

UNDERSTANDING

CONCERNING SPECIFIC COMMITMENTS ON DISTRIBUTION SERVICES FOR WINE AND SPIRITS

The following Understanding was reached between the delegations of the Union and Viet Nam during the course of negotiations of this Agreement regarding specific commitments on distribution services¹ for wine and spirits²:

1. Viet Nam shall not:
 - (a) apply any discriminatory quantitative or qualitative restrictions, whether vertical or horizontal, on licensing of any type of distribution services for wine on a regional or nationwide basis;
 - (b) discriminate between Union and local service suppliers of any type of distribution services for wine; and
 - (c) require any other types of licences than the ones describing each type of distribution services for wine.

¹ For the purposes of this Understanding, the term "distribution services" means commission agents' services, wholesale trade services and retailing services.

² For greater certainty, beers are excluded from the scope of this Understanding.

2. For further clarity, the Union's service suppliers are entitled to engage in all types of distribution services for wine not only on a regional but also on a nationwide basis. Viet Nam shall, therefore, not apply any discriminatory measure which restricts the right of service providers to hold a single licence for the provision of all types of distribution services for wine on a regional or nationwide basis or which restricts a provider from holding by himself separate licences for the provision of all distribution services for wine in the same geographical area.

3. The conditions of ownership, operation and juridical form and scope of activities as set out in the respective licences or in any other form of approval establishing or authorising the operation or supply of distribution services for spirits by an existing service supplier of the Union shall not be more restrictive than those applied at the date of entry into force of this Agreement.
