01 through 54.02, 5403.33 through 5403.39, 5403.42 through 54.08, 55.08 through 55.16, 58.01 through 58.02, or 60.01 through 60.06, provided the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of one or more of the Parties.
- (iii) A change to napkins, napkin liners or similar articles for babies of synthetic fibres, of heading 96.19 from any other heading, except from heading 51.06 through 51.13, 52.04 through 52.12 or 54.01 through 54.02, subheading 5403.33 through 5403.39 or 5403.42 through 5403.49, heading 54.04 through 54.08, chapter 55, or heading 56.06, 58.01 through 58.02, 59.03 or 60.01 through 60.06, or chapter 61 through 62, provided the good is cut or knit to shape, or both, and sewn or otherwise assembled in the territory of one or more of the Parties.

7. Viet Nam shall allocate the TPL's according to its legislation.

8. The competent authority of Viet Nam shall issue a Certificate of Eligibility to its exporters for each shipment of goods referred to in paragraph 1 and paragraph 6 a) of this Annex, manufactured in Viet Nam and exported into Mexico. The Certificate of Eligibility shall be issued in the English language and shall be valid only during the annual period in which it was issued. The Certificate of Eligibility can be issued after the date of the shipment.

9. Each Certificate of Eligibility shall include at least the following information:

- (a) The description and correct HS tariff classification of the good, at the level of 6 digits. The description should be sufficient to relate it to the goods covered by the certification of origin.
- (b) The name of the exporter in Viet Nam.
- (c) The name of the importer in Mexico.
- (d) The number or description of the material on the Short Supply List of Products used in the manufacture of the good exported.

- (e) The appropriate quantity of the shipment in the units of quantity provided for in the chart of paragraph 1 of this Annex.
- (f) The Certificate of Eligibility number: It shall be constructed in accordance with the procedures and regulations of the issuance authority of Viet Nam.
- (g) The date of issuance: the date of issuance shall be the day, month and the year on which the Certificate of Eligibility was issued.
- (h) The signature and printed name of the issuing official: the signature shall be that of an official authorized to issue certificates of eligibility by the Government of Viet Nam.

10. The exporter shall deliver the Certificate of Eligibility to the Mexican importer to submit it to the competent authority of Mexico. The competent authority of Mexico shall validate and then swap the Certificate of Eligibility for a TPL certificate in no more than three days.

11. The importer shall present the TPL Certificate to the appropriate Mexican Customs authority at the time of the importation into Mexico and have the certification of origin according to the Chapter 3(Rules of Origin and Origin Procedures) in order to obtain the duty free treatment established in paragraph 1, or the preferential tariff treatment according to paragraph 6 of this Annex, as appropriate.

12. On the date of the entry into force of the TPP Agreement between Mexico and Viet Nam, the competent authority of Viet Nam shall have a secured webpage in the English language that allowed the competent authority of Mexico validate the authenticity of the Certificate of Eligibility issued by the competent authority of Viet Nam. The competent authority of Viet Nam shall provide to the competent authority of Mexico the password or codes for access the secure website.

13. Before the entry into force of the TPP Agreement between Mexico and Viet Nam, both Parties shall cooperate to ensure that the secure webpage operate properly in order to avoid any failure of accession. In the case that the competent authority of Mexico faces technical difficulties or failure to accessing the secure website to validate a Certificate of Eligibility, it could request the competent authority of Viet Nam to send via electronic means a copy of that Certificate of Eligibility promptly in order to conduct the validation.

14. The competent authority of Mexico shall not accept any Certificate of Eligibility that does not match the information provided in the secured webpage, or that is not included in the secure webpage provided by Viet Nam.

15. The competent authority of Mexico shall not reject a Certificate of Eligibility due to minor errors or discrepancies on its fulfillment, when there are no doubts that the information included in one or more of the fields of the Certificate of Eligibility is accurate.

16. The competent authority of Mexico shall inform in written the competent authority of Viet Nam three times a year about the amount used during that annual period on the TPL established in paragraph 1. The reports shall be presented: two months before the end of each annual period; before the end of the calendar year or a week before Mexico intends to publish the applicable TPL for the following year; and when México accounts the definitive use of the TPL for that annual period. The information shall include the goods that complied with the utilization requirements established in paragraph 3, accompanied with the Certificate of Eligibility number, as well as if the appropriate TPL increase defined in the chart of

paragraph 1 shall apply. The report and the information shall be made in the English language.

17. Mexico shall also publish on line, for reference, the most up dated available information on the utilization of the TPL's, at least every month, and to the extent possible in English language, and provide to the competent authority of Viet Nam the link or accession to that website.

18. At the request of one of the two Parties, the competent Authority of Viet Nam or Mexico shall also exchange additional statistic information about to the issuance of Certificate of Eligibility, TPL's utilization, and any other related matter.

19. Mexico and Viet Nam shall establish a secured system on information data transmission one year of the entry into force of the TPP Agreement between Mexico and Viet Nam with the objective of sharing information in real time related to: (i) the issuance of the Certificates of Eligibility by Viet Nam; and (ii) the TPL utilization in Mexico.

20. Notwithstanding the time limit establish above, Mexico and Viet Nam may consult and agreed, if appropriate, any extension to establish the secured system referred in paragraph 19. Once the secure system is in place, the provisions of paragraphs 13 to 17 shall be terminated.

21. For greater certainty, the products exported under this Annex shall be subject to the cooperation and verification procedures established in Chapter 3 (Rules of Origin and Origin Procedures), Chapter 4 (Textile and Apparel Goods), and the provisions of this Annex, shall be subject to the Dispute Settlement procedures established in Chapter 28 (Dispute Settlement) of the TPP Agreement.

22. Any matter arising related to the implementation, the consultation between the Parties shall be made through the Ministry of the Economy in Mexico, or its successor, and the Ministry of Industry and Trade in Viet Nam, or its successor.

23. For the purposes of this Annex, "competent Authority" means:

- (a) In case of Mexico, the Ministry of Economy, or its successor.
- (b) In case of Vietnam, the Ministry of Industry and Trade, or its successor.