

**MINISTRY OF EDUCATION
AND TRAINING**

**MINISTRY OF INDUSTRY
AND TRADE**

**VIET NAM INSTITUTE OF STRATEGY AND POLICY FOR
INDUSTRY AND TRADE**

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**SOLUTIONS FOR PREVENTING
AND RESPONDING TO
ANTI-CIRCUMVENTION INVESTIGATIONS
ON VIETNAMESE EXPORT GOODS**

Sector: Commercial Business

Code : 9.34.01.21

SUMMARY OF DOCTORAL THESIS IN ECONOMICS

Hanoi - 2025

**THE THESIS WAS COMPLETED AT VIET NAM INSTITUTE OF
STRATEGY AND POLICY FOR INDUSTRY AND TRADE**

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**The thesis will be defended before the Thesis Committee at the
Viet Nam Institute of Strategy and Policy for Industry and
Trade**

At: .th, 2025

The thesis can be found at:

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Hanoi - 2025

INTRODUCTION

1. Rationales

By July 2025, 40 investigations has been conducted against the evasion of trade remedies measures (TRs) against Vietnam, affecting about 20 billion USD worth of exported goods and more than 1,000 businesses were affected. Not only that, these consecutive investigations targeting Vietnam have also "ignited" for the domino effect in international trade, leading to Vietnamese goods always being controlled more strictly by customs of importing countries regarding origin than neighboring countries during the customs clearance process. Actively preventing and responding to investigations against evasion of trade remedies measures for Vietnamese export goods is very necessary and urgent. However, from the perspective of commercial business, there has not been any research on this topic comprehensively based on objective scientific bases and in accordance with the current practical situation as well as the following years. Therefore, the PhD candidate chose the research topic of the thesis “*Solutions for Preventing and Responding to Anti-Circumvention Investigations on Vietnamese Export Goods*” with the goal of clarifying the theoretical basis, analyzing the current situation, thereby proposing feasible solutions, contributing to the goal of sustainable export development of Vietnam.

2. Literature review on the research topic

2.1. Literature review related to the thesis topic

Regarding trade remedies, Matsushita, Schoenbaum, Mavroidis and Hahn argue that this is one of the pillars of the WTO, which should be used to maintain fair competition instead of as a protectionist tool. Wruuck combines international politics and economics to explain the reasons for applying anti-dumping, emphasizing strategic and retaliatory factors. Coppens focuses on the SCM Agreement, analyzing many lawsuits and recommending reforms in the way of determining damages to avoid abuse. Mercurio studies the Agreement on Safeguards, pointing out legal loopholes as well as the risk of abuse, and proposing reforms. In Vietnam, Vu Thi Phuong Lan systematizes the theory and law on anti-dumping (AD), and

analyze the practices and roles of relevant entities. Mai Xuan Hoi focuses on the role of state agencies in implementing TRs, but mainly from the perspective of the investigation side. The annual reports of the TRs Department provide a comprehensive picture of the situation of applying TRs measures at home and abroad, and also mention early warning work .

On anti-circumvention of TRs, Lucia Ostoni provides an overview of the GATT 1994 regulations, thereby laying an important theoretical foundation for future studies. International Trade Centre analyzes EU law and investigation practices while Puccio and Ebrahar focus on the analysis of EU anti-dumping duty evasion cases, pointing out that not all cases originate from intentional fraud. Yanning Yu delves into the international and domestic legal perspectives, analyzing the history and types of tax evasion, considering it as a protectionist tool or a means of maintaining fair competition depending on the country. Kucheriava Yuliia proposes amendments to the questionnaire and anti-dumping investigation procedures, recommending a public consultation mechanism to prevent circumvention. In Vietnam, the Department of Trade Remedies (2018) pointed out common forms of evasion such as transit through a third country, minor changes in products or importing components for assembly, but this study did not clearly distinguish evasion and origin fraud. The Ministry of Industry and Trade (2019) analyzed the current situation in Vietnam, clearly stated the consequences and proposed that the Government develop a master plan to strengthen management and handling in the context of increasingly complex international trade.

Regarding prevention and response related to TRs, Most of the works are concentrated in China, the country with the most anti-dumping lawsuits, along with some studies in other countries that are often investigated. Jianna Zhao (2007) built an early warning model for anti-dumping for Chinese textiles based on rough sets and fuzzy decision trees combined with neural networks, established a risk warning threshold, and demonstrated its effectiveness in predicting lawsuits. Hongjin Xiang (2011) used economic indicators to predict the risk of being sued. Lu Yuan-yuan and He Hai-yan (2011) applied the KLR model, showing high forecasting efficiency and can be applied to export enterprises. The Ministry of Industry and Trade (2021)

in the Project on enhancing capacity on anti-dumping has proposed policy suggestions to support management agencies and enterprises, but there is a lack of theoretical basis and practical evidence. Le Trieu Dung (2025) systematizes theoretical issues on responding to countervailing measures, thereby forming an important theoretical framework for more effective response to CVD measures in the future.

2.2. Issues that the thesis can inherit and develop

Despite their limitations, these works still have theoretical and practical value, creating a foundation for the author to inherit and develop in the following thesis research: *(1)* Theory and framework of international regulations, regulations of each country on TRs measures as a general institution and each specific TRs measure; *(2)* Theory of evasion of trade remedies, theoretical basis for developing legal regulations of countries on investigation of evasion of trade remedies, practice of investigation of evasion of trade remedies in some countries; *(3)* Reasons leading to the possibility of investigation of a case of evasion of trade remedies and theoretical basis for developing principles for prevention and response to investigation of evasion of trade remedies.

2.3. Research gaps

In terms of theory, domestic works mainly stop at academic articles, information is fragmented, not updated and often grouped with the content of AD&CVD investigations, while international research is difficult to apply due to differences in institutions and trade. The thesis identifies research gaps including theoretical basis on TRs evasion investigation, theory and law on prevention and response, distinction between origin fraud and TRs evasion, and integrated research on law, economics, and technology to build a model to assess the risk of investigation for Vietnam's export goods.

In practice, Up to now, no domestic or international research has proposed solutions to prevent and respond to evasion investigations. New studies only focus on criteria for assessing the risk of being investigated for trade remedies by industry or country, while specific criteria for trade remedy evasion with Vietnamese exports are still lacking and are often incorporated into trade analysis. This leads to a lack of objectivity when

developing warnings and response solutions. So the thesis topic is new, non-repetitive, and has practical significance.

3. Research objectives and tasks

Research objective: Research the scientific basis and propose solutions to prevent and respond to investigations against evasion of trade remedies against Vietnamese export goods.

Research tasks: (1) Systematize and clarify the theoretical basis for preventing and responding to investigations against evasion of trade remedies (focusing on anti-dumping and countervailing measures); (2) Analyze and evaluate the current situation of preventing and responding to investigations against evasion of trade remedies for Vietnam's export goods; (3) Clarify the context and factors affecting the prevention and responding to investigations against evasion of trade remedies for Vietnam's export goods; (4) Research and propose viewpoints, orientations and solutions for preventing and responding to investigations against evasion of trade remedies .

4. Research objects and scope

Research object: theoretical and practical issues on preventing and responding to cases of investigation against evasion of foreign trade remedies against a country's exports, related to Vietnam's practice.

Research scope:

Regarding time, the thesis studies the import and export situation of Vietnam in the period 2015-2025, proposes viewpoints, orientations and solutions to prevent and respond to evasion investigations of Vietnam's export goods until 2030, with a vision to 2035.

In terms of space, the thesis studies the investigation, prevention and response activities of TRs evasion investigation in Vietnam and related countries .

In terms of content, it focuses on the scientific basis, international regulations and laws of some countries on investigation of evasion of anti-dumping and countervailing measures, and analyzes experiences in preventing and responding to these investigations on a country's export goods.

5. Research methodology

The thesis uses research methods including: (1) desk research (collecting and analyzing secondary data); (2) collecting and analyzing primary data through questionnaire surveys; and (3) case studies with the aim of ensuring the objectivity, reality and accuracy of the research results.

6. Novel contributions of the thesis

In terms of theory, the thesis has summarized, compiled and contributed to clarifying a number of theoretical bases on: (1) the causes and nature of anti-evasion investigations of trade remedies; (2) clarifying the relationship between economic theories and legal frameworks related to trade remedies and anti-evasion of trade remedies in Vietnam and a number of countries applying trade remedies to Vietnamese export goods; (3) the content and tools for preventing and responding to anti-evasion investigations of trade remedies; (4) the thesis also systematizes a number of related concepts, establishes the content and tools for preventing and responding to draw 4 lessons that can be applied to Vietnam; (5) provides arguments to propose solutions for state management agencies, industry associations and enterprises in early warning, prevention and response to investigation cases for Vietnam.

In practice, The thesis analyzes the current situation of prevention and response to anti-evasion investigation of trade remedies in Vietnam, thereby pointing out the successes, limitations and problems, and affirming the role of the State, enterprises and associations in this process. On that basis, the thesis outlines the context, identifies opportunities and challenges, and proposes two groups of solutions with scientific basis and practical value to improve the effectiveness of prevention and response to 2030, with a vision to 2035. The solutions are specified in association with the goal of sustainable export development, protecting domestic production, and at the same time, synchronously combining with anti-trade fraud programs and expanding management towards a value chain approach, enhancing comprehensive and more frequent monitoring.

7. Structure of the thesis

In addition to sections such as the declaration, introduction, table of contents, conclusion, list of references, appendix, the structure of the thesis includes 3 chapters:

Chapter 1. Theoretical basis and international experience in preventing and responding to investigations and evasion of TRs avoidance measures.

Chapter 2. Current status of prevention and response to investigation and evasion of trade remedy measures in the period 2015-2025.

Chapter 3. Viewpoints, orientations and solutions to prevent and respond to investigation and evasion of trade remedy measures until 2030, with a vision to 2035.

CHAPTER 1: THEORETICAL BASIS AND INTERNATIONAL EXPERIENCE ON PREVENTION AND RESPONSE TO INVESTIGATION AND EVASION OF TRS MEASURES

1.1. Theory of TRs and evasion of TRs measures

1.1. 1. Theory of TRs measures

Trade remedies is a concept used to refer to three measures stipulated in WTO agreements and domesticated by many countries, including anti-dumping, countervailing measures and safeguards. Trade remedies are tools allowed by the WTO to protect production from negative impacts of imported goods. Trade remedies plays a particularly important role in the context of international economic integration, especially for developing economies and nascent industries.

1.1.2. Some economic theories and their relationship with TRs measures

Supporting trade liberalization, classical economic theories all explain the causes, mechanisms and benefits of goods exchange between countries. International trade promotes globalization, brings benefits from specialization and resource differences, but also creates unemployment,

inequality and the risk of dependence. From there, TRs (TRs) was born as an inevitable policy tool, both protecting domestic production from unfair competition and creating conditions to improve competitiveness, especially for developing economies.

In contrast, Williamson's opportunistic behavior theory explains the evasion of trade remedies through enforcement loopholes, suggesting the need for strong monitoring and enforcement mechanisms. Bagwell & Staiger's trade policy theory points to the need for intervention to address negative externalities such as dumping and subsidies, while Porter's diamond model emphasizes the importance of trade remedies in maintaining fair competition for domestic industries. Overall, these theories form a comprehensive analytical framework explaining the nature, role and challenges of TRs, and pointing out that TRs is both a protection tool and a strategy to promote national competitiveness, but if abused, it will weaken the driving force for development.

1.1.3. Theory on evasion of TRs measures

The nature of circumvention is to reduce the effectiveness of trade remedies and distort competition. Although there is no unified international definition, many countries have issued identification regulations based on signs such as unusual changes in trade patterns, the participation of third countries, lack of legitimate economic basis and goods that do not change significantly in nature. From the theoretical basis, we can draw the concept: *circumvention of trade remedies is when an enterprise intentionally makes changes in commercial activities, production, processing or transportation of goods to avoid obligations arising from the applied trade remedies without legitimate economic basis or without changing the nature of the goods.*

Based on the legal regulations of countries that regularly conduct investigations into evasion of trade remedies, acts of evasion of trade remedies, mainly evasion of trade remedies tax, often take place in one of the following forms:

- Simple evasion.: (i) Illegal transshipment; (ii) False customs declaration and other fraudulent methods .

- Complex evasion: (i) Upstream evasion (avoidance in the tax-imposing country); (ii) Downstream evasion (products in the later stages of production/assembly/completion); (iii) Evasion through a third country; (iv) Evasion through the system of multinational companies; (v) Product evasion

1.1.4. Investigation against evasion of TRs measures

If not detected in time, the act of circumvention of trade remedies can neutralize the protective effect, causing the domestic industry to continue to suffer damage even though the measure has been legally applied. Through studying the regulations of countries, we can draw the concept of anti-circumvention investigation of trade remedies: *It is a process conducted by competent authorities to verify, detect and handle acts of commercial fraud with the purpose of avoiding obligations arising from the applied trade remedies, without changing the commercial or physical nature of the product.* Anti-circumvention investigation plays an important role in ensuring the effectiveness of trade remedies, enhancing trade fairness, and limiting the risk of exploitation of legal loopholes in the global supply chain.

1.2. Theory on prevention, response to investigation against evasion of TRs measures

1.2.1. Overview of prevention and response

The concept of “*prevention of investigation against evasion of trade remedies*” is not currently regulated by law, but can be understood as the fact that exporting entities, including enterprises and management agencies, proactively take measures to promptly identify risks of being considered evasion, build a transparent system of origin management and supply chain, periodically review the law and adjust the trade model according to international standards to avoid investigation.

“*Responding to anti-evasion investigation*” can be understood as the implementation of legal, technical and policy measures by exporting enterprises, manufacturers and the government of the exporting country to protect their legitimate rights when being investigated. Enterprises need to prepare data, conduct internal audits, provide transparent information and cooperate with the investigating agency, while the government provides

legal support, information and promotes dialogue. Unlike proactive prevention, response takes place after the investigation has been initiated, to control negative impacts, minimize damage and ensure the investigation process is transparent, fair and complies with international law.

1.2.2. Contents of prevention and response to investigation cases

Based on the analysis of the content, scope and investigation methods of typical cases in international practice, the content of investigation prevention and anti-evasion of TRs measures needs to focus on the following groups of activities: (i) Identify the reasons why Vietnamese exported goods are subject to anti-circumvention investigations; (ii) Identify the criteria for assessing the risk of being subject to anti-circumvention investigations; (iii) Identify the possibility of Vietnamese exported goods being subject to investigations.

Unlike proactive prevention, response is a legal-technical reaction process to provide information, prove that there is no evasion and request fair treatment, in which the enterprise is the direct participant. Some main contents in responding to anti-evasion investigation of TRs measures include:

(1) Timely grasp information to initiate investigation and analyze case files; (2) Proactively coordinate and register related parties; (3) Prepare and submit complete explanatory documents; (4) Organize explanations and participate in hearings (if any); (5) Coordinate with state management agencies and industry associations

1.2.3. Tools for preventing and responding to investigative incidents

Below are the main tools commonly used:

(1) Legal tools: are the foundation for orienting the activities of state management agencies as well as the compliance behavior of enterprises, including Vietnamese law, laws of other countries and international law (Agreements, FTAs, WTO).

(2) Early warning tool: is an important tool in preventing and promptly responding to the risk of being investigated for evasion of trade defense measures (TMS), helping relevant entities proactively monitor,

analyze data and issue warnings about legal risks in export activities, thereby being able to deploy early response measures before the incident arises.

(3) Technical and internal management tools of the enterprise: including (i) Traceability and origin management system; (ii) Complete and transparent archives; (iii) periodic internal audits.

(4) Tools for international negotiation, consultation and cooperation.

1.2.4. The role of subjects in preventing and responding to investigative incidents

The Government and state management agencies play a pivotal role in shaping the legal framework, implementing policies and supporting businesses in responding to trade remedies cases. Through the import-export monitoring system and the global trade remedy application situation, management agencies establish an early warning mechanism to identify investigation risks and promptly inform businesses. In case of disputes, the State plays a representative role, participating in lawsuits, and negotiating bilaterally and multilaterally to protect national interests as well as business interests.

Enterprises are the direct subjects affected by anti-avoidance investigations and at the same time are the most proactive subjects in prevention and response. Enterprises strictly implement and comply with legal regulations on origin, supply chain and investment; build a system of traceability and store complete documents; Establish an internal commercial risk management and warning mechanism; actively cooperate with domestic and foreign authorities.

Industry associations act as a bridge between the State and enterprises, and protect collective interests through many practical activities. The associations monitor international trade investigation trends, provide market information and early warning of TRs risks to members. In addition, they represent enterprises in working with authorities to propose appropriate policies and support in specific cases.

In addition to the main subjects, there are a number of *other groups of subjects* that play an important supporting role in preventing and

responding to investigations against evasion of trade remedy measures, such as: (i) Media and press agencies; (ii) Consulting units, law firms, international experts, credit and auditing institutions; (iii) International organizations (WTO, ITC, UNCTAD, ERIA, etc.).

1.3. International experience in preventing and responding to investigations and evasion of TRs measures

Experience from some Southeast Asian countries such as Indonesia, Malaysia and Thailand and South Korea shows that, although the level and frequency of anti-circumvention investigations are different, these countries all have a clear and consistent strategic direction in prevention and response. These experiences provide practical lessons for Vietnam in the context of the increasing frequency of cases related to export goods: *First*, build a strict and transparent C/O issuance system; *Second*, strengthen institutions to support businesses; *Third*, promote economic diplomacy to reduce the risk of unreasonable measures being applied; *Fourth*, increase training for businesses.

CHAPTER 2: STATUS QUO OF PREVENTION AND RESPONSE TO INVESTIGATIONS TO EVASION OF TRADE PROTECTION MEASURES IN THE PERIOD 2015-2025

2.1. Export of goods and its relationship with trade remedies evasion

2.1.1. Overview of the export situation of goods

Vietnam's total export turnover has increased continuously, from more than 150 billion USD in 2015 to a record of over 405 billion USD in 2024, putting Vietnam in the top 30 largest exporting economies in the world. However, Vietnam is increasingly becoming the subject of many trade remedy investigations and evasions. In the composition structure, FDI enterprises play a leading role, accounting for 71.7% of exports in 2024, while the domestic sector accounts for only 28.3%, mainly agricultural, forestry and fishery products. Processing and manufacturing industry exports

are increasingly large, but are heavily dependent on imported raw materials, especially from China, Korea, Japan and Taiwan, making production and export vulnerable to disruption and increasing the risk of being investigated for trade remedy evasion.

In terms of markets, the United States is the largest export partner (29.5% of total turnover, reaching 119.6 billion USD in 2024), while China is the largest import market (144.3 billion USD, accounting for 37.9%), and is also the largest source of Vietnam's trade deficit. Notably, the dependence on imported raw materials from China - a country that is subject to many trade remedies measures from the United States - increases the risk of Vietnamese goods being accused of tax evasion when exported to the US market.

2.1.2. The relationship between export situation and the risk of being investigated for evading trade remedies

Vietnam is facing the situation of being exploited as a transit point to evade taxes, especially by FDI enterprises of Chinese origin. Many products such as steel and wood have been investigated and imposed anti-avoidance taxes, directly affecting the commercial reputation and market access opportunities for domestic enterprises. In addition, the market structure is still heavily dependent on the United States, the EU, and China; Vietnamese enterprises are not deeply involved in the value chain; imported raw materials from China still account for a high proportion.

2.2. Current status of anti-evasion investigation and prevention and response situation in Vietnam

2.2.1. Current status of investigation against evasion of TRs measures

In the context of fierce global trade competition, trade remedies (SPS) such as anti-dumping, countervailing duties (CTC) and safeguards are increasingly popular, leading to a sharp increase in anti-circumvention investigations. The United States is the country that initiated the most cases with 46 cases in the period 2015-2024, the number of cases increased sharply after the amendment of the investigation regulations in 2021. The European Union conducted about 30 anti-circumvention investigations in the same

period, concentrated in the period 2015-2019 and maintained a stable 2-3 cases/year from 2021. In general, tax evasion has spread globally, with China being the epicenter, but many other countries also participate in the form of reprocessing, relabeling or re-exporting. This shows the great challenge in controlling the supply chain and determining the true origin of goods.

For Vietnam, as of July 2025, there have been 40 anti-circumvention investigations against trade remedies, of which the period 2019-2024 accounts for nearly half. The United States initiated the most with 23 cases, followed by the EU and Turkey. The trend of investigations has not only increased in number but also become more complex as many countries conduct dual investigations on the same products, while expanding the scope to determine whether the product is subject to tariffs or not. The cases focus mainly on major export industries such as steel, wood, aluminum, tires and solar panels, often related to allegations of tax evasion applied to China due to geographical proximity, supply chains and FDI flows from China to Vietnam.

The impact of these investigations is very negative: export turnover has decreased sharply, possibly affecting nearly 20 billion USD worth of goods; more than 1,000 businesses have to bear large costs to participate in the lawsuit; production and business plans are disrupted; the reputation and image of Vietnamese goods are damaged; there is a risk of chain lawsuits in many other markets; at the same time, it reduces the benefits from FTAs, causing difficulties in integration with major partners such as the United States and the EU.

2.2.2. Situation of prevention and response to investigations into evasion of trade remedies measures in Vietnam

To respond to the risk of increased trade remedy evasion and origin fraud, the Government issued Decision No. 824/QĐ-TTg in 2019 and Decision No. 316/QĐ-TTg in 2020 to strengthen the management, construction and operation of the Early Warning System. The warning list is regularly updated, and many items such as wood, steel, and solar panels have subsequently been investigated. After six years of implementation, the management work has achieved positive results in inter-sectoral

coordination, improving warning capacity and raising awareness for businesses. Ministries and sectors have established working groups, developed action plans, and organized training and published documents to raise awareness of compliance. Some industry associations such as Wood, Steel, and Aluminum have actively coordinated with the Department of Trade Remedies to propagate and train members. On the business side, many units have proactively contacted for advice and initially focused on tracing the origin of raw materials to limit the risk of being accused of evasion.

In response to investigations, the Ministry of Industry and Trade and related ministries and sectors have implemented many measures to protect Vietnamese enterprises in the international market, notably providing early warnings of goods at risk of being investigated, guiding enterprises to comply with regulations, coordinating the handling of cases, participating in consultations with foreign investigation agencies and in some cases bringing the case to the WTO dispute settlement mechanism. When investigations arise, industry associations are the focal point for communicating information, organizing meetings to guide enterprises, industry representatives providing data, arguments and counter-arguments to the investigation agency, and at the same time making recommendations on problems to the management agency. Enterprises are the direct subjects of investigation, so full cooperation is a key factor, and may have to hire lawyers, file complaints or petition the Government for support if the conclusion is unfavorable. However, many businesses are still subjective, some FDI enterprises withdrew from the market when the incident occurred, causing the domestic export industry to suffer long-term effects because the anti-avoidance tax rate is often maintained for many years.

2.2.3. Some typical cases of anti-avoidance investigation of Vietnamese export goods

2.2.3.1. United States investigates plywood

a. Summary of the case: After the US imposed anti-dumping and anti-counterfeiting taxes on Chinese plywood in 2018, in 2020, an anti-circumvention investigation was launched on allegations of plywood processing and assembly in Vietnam. According to the final conclusion in

2023, 36 Vietnamese enterprises were accused of using Chinese peeled plywood cores and were subject to a tax rate of 206.34%. The remaining enterprises were allowed to apply a self-certification mechanism for each shipment to avoid this tax.

b. Lessons learned: TRs investigation conclusions are subjective, depend on product scope and lack clear quantitative criteria; enterprises must fully cooperate with the investigation agency to enjoy the mechanism of self-certification of shipments. Enterprises that do not cooperate are subject to high taxes, while some others have had their taxes removed after administrative review. This shows that the challenge mainly comes from procedures and administrative burdens, not entirely from the nature of the Vietnamese plywood industry.

2.2.3.2 . EU investigation into stainless steel exports

a. Summary of the incident: EC investigates anti-dumping and countervailing duty evasion on cold-rolled stainless steel imported from Vietnam, Taiwan, and Türkiye in 2023 and. Three Vietnamese companies filed requests: one was exempted from both duties, one was exempted from anti-dumping duty only, and one was exempted from either duty. In 2024, the second company filed a lawsuit with the EU Court against the EC's extension of countervailing duty. The Court determined that the EC had used incomplete data when comparing raw material import prices, and that when correctly calculated, the company did not benefit from Indonesian subsidies. As a result, the EC decided to amend and exempt two-thirds of Vietnamese companies.

b. Lessons learned: (i) this is a rare success story thanks to the proactive participation of both the enterprise and the VPA; (ii) unlike the US, the EU applies clear criteria: at least 60% of the value of raw materials must come from the country of origin, the added value must exceed 25%, and the enterprise must request an exemption during the investigation process. The EU investigates the entire process, not selecting samples, the process is more rigorous than the US, and the review conditions are also strict.

2.2.3.3. Canada investigates semi-trailers

a. Summary of the incident: In 2024, CBSA initiated an investigation against anti-dumping and countervailing duty evasion on semi-trailers imported from Vietnam due to suspicion of evasion of measures applied to China. On May 23, 2025, CBSA issued a conclusion. affirms that semi-trailers from Vietnam do not have any evasion behavior. Thanks to that, Vietnamese enterprises continue to export to Canada without being subject to trade protection tax, contributing to maintaining trade stability and creating a positive signal for the industry in the context of increasing global trade barriers.

b. Lessons learned: The highlight of this case is that the early warning work was done very well, leading to THACO having time to review and complete documents and records to ensure compliance with Canadian regulations, as well as adjusting the supply chain of raw materials to show that the company did not evade the TRs tariffs imposed on China.

2.3. Evaluation of prevention and response results to investigation cases for Vietnam

2.3.1. Results achieved in the past time

The Department of Trade Remedies (Ministry of Industry and Trade) has coordinated with foreign lawyers and investigation agencies to support Vietnamese enterprises in providing documents and proving that there is no evasion, thereby many cases have achieved positive results, and enterprises are not subject to tax. Stainless steel wire, steel trolley wheels and wooden cabinets from Vietnam were concluded by the United States to be non-evasive. For the remaining cases, the United States applied a self-certification mechanism, allowing enterprises to fully cooperate and prove that they did not use raw materials from the original taxed country to be exempted from tax. The EU also exempted some enterprises in the investigation of cold-rolled stainless steel, while Canada concluded that semi-trailers imported from Vietnam were not evasive, helping to maintain stable exports to this market.

2.3.2. Evaluation of success and reasons

The above results have helped businesses maintain their export markets and protect the reputation of Vietnamese goods. The close

coordination between management agencies (customs, industry and trade, police, VCCI...) has contributed to detecting and effectively handling violations and creating a clear deterrent effect. Warning work helps management agencies proactively monitor, while creating conditions for businesses to promptly review risks, prepare documents and resources to respond when investigated. More than 70% of businesses regularly receive warnings from management agencies, and 55% of businesses said that this is the first source of information when there is an actual investigation.

The above successes first of all come from the correct policies of the Party and the State, clearly demonstrated through Decision No. 824/QĐ-TTg to prevent evasion and protect the reputation of Vietnamese goods. With the direction of the Government, businesses' awareness of trade remedies has been raised, many industries, especially steel, have proactively responded and established specialized departments to handle cases.

2.3.3. Limited assessment

In addition to the successes, the work of preventing and responding to investigations against evasion of trade remedies is still limited. At the Government level, after 6 years of implementing Decision 824/QĐ-TTg, the legal framework is still incomplete, there are overlaps in regulations on origin and handling of violations, and the inter-sectoral coordination mechanism is sometimes lacking in constraints. Local resources are still limited, officials lack expertise, and inspection and supervision tools are inadequate, leading to difficulty in early detection of fraudulent acts such as "disguised" investment or false declaration of origin.

At the enterprise level, especially small and medium enterprises, awareness of the risk of investigation and strict requirements from foreign investigation agencies is still limited, many enterprises are confused when being investigated, even unintentionally assisting fraud. For FDI enterprises, the post-licensing monitoring and supervision mechanism is not strict, potentially posing a risk of origin fraud or illegal transshipment, affecting national reputation. At the association level, the role of connecting, mobilizing enterprises to cooperate and share legal costs is still limited, especially in the context of the US often investigating by sampling method.

2.3.4. Causes of limitations

- *Subjective causes:* (i) The policy to attract foreign investment is still inadequate: Besides serious investors, there are also many investors "hiding behind" to avoid the applied trade remedy measures; (ii) Control of the issuance of certificates of origin is not strict; (iii) Not focusing on raising awareness of the business community: the lesson is that it is necessary to improve legal consulting capacity and provide in-depth training for businesses as a key factor in preventing risks from the beginning.

- *Objective reasons:* (i) International trade policies of major countries: increased protectionism in some major markets and trade relations between major countries, such as the trade relations between the United States and China, lead to a product with valid origin but the behavior can still be considered evasive; (ii) Changes in the global supply chain: the trend of shifting the supply chain to Vietnam also comes with the risk of being suspected by importing countries as a transit point to avoid taxes; (iii) Inevitable risks when export capacity increases: the growth in scale and capacity of processing and manufacturing industries, especially electronics, textiles, footwear, and wood, creates abundant and diverse sources of export goods. This leads to manufacturing industries in importing countries being unable to compete and seeking to sue Vietnam for various reasons, including tax evasion.

CHAPTER 3: PERSPECTIVES, ORIENTATIONS AND SOLUTIONS TO PREVENT AND RESPOND TO INVESTIGATIONS TO EVASION OF TRADE PROTECTION MEASURES UNTIL 2030, WITH A VISION TO 2035

3.1. Background and issues raised in prevention and response to investigation against evasion of TRs measures

3.1.1. International context

- *Protectionist trends lead international trade policies:*

In the context of globalization, the trend of trade protectionism is increasing, especially after major countries promoted "supply chain autonomy", "re-industrialization" and expanded the application of trade remedies. While previously, evasion investigations were mainly based on recommendations from domestic manufacturing industries, now the investigation agencies of many countries (DOC, EC, DGTR, KTC...) have proactively initiated based on trade data, using big data tools, AI to detect unusual fluctuations. Korea also amended the law to allow self-investigation. from 2025.

- *FDI flow and the risk of Vietnam becoming a transit point for tax evasion:* The US-China trade war and the prolonged impact of COVID-19 have accelerated the wave of FDI shifting from China to alternative countries, including Vietnam. However, this trend has also led to closer supervision from international investigation agencies (DOC, EC, ITAC...), with concerns that many FDI facilities in Vietnam only perform simple assembly steps, not meeting domestic value-added criteria. The big challenge for Vietnamese enterprises is to prove real production, ensure traceability and the level of transformation of the nature of the product.

- *The complexity of anti-evasion investigations of TRs measures increases:* Many importing countries such as the United States, the EU, Canada, India and Australia are tightening their anti-trade protection measures, expanding investigations from shipments to supply chains and national production capacity. Some require businesses to demonstrate "significant transformation" instead of relying solely on C/O, but the criteria are inconsistent, increasing risks.

3.1.2. Domestic context

- *Increasing pressure from key trading partners:* Vietnam is currently an important trading partner of many major economies such as the United States, the EU, South Korea and Canada, with export turnover constantly increasing. However, the dependence on a number of key markets puts Vietnam under great pressure from increasingly strict trade control measures, including anti-evasion of trade remedies, traceability and supply chain transparency.

- *Dependence on imported raw materials - risks of origin and supply chain:* Despite achieving a high export/GDP ratio, Vietnam still depends heavily on imported raw materials from China, Korea, Taiwan, etc. Key industries such as textiles, footwear, wood, steel, aluminum, and paper have not yet built a strong enough domestic supply chain. In the complex geopolitical context, the risk of supply chain disruption is constant, forcing businesses to suddenly change their raw material sources, easily leading to risks of origin, using raw materials from countries subject to TRs tariffs.

- *The growing influence of multinational corporations in export activities:* The export proportion of multinational corporations in Vietnam is increasingly large in the fields of electronics, high technology and renewable energy. Despite their high compliance capacity, dependence on their decisions to adjust the supply chain makes Vietnam vulnerable to being passive. Moving the final stage from the taxed country to Vietnam can easily lead to goods being suspected of evading trade remedies, increasing the risk of investigation and affecting national reputation .

- *New wave of foreign investment and the challenge of screening quality FDI:* The wave of investment shifting away from China after the US-China tensions has turned Vietnam into an attractive destination for FDI, especially in industries vulnerable to trade remedies such as solar panels, steel, wood, and electric bicycles. However, some projects only focus on simple processing and assembly, lack added value, and are linked to domestic enterprises, which are easily suspected of being a "cover" to avoid trade remedies. The lack of screening and monitoring of FDI can also pose risks in trade investigations .

3.1.3. Opportunities, challenges and issues in preventing and responding to investigations against evasion of TRs measures

- *Opportunity:* Pressure from major partners such as the United States, the EU, and Canada has pushed Vietnam to improve its institutions and enhance its capacity to manage origin and make its supply chain transparent according to international standards. At the same time, becoming a strategic partner opens up opportunities to participate in technical dialogues and early consultation mechanisms with foreign investigation agencies, protecting the

interests of export enterprises. Anti-circumvention investigations also encourage a reduction in dependence on imported raw materials, the development of supporting industries and sustainable domestic supply chains, and the enhancement of domestic added value.

- **Challenge:** (i) Increased risk of investigation due to dependence on supply chains and foreign investment; (ii) Limited resources and legal capacity; (iii) Vulnerable small and medium enterprises .

- **The issues for Vietnam:** The increase in anti-circumvention investigations creates great risks for Vietnam's exports, reduces competitive advantage, loses markets, wastes time and legal costs for businesses, especially when some cases last up to 2-3 years. Therefore, investigation prevention and response work needs to be focused on. The government needs to improve the effectiveness of the early warning system, monitor origin, post-investment management and have deterrent sanctions, and coordinate to support businesses when investigated. The Association needs to monitor early warnings, guide businesses, reflect on evasion behavior and act as a bridge with management agencies. Exporting enterprises need to monitor warning information, diversify markets and products, clearly understand the regulations on trade remedies and anti-avoidance, diversify raw material sources, increase domestic added value, deploy a transparent traceability system, maintain complete accounting books, cooperate with foreign investigation agencies and contact the Department of Trade Remedies when support is needed.

3.2. Viewpoints, directions for prevention and response to investigation against evasion of TRs measures

3.2.1. Viewpoint

First, continue to open up, liberalize trade and reasonably protect domestic production. *Second*, continue to pursue the strategic goal of sustainable exports . *Third*, proactively prevent anti-evasion investigations of trade remedies. *Finally*, it is necessary to effectively respond to anti-evasion investigations of trade remedies.

3.2.2. Orientation for prevention and response to investigation against evasion of TRs measures

First, increase the value added content created in Vietnam . *Second*, perfecting institutions and strengthening state management . *Third*, Strengthening international cooperation .

3.3. Some solutions to prevent and respond to anti-evasion investigations of trade remedies for Vietnamese export goods until 2030, with a vision to 2035

3.3.1. Solutions to prevent investigation and evasion of TRs measures

For *state management agencies*, the important solution is to complete the legal framework on TRs, which is necessary to improve the effectiveness of state management. In addition, it is also necessary to pay attention to building and effectively operating an early warning mechanism; improving the capacity of post-auditing C/O issuance; reviewing and perfecting policies and mechanisms to attract foreign investment; increasing the localization rate - a core and long-term solution; and promoting and disseminating to Associations and enterprises.

For *the association*, it is necessary to monitor the situation of importing raw materials, manufacturing and exporting finished products; monitor and warn of unusual behaviors; coordinate in propaganda work.

For *businesses*, it is necessary to study the regulations of target import markets; monitor early warning information; not support evasion; manage the supply chain to proactively source raw materials, and build a traceability system.

3.3.2. Solutions to respond to investigations against evasion of trade remedies measures until 2035

For *state management agencies*, it is necessary to develop a manual for handling procedures. The Government also needs to closely coordinate with investigating countries to provide evidence of production capacity, origin of raw materials, C/O management mechanisms and investment, production and export management policies, and at the same time support

businesses in the on-site verification process, through trade offices, embassies and diplomatic agencies to protect national interests and image. In addition, Vietnam needs to proactively fight legally in international forums when there are signs of investigation abuse, misapplication of the law or exceeding authority to protect national reputation and the legitimate interests of Vietnamese businesses.

The association plays an important role in enhancing the cooperation of enterprises with foreign investigation agencies and supporting the Government in protecting the interests of the industry. Immediately after the case is initiated, the association needs to promptly notify members of basic information, warn of risks and outline the benefits of cooperation, and organize dialogues, training or seminars to guide enterprises in preparing documents, answering questions and dealing with on-site verification. The association can also establish a cooperation group between enterprises, especially SMEs, to share the costs of legal advice, auditing, and standardizing data declaration to ensure consistency. In addition, the association coordinates with the Government and enterprises to provide specialized data, practical bases, technical evidence and data on output, cost, raw materials, and industry capacity, helping to strengthen the industry protection dossier, criticize the scope of products, or exclude enterprises from the scope of investigation, thereby increasing the chance of a positive outcome in the case.

On the part of exporting enterprises, it is necessary to fully comply and closely cooperate with the investigating agency of the importing country to demonstrate goodwill, reduce the risk of being subject to high taxes and have the opportunity to participate in the self-certification mechanism when committing not to use raw materials from countries subject to TRs tariffs. During the process of handling the case, enterprises should coordinate with associations and management agencies, use industry data and actual evidence to argue, and at the same time be advised on the process, deadlines and legal obligations. It is mandatory to keep complete and transparent records of raw material origin, production process, invoices and transportation to enjoy the anti-avoidance mechanism and maintain competitiveness. At the same time, enterprises need to develop a strategy to

participate in periodic reviews to promptly adjust tax rates, ensuring their rights even when the investigation results are not entirely favorable.

CONCLUSIONS

In the context of globalization, many countries are increasingly using trade remedies to protect domestic production, leading to a trend of tax evasion through origin fraud or transshipment. Vietnam, with its large economic openness and continuously growing export turnover, is becoming the subject of many investigations. As of July 2025, there were 40 cases, mainly in the United States and the EU, focusing on the steel, wood, aluminum and solar panel industries. In light of this reality, the thesis aims to systematize the theory of trade remedies and the mechanism of prevention and response to anti-avoidance investigations, while clarifying the role of the State, enterprises and associations. The study also analyzes international experience, draws lessons for Vietnam, assesses the current situation in the period 2015-2024 and points out successes, limitations and causes. On that basis, the thesis proposes viewpoints, orientations and solutions to 2030, vision 2035, and hopes to continue receiving comments to improve scientific and practical values.

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1. Pham Chau Giang (2025), *Theoretical and legal basis for investigation of evasion of trade defense measures - Some recommendations for Vietnam*, Electronic Journal of Economics and Forecast, published on August 7, 2025, (e-ISSN 2734-9365), Hanoi.

2. Pham Chau Giang (2025), *Issues raised in investigations of evasion of trade defense measures against Vietnamese export goods*, Electronic Journal of Economics and Forecast, published on August 12, 2025, (e-ISSN 2734-9365), Hanoi.

3. Pham Chau Giang (2025), *Solutions to prevent and respond to investigations against evasion of trade defense measures for Vietnam in the new context*, State Management Journal, Year 32, No. 355, published on August 21, 2025, Hanoi.

4. Pham Chau Giang (2025), *Experience in preventing and responding to anti-circumvention investigations of trade defense measures in some ASEAN countries and lessons for Vietnam*, Journal of Industrial and Commercial Research, ISSN: 2734 – 9799, published on August 20, 2025, Hanoi.