

4 February 2016

H.E. Dr. Vu Huy Hoang
Minister of Industry and Trade
Socialist Republic of Viet Nam

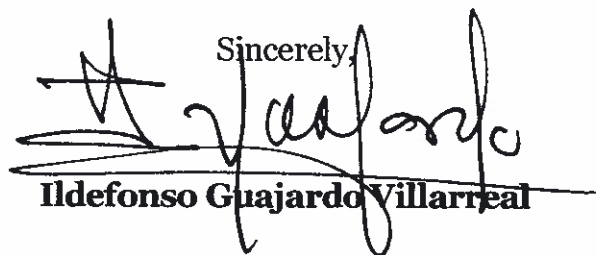
Dear Minister,

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 by the Government of 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:

Program related to Registered Textiles and Apparel Enterprises in Viet Nam for information sharing and supporting risk management in identifying and addressing customs offences related to the textiles sector.

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 Spanish and the English languages, shall constitute an Understanding between our Governments 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 'Ildefonso Guajardo Villarreal', written over a horizontal line.

Ildefonso Guajardo Villarreal

ANNEX

Registered Textile and Apparel Enterprises

Establishment of Program

1. Viet Nam 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 Viet Nam or Mexico 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 Viet Nam and Mexico to support their respective risk management in identifying and addressing non-compliance with the terms of this Annex 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 operating in the territory of Viet Nam, including its free trade zones, engaged in export of textile or apparel goods to be imported into Mexico.
4. Viet Nam shall require each enterprise covered by the system in paragraph 3 to register with Viet Nam and provide the information in paragraph 9 at the time of registration. Viet Nam 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, Viet Nam 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.

6. Where information or circumstances warrant an inspection of facilities of registered enterprises, Mexico may inspect such facilities to verify compliance with this Annex, following the procedures in Article 4.6 (Verification) of Chapter 4 (Textile and Apparel Goods) of the TPP Agreement.

Recordkeeping

7. Viet Nam 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 Mexico, 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. Viet Nam shall provide or otherwise make available electronically to Mexico the following:
- (a) Information, in a database format that allows data movement, extraction and analysis, regarding the textiles and apparel industry in Viet Nam (*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 Viet Nam, 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;
 - (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 Mexico;
 - (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 Mexico, 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 Viet Nam 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 Viet Nam.

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

10. Mexico shall treat all information received under this Annex in accordance with Article 4.9 (Confidentiality) of Chapter 4 (Textile and Apparel Goods) of the TPP Agreement and shall use the information for customs purposes described in paragraph 2.

11. Mexico and Viet Nam may agree to review the operation and effectiveness of this Annex no earlier than eight years after the date of its entry into force.

Dispute Settlement

12. The provisions of this Annex shall be subject to the Dispute Settlement procedures established in Chapter 28 (Dispute Settlement) of the TPP Agreement, which is incorporated and made part of this Annex, *mutatis mutandis*.