

Client Alert

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Technical Measures on Textiles & Apparels Resumes

On 23 October 2017, the Ministry of Industry and Trade ("MOIT") issued Circular No. 21/2017/TT-BCT ("Circular 21") on promulgating National Technical Regulations on the content of formaldehyde and certain aromatic amines derived from azo colorants in textile products. Circular 21 comes into force on 1 May 2018 and reestablishes technical measures to control the residues of formaldehyde and aromatic amines in textiles and apparels, as previously promulgated in Circular No. 37/2015/TT-BCT ("Circular 37").

Circular 37 was met with widespread criticism for creating unnecessary, expensive and time-consuming obstacles for textile and garment manufacturers which significantly hampered business operations. Due to its complexities, it was terminated on 26 November 2016. Circular 21 effectively serves to replace Circular 37.

We have highlighted the key points of Circular 21 below, which may significantly impact the textiles industry.

1. Application

Circular 21 applies to all textiles and apparels as set forth in its Annex by HS code for products manufactured in or imported into Vietnam, with the exception of diplomatic goods, movement goods and gifts; samples; temporary imports, transshipments and goods in bonded warehouses; and textiles and apparels not yet dyed or bleached.

As compared to Circular 37, Circular 21 has relaxed the inspection requirement for products under trade promotion or for certain toll manufacturing activities. Particularly, samples and certain input materials are not subject to this regulation.

2. Chemical tolerance remains the same

Circular 21 keeps the same tolerance of formaldehyde and 22 aromatic amines as set forth in Circular 37 as follows:

a. **Formaldehyde:** mg/kg

Products for children under 36 months	30
Products in direct contact with skin	75
Products not in direct contact with skin	300

b. **Aromatic Amines:** 30 mg/kg (22 Aromatic Amines under control)

3. Timing for completion of inspection

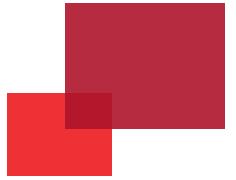
Circular 21 offers a more favorable timeline to enterprises as compared to that in Circular 37. Under Circular 21, the inspection and Conformity Announcement of the relevant products are only required at the time of actual circulation in the market, not at the time of importation, as was required under Circular 37.

4. Complex inspection procedures

The inspection procedures in Circular 21 is designed as a Conformity Announcement process, and the Conformity Announcement is valid for three (3) years as set forth in Circular No. 28/2012/TT-BKHCN on Conformity Announcement.

However, Circular 21 does not set forth a validity duration of the Conformity Announcement and in certain circumstances inspection shall apply to each consignment. Thus, businesses should be mindful of lingering inconsistencies in the inspection procedures.

Further, Circular No. 21 sets forth the obligation of labelling each product with CR label. However, there is no clear coordination of regulatory procedure between



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certification agencies, importers, and the authorities. This requirement may result in substantial administrative work for garment and textile retailers.

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Should you have any questions in relation to the above, please do not hesitate to contact us.