EVFTA FRAMEWORK-SELECTION CHECKLIST

EU apparel sourcing: Vietnam under EVFTA, Philippines under GSP+

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Why this checklist exists

The EU-Vietnam Free Trade Agreement (EVFTA) has been in force since 1 August 2020. It is bilateral: the parties are the European Union (27 member states) and Vietnam. The Philippines is not an EVFTA party - but it ships apparel to the EU duty-free under the EU's unilateral GSP+ scheme (currently valid through 2027), giving the same 0% landed-cost outcome with different sourcing structure, tariff diversification, and operational profile.

Use this checklist before contracting any EU-bound apparel shipment to confirm the applicable framework (EVFTA / GSP+ / MFN), the origin rule that applies, and the proof of origin that must travel with the goods.

Section 1: Confirm the country of origin

[ ] Identify where the substantive transformation occurred (where the garment was knitted/woven and made up)
[ ] If substantive transformation is in Vietnam: the shipment may qualify for EVFTA - proceed to Section 2
[ ] If substantive transformation is in the Philippines: the shipment enters the EU under GSP+ (REX statement) - skip to Section 5
[ ] If substantive transformation is in a third country: most likely MFN applies - confirm with a licensed broker

Section 2: Confirm the EVFTA origin rule for the HTS line

[ ] Identify the HS subheading (typically Ch 61 knit, Ch 62 woven, Ch 63 other made-ups)
[ ] Check the product-specific rule (PSR) in Protocol 1, Annex 2-A of EVFTA
[ ] For Ch 61/62: confirm 'knitting or weaving accompanied by making-up (including cutting)' was done in Vietnam or the EU
[ ] If using South Korean fabric for Ch 61/62: confirm it is originating under EU-Korea FTA rules and obtain proof of origin from the Korean supplier
[ ] Verify fabric origin - non-originating yarn is permitted; non-originating fabric is not (unless within tolerance)
[ ] Check de minimis tolerance per Note 6/7 of Annex A (typically 10% by weight for yarn/fabric)
[ ] If using ASEAN inputs: verify Appendix IIIa/IIIb/IV cumulation eligibility

Section 3: Prepare the proof of origin

[ ] For consignments > EUR 6,000: obtain EUR.1 movement certificate from Vietnam's authorised body
[ ] For consignments <= EUR 6,000: exporter may self-declare origin declaration on commercial invoice
[ ] Verify all supplier declarations and production records are retained for at least 3 years (verification window)
[ ] Confirm the non-alteration rule - goods must not be altered en route to the EU
[ ] Note: Vietnam has NOT yet notified the EU that its REX system applies - do not use REX-based statements for Vietnam exports

Section 4: Verify the tariff schedule

[ ] Look up the HS subheading in the EU's ROSA tool (My Trade Assistant) for the current preferential rate
[ ] Note the staging category: A (0% from 1 Aug 2020), B3 (0% from 1 Jan 2024), B5 (0% from 1 Jan 2026), B7 (0% from 1 Jan 2027), B10 (0% from 1 Jan 2030)
[ ] Confirm the EU MFN duty on the HS subheading (typically 12% for most Ch 61/62) for reference
[ ] For first 7 years after entry into force (through 2027): EVFTA preferential rate is floored at the GSP rate of 31 July 2020 - EVFTA is always at least as good as GSP
[ ] Annual tariff reductions take effect each 1 January - check the most recent reduction before contracting
[ ] Declare EVFTA preference at the time of import (Vietnam does not allow retroactive claims) - importer has up to 30 days to provide proof of origin

Section 5: For Philippine-origin goods - GSP+ handover

[ ] PH-origin apparel exported to the EU does NOT qualify for EVFTA - use GSP+ instead

[ ] Register the PH exporter in the EU's REX system if not already registered

[ ] Make out a statement on origin in REX format; attach to the commercial invoice

[ ] GSP+ rule for apparel: sufficient working or processing in the Philippines (typically double transformation: yarn -> fabric -> garment in PH, or single transformation with cumulation from EU or other eligible sources)
[ ] Verify the garment has been substantially transformed in the Philippines - re-exporting PH-origin goods under a Vietnamese EUR.1 is misuse of EVFTA
[ ] Proof of origin (REX statement) is valid for 10 months from issuance

[ ] Current GSP+ regime is valid through 2027 - confirm renewal status with the EU before contracting long-term shipments
[ ] Bonus for multi-market buyers: PH apparel may also qualify for PJEPA, AJCEP, RCEP, ATIGA, AANZFTA, AHKFTA, AKFTA, ACFTA, PH-Korea, PH-EFTA, AIFTA - 11 active preferential frameworks beyond GSP+

Section 5b: When to consider Philippines over Vietnam (or both)

[ ] Both Vietnam (EVFTA) and Philippines (GSP+) land at 0% EU duty on most apparel - the duty outcome is identical
[ ] Vietnam is the right call when: existing VN supplier base, South Korea fabrics are a key input (EVFTA Article 3(7)), or VN-specific sizing/technical standards already align
[ ] Philippines is the right call when: English-language operations, multi-market Asia exposure needed, BOI/PEZA incentives matter, fabric sourcing not concentrated in Vietnam, tariff diversification is desired
[ ] Consider both (split sourcing) when: total volume exceeds single-country capacity, when buyer wants to hedge single-FTA dependency, when product specs differ across EU destinations

Section 6: For locators and sourcing offices

[ ] Vietnam has multiple export-processing zones (EPZs) and industrial zones (IZs) administered at the provincial level - engage an investment adviser for current incentive packages
[ ] EVFTA applies identically to goods from any Vietnamese territory meeting the rules of origin - no preferential treatment by zone