



SUCCESS STORY

From Enforcement to Partnership: Vietnam Customs Launches Voluntary Compliance Program

“Enterprises can reach out whenever they face difficulties and Customs will provide timely support”

Photo credit: GDVC

Complying with Customs laws can be a complex process for Vietnam’s 190,000 registered traders. New and evolving regulations can muddy the waters for import-export enterprises, leaving many facing penalties for non-compliance and delays to border clearance times. These delays cost traders time and money, often hurting small and medium enterprises.

But legal complexity is not the only obstacle to compliance.

“It isn’t just Customs that issues regulations; depending on the type of goods, multiple ministries are also involved. This can pose significant compliance risks for enterprises,” said Mr. Tran Viet Huy from the Vietnam Logistics Association.

These risks are borne out by the numbers. The General Department of Vietnam Customs (GDVC) classifies traders into five categories according to their level of compliance: Authorized Economic Operator; high; average; low; and non-compliance. With only ten percent of traders classified as ‘high’ or ‘average’, increasing compliance has become a priority.

In September and October 2022 the GDVC’s Risk Management Department (RMD), with support from the USAID Trade Facilitation Program, launched a “Pilot Program for Voluntary Compliance with Customs Laws”.

The five-year USAID Trade Facilitation Program (2018-2023) is supporting the Government of Vietnam to develop a more attractive business environment for enterprises, traders, and investors.

The Pilot Program aims to improve compliance by establishing a platform for collaboration between enterprises and Customs authorities.

“The new program provides enterprises with information about their operations and notifies them of potential compliance risks. It also provides a platform for Customs to help traders understand import-export regulations, minimizing the risk of non-compliance,” said RMD Director Mr. Nguyen Nhat Kha.

For Mr. Nguyen Xuan Phuc, Director General of U&I Logistics, the pilot program is transforming the Customs-enterprise relationship from a top-down management approach to one characterized by mutual understanding and transparency.

“Through the program, enterprises and Customs authorities form a partnership. Enterprises can reach out whenever they face difficulties and Customs will provide timely support,” said Mr. Nguyen.

To date, the GDVC has registered 47 enterprises in the Program – including large multinationals such as Ford, VinFast, and LG – and aims to increase this number to 300 over the next two years.

The Voluntary Compliance Pilot Program is the latest in a series of technical activities undertaken by the USAID Trade Facilitation Program and Vietnam Customs – a partnership that is laying the foundations for reforms that will make it easier for enterprises and investors to do business in Vietnam.
