

## Tax & Legal Alert

U.S. Reciprocal Tariff:

“Vietnam Origin” – and immediate actions for  
Vietnam manufacturers/exporters to consider

April 2025



## Background

Since our last [Alert on U.S. Reciprocal Tariff: How to navigate the impacts](#), President Trump and the U.S. Administration have announced: a 90-day postponement of some country-specific reciprocal tariffs (including Vietnam), and a temporary "exemption" of tariffs on some semiconductors and smartphones for most countries (including Vietnam), etc., pending the outcome of further investigations into the whole electronics supply chain – following which tariffs on these products could be re-imposed.

The Vietnam Government continues its discussions with the U.S. Administration on removal of tariffs on Vietnamese originating goods. It is certain that over the next few days/weeks further announcements on tariffs will be made by the U.S. Administration, and businesses will need to consider and then manage the impact. We will continue to provide you with further updates.

## Key updates regarding origin determination

In our last [Alert](#) we highlighted that a **key action** that Vietnam manufacturers/exporters **need to take**, to manage exposure to U.S. tariffs, is being able to demonstrate to the authorities (both in Vietnam and the U.S.) that the goods shipped to the U.S. genuinely have "**VIETNAM ORIGIN**" status. Failure to do so could result in higher tariffs being applied.

That viewpoint has been reinforced by recent Vietnam authorities' announcements, through various Official Letters/Guidance, on actions that will be taken to prevent origin fraud, counterfeiting labelling, and illegal transshipment. Those actions, as guided by Steering Committee 389, Department of Customs, Ministry of Industry and Trade, include:

1	Stricter reviews of C/O applications by certifying authorities (including the checks of materials sources used in production, origin traceability), to ensure the exported products satisfy "Vietnam Origin" and comply with Vietnam prevailing origin regulations;
2	Enhancement of audits/verifications of a products origin status, at the time of customs declarations at clearance points, and through post-clearance audits, to identify, and take action against origin fraud and counterfeiting labelling;
3	Customs strengthen the reporting/notification of signs of suspected origin fraud by the manufacturer/exporter to the certifying authorities – for further monitoring during review of C/O applications;
4	Customs to identify those sectors and goods, that have high risks of origin fraud, counterfeiting labelling, and illegal transshipment through Vietnam and investigate; and
5	The Ministry of Industry and Trade continues to review and issue new/updated Regulations/Guidance related to Vietnam Origin determination (including goods for sale <u>within</u> Vietnam).



## Our Assessment

Given the U.S. Administration's ongoing concerns that goods imported from Vietnam may **not** have Vietnam Origin status there will be more scrutiny of a product's origin at importation into the U.S.

Additionally, with the recent announcements by Vietnam authorities, applicants for Certificates of Origin will be subject to more checks, and Customs will perform more checks at the border points and through audits.

Where false claims of "Vietnam Origin" status are detected, these could lead to **significant duties exposures, penalties, and other remedial measures, both in Vietnam and the U.S.**

## Deloitte's recommendations for businesses



We strongly recommend Vietnam manufacturers/exporters, and those companies that engage with Vietnam manufacturers/processors, to:

- ✓ Carefully review the determination of "Vietnam Origin" for products exported, for purposes of customs declarations and marking products labelling, for past and future shipments.
- ✓ Establishing "comprehensive" Internal Control Program, to monitor the "end-to-end" process - from the purchase/import of materials, issuance into production, receipt of products readiness for export, determination of products origin, until exportation out of Vietnam.
- ✓ Enhance internal records/supporting documents to evidence for materials sources, "Vietnam Origin" of products exported, and production stages performed in Vietnam – in preparation for any origin audits and verifications.
- ✓ Performing the origin traceability for the materials that has been declared as having "Vietnam Origin" and purchased domestically for production of exported products.



## How Deloitte can support

The Origin specialists within our Customs & Global Trade team, can immediately support you through:



### Regulatory updates

To provide timely updates on any changes to origin regulations/requirements; and the development of U.S. tariff policies that may have impacts on origin for products exported from Vietnam.



### Compliance review (with focus on origin testing)

To perform an independent review, and assessment on whether the products exported by the companies satisfies "Vietnam Origin". Where not quantify potential exposures and provide recommendations on remedial actions that could be taken.



### Internal Control Program support

To establish, or review, the Internal Control Program relating to export manufacturing/processing activities – in preparation for any audits/verifications performed.



### Training and workshop arrangement

To organize the training/workshop with the company's personnel, to enhance their understanding of origin requirements, and their capabilities in determining/testing origin for exported products.

We will continue to monitor developments and provide updates on actions taken by the U.S. and the Vietnam authorities, that may affect your businesses and import/export activities.

Should you have any inquiries regarding Tax & Legal, please contact our subject matter experts at **Deloitte Vietnam**.



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