DOING BUSINESS IN VIETNAM

Dr. Oliver Massmann

Partner – General Director

Duane Morris Vietnam LLC

CONTENTS

DOING BUSINESS IN VIETNAM

AN INTRODUCTION TO VIETNAM

- ***Vietnam 101***

Vietnam has remained one of Asia's strongest-performing economies, building on its resilience during the COVID-19 pandemic when it was among the few countries to achieve positive GDP growth in 2020. According to the National Statistics Office (NSO), Vietnam's GDP expanded by 8.02% in 2025, making it one of the fastest-growing economies in ASEAN and globally. GDP reached approximately USD 515 billion, while GDP per capita increased to about USD 5,026, reflecting the country's continued economic transformation and rising living standards.

Vietnam's consumer market continues to benefit from a rapidly expanding middle class. Recent projections indicate that the country will add millions of middle-income consumers over the coming decade, supported by sustained economic growth, urbanization, and rising household incomes. Vietnam has also been officially classified by the World Bank as an upper-middle-income economy, underscoring its remarkable development trajectory.

Hanoi and Ho Chi Minh City remain among Southeast Asia's most dynamic urban centers, supported by strong economic growth, expanding infrastructure, a young workforce, and robust foreign direct investment (FDI) inflows. Vietnam attracted approximately USD 27.6 billion in realized FDI in 2025, the highest level in the 2021-2025 period, highlighting continued investor confidence in the country as a regional manufacturing and services hub.

The EU-Vietnam Free Trade Agreement (EVFTA), which entered into force in August 2020, has continued to strengthen economic ties between Vietnam and the European Union. Bilateral trade has grown substantially since implementation, with Vietnam's exports to the EU increasing from approximately EUR 35 billion in 2019 to more than EUR 48 billion in 2023**,** while total Vietnam-EU trade reached approximately USD 73 billion in 2024. The EU remains Vietnam's largest trading partner in ASEAN and an important source of investment, reinforcing Vietnam's integration into global value chains

- ***Useful information on regulatory authorities***

For information, the political system and relevant competent authorities are listed as below:

Authority	Webpage	Address	Contact Email
Ministry of National Defense	http://www.mod.gov.vn	No 7, Nguyen Tri Phuong St., Ba Dinh Ward, Hanoi, Vietnam	info@mod.gov.vn
Ministry of Public Security	http://www.mps.gov.vn	96 Nguyen Du St., Cua Nam Ward, Hanoi, Vietnam.	
Ministry of Foreign Affairs	http://www.mofa.gov.vn	No.1 Ton That Dam, Ba Dinh, Hanoi, Vietnam	ttll.mfa@mofa.gov.vn

Ministry of Justice	http://www.moj.gov.vn	No. 60 Tran Phu St., Ba Dinh, Hanoi, Vietnam	btp@moj.gov.vn
Ministry of Finance	http://www.mof.gov.vn	No. 28 Tran Hung Dao St., Cua Nam Ward, Hanoi, Vietnam	support@mof.gov.vn
Ministry of Construction	http://www.moc.gov.vn	No. 80 Tran Hung Dao St., Cua Nam Ward, Hanoi, Vietnam	bophanhotro@moc.gov.vn
Ministry of Education and Training	http://www.moet.gov.vn	No. 35 Dai Co Viet St., Bach Mai Ward, Hanoi, Vietnam	bogddt@moet.edu.vn
Ministry of Agriculture and Environment	http://www.mae.gov.vn	No. 10 Ton That Thuyet St., Hanoi, Vietnam	Portal@mae.gov.vn
Ministry of Industry and Trade	http://www.moit.gov.vn	No. 54, Hai Ba Trung St., Cua Nam Ward, Hanoi, Vietnam	baoct@moit.gov.vn
Ministry of Health	http://www.moh.gov.vn	No 138A Giang Vo St., Giang Vo Ward, Hanoi, Vietnam	byt@moh.gov.vn
Ministry of Science and Technology	http://www.most.gov.vn	No. 18 Nguyen Du St., Hai Ba Trung Ward, Hanoi, Vietnam	tonghop@mst.gov.vn
Ministry of Home Affairs	http://moha.gov.vn	No. 08 Ton That Thuyet St., Cau Giay Ward, Hà Noi, Vietnam	vanphongbo@moha.gov.vn
Government Inspectorate	http://www.thanhtra.gov.vn	No. 20 Hoang Quan Chi St., Cau Giay Ward, Hà Nội, Việt Nam	banbientap@thanhtra.gov.vn
State Bank of Viet Nam	http://www.sbv.gov.vn	No. 49 Ly Thai To St., Hoan Kiem Ward, Hanoi	nhnn@sbv.gov.vn
Committee on Ethnic Minority Affairs	http://www.cema.gov.vn	No. 349 Doi Can St., Ngoc Ha Ward, Hanoi, Vietnam	banbientap@moera.gov.vn
Government Office	http://vpcp.chinhphu.vn	No. 01 Hoang Hoa Tham St., Ba Dinh Ward, Hanoi, Vietnam	vpcp@chinhphu.vn
Ministry of Culture, Sports and Tourism	http://www.cinet.gov.vn	No. 20, Alley 2, Hoa Lu St, Hai Ba Trung Ward, Hanoi, Vietnam	banbientap@bvhttdl.gov.vn

- ***Business etiquette 101***
  - Unless online communication is the sole option (for example, owing to a lockdown imposed by the government because of the Covid-19 outbreak), Vietnamese people prefer to have discussions in person. Despite the fact that English is becoming more widely used, we advise you to bring a translator with you whenever you can. Ideally, you should learn a few basic Vietnamese words to demonstrate your respect for the language and your desire to conduct business. Likewise, both English and Vietnamese should be on your business card. Use both hands while exchanging or receiving business cards.
  - In Vietnam, seniority and hierarchy are important. When addressing an older male colleague, use "Anh" before his first name. When working with an older woman, call her by her first name

and the honorific "Chị". Always shake hands with the person who has the most authority first and give business cards or other important paperwork to them

- Vietnamese names have the following order: family name, middle name, first name. Some people have many middle names, while others do not. People only ever address one another by their first name, middle name, or first name plus middle name (to distinguish from others with the same first name).
- Having all work documentation translated into Vietnamese is strongly advised.
- Vietnamese businesspersons tend to reply to investors introduced to them via a mutual connection, rather than cold calling.
- A foreign national must get an entrance visa from the Department of Immigration under the Ministry of Public Security of Vietnam in order to enter the country (both for first issuance and renewal).
- Visas are available electronically. The e-visa system in Vietnam has been upgraded, enabling travelers with single-entry trips lasting up to 30 days to apply for and get their visas online. After completing registration and paying the cost, e-visas take three working days to complete. Citizens of Denmark, Finland, France, Germany, Italy, Norway, Spain, Sweden, and the UK can enter Vietnam without visa for a stay up to 15 days.
- However, foreigners must apply for longer-term (three-months) single or multiple entry visas in order to work in Vietnam and stay for an extended period of time. When applying for longer-term visas (like those for foreign workers or others), it is advised to contact the Vietnamese Consulate General or Embassy in your country of residence.

- ***International instruments: the EVFTA, EVIPA and the CPTPP***

The EU-Vietnam Free Trade pact (EVFTA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the Investment Protection Agreement with the European Union (EVIPA) were signed by Vietnam within the relatively short period of three years, from 2018 to 2020. The agreements with the world's largest trading bloc – the EU – have cemented Vietnam's position as a potential destination for corporate giants from all over the world. While Vietnam is the only SEA country having successfully concluded an FTA with the EU, Malaysia and Vietnam are the two SEA representatives in the CTPPP. The EVFTA is intended to strengthen bilateral trade and investment ties between Vietnam and the EU and is assisting Vietnam's transformation into an Asian manufacturing center.

In services, Vietnam has not only liberalized additional sub-sectors for EU services and service providers under the EVFTA, but also made deeper commitments than those made under WTO Agreements, offering European services the best possible access to Vietnam's market in sectors and subsectors such as, for example, interdisciplinary Research & Development (R&D) services; nursing services, services provided by physiotherapists and para-medical personnel; packaging services; trade fairs and exhibitions services and building-cleaning services.

In addition, for the sectors listed in Vietnam's Specific Schedule of Commitments under the EVFTA, except where there are specific reservations, Vietnam undertakes not to apply restrictions related to: (i) the number of businesses allowed to participate in the market, (ii) the transaction value, (iii) the number of activities, (iv) foreign capital contribution, (v) the form of legal entities, and (vi) the number of natural persons recruited.

In goods trade, Vietnam commited to eliminate import duties on 48.5 percent of tariff lines, equivalent to 64.5 percent of EU exports to Vietnam from 1 August 2020.

In public procurement, Vietnam committed to treating EU bidders, or domestic bidders with EU investment capital, equally to Vietnamese bidders when the Government purchases goods or requests services worth over a specified threshold.

On another note, the Investor State Dispute Settlement (ISDS) provision under the CTPPP and EVIPA also plays an important role in Vietnam's investment attractiveness since it provides the investors with high standards of legal certainty and enforceability and protection (8). Under that provision, for investment related disputes, investors have the right to bring claims to the host country by means of international arbitration. The arbitration proceedings in conflict cases shall be made public as a matter of transparency. The final arbitration award is binding and enforceable without review of its validity by a Vietnamese court. The Government of Vietnam has to fully implement this commitment within five years from the entry into force of the EVIPA.

- ***Small-sized and Medium-sized Enterprises (SMEs) in Vietnam***

According to the Ministry of Finance, Vietnam has a vibrant business sector comprising hundreds of thousands of active enterprises, the overwhelming majority of which are small and medium-sized enterprises (SMEs). SMEs continue to play a critical role in the Vietnamese economy, contributing significantly to GDP, employment, and state budget revenues.

SMEs comprise microenterprises, small enterprises and medium-sized enterprises as determined in Article 5 of Decree No. 80/2021/ND-CP. The determination of SMEs according to the Decree follows two sets of criteria; (1) the average number of employees participating in compulsory social insurance during the year and (2) either the enterprise's total revenue of the preceding year or its total capital as follows:

Sectors / Criteria	Agriculture, forestry and aquaculture, industrial, construction	Trade and service
The average number of employees participating in social insurance per year	Microenterprise: 10 or less Small enterprise: 100 or less Medium enterprise: 200 or fewer	Microenterprise: 10 or less Small enterprise: 50 or less Medium enterprise: 100 or fewer
Annual revenue	Microenterprise: max VND 3 billion Small enterprise: max VND 50 billion Medium enterprise: max VND 200 billion	Microenterprise: max VND 10 billion Small enterprise: max VND 100 billion Medium enterprise: max VND 300 billion
Total investment capital	Microenterprise: max VND 3 billion Small enterprise: max VND 20 billion Medium enterprise: max VND 100 billion	Microenterprise: max VND 3 billion Small enterprise: max VND 50 billion Medium enterprise: max VND 100 billion

In order to be categorized as a micro, small or medium size enterprise, an enterprise must satisfy two of the above-stated conditions, i.e. (1) the average number of employees participating in social insurance per year and (2) the amount of their annual revenue **or** total investment capital in their business project. Under Decree No. 80/2021/ND-CP, the enterprise's sector is determined based on its principal business line registered with the business registration authority. Unlike the previous regime, the Decree does not provide discretionary authority for local authorities to determine SME status based on additional factors such as accumulated revenue over previous years. SME status is instead determined directly in accordance with the statutory criteria prescribed by Article 5 of Decree No. 80/2021/ND-CP.

- What are the most prevalent types of SMEs? (micro, small or medium)

Small and micro enterprises (both local and foreign-invested) account for a very large proportion of SMEs in Vietnam, whereas the number of medium sized enterprises accounts for only 1.6 percent of SMEs.

- In which sectors do SMEs operate?

Most SMEs operate in the commerce, services and industrial sectors especially in traditional handicraft, exploiting and producing raw products such as minerals, seafood, forest products, processing and assembly, manufacturing high-tech products (machinery, electronics, chemicals, measuring equipment, engines, etc.).

In recent years, the trend of developing innovative business models (in the form of startups, which are considered SMEs in Vietnam) has been growing especially in the areas of construction, processing, manufacturing, the automotive industry, air transport, finance and banking. In 2025, there are more than 4,000 active innovative startups. The ecosystem attracts significant investment from both domestic and international venture capital funds, particularly those based in **Singapore, Japan, South Korea, and the United States**.

- How ready are SMEs in Vietnam for the 4.0 Industrial revolution (i.e. technology adaptation)?

With a young and technology savvy workforce, increased connectivity and the presence of many large global technology corporations, rapid technology innovation and adoption is diffusing fast in Vietnam including its SMEs.

- Support mechanism for SMEs

Regarding the support for SMEs, the OECD Library contains updated information and studies on SME and Entrepreneurship support programmes in Vietnam.

Under the Law on Support for Small and Medium-Sized Enterprises No. 04/2017/QH14 and Decree No. 80/2021/ND-CP, Vietnam provides a comprehensive support framework for SMEs. Government support measures include assistance in accessing credit and finance, technology and digital transformation, business information and advisory services, human resource development, participation in industry clusters and value chains, and support for enterprises converted from household businesses. Additional incentives and support mechanisms are available for innovative start-ups, including incubation, commercialization, innovation, and investment facilitation programs.

- Regarding the access to credit

Financial institutions in Vietnam assess the credit “worthiness” of businesses on the basis of criteria such as firm size, firm age, firm ownership, total assets, return on equity, and return on assets which could be challenging for SMEs to satisfy. A 2015 survey conducted by the Provincial Competitiveness Index in Vietnam shows that financial institutions rejected loans to SMEs due to the lack of profitability and the lack of acceptable collateral such as land. The Vietnamese government has made efforts to improve SMEs’ access to credit, namely by setting up the SME Development Fund and the Credit Guarantee Fund. The OECD has pointed out the following limitations of the Vietnamese SME Development Fund (SMEDF): the lack of incentive for commercial banks to apply the SMEDF loan, difficulties for SMEs to comply with the conditions of the loan, difficult selection process, the lack of awareness of the SMEDF by SMEs (see 7.7 below).

For a detailed analysis of the challenges faced by SMEs in regard to access to finance (credit), please see this paper published by MDPI and this paper published by the Asian Development Bank Institute. These papers also contain information on funding and mentorship scheme for SMEs.

FOREIGN INVESTMENT IN VIETNAM

- ***Investment procedures***

The Law on Investment No. 143/2025/QH15 dated 11 December 2025 (the “2025 Investment Law”) and the Law on Enterprises No. 59/2020/QH14 (as amended by Law No. 76/2025/QH15 dated 17 June 2025) (the “Law on Enterprises”) require foreign investments in Vietnam to apply for and obtain (i) an Investment Registration Certificate (IRC); and (ii) an Enterprise Registration Certificate (ERC). Foreign investors may apply for the IRC and ERC through the National Investment Information System or the National Business Registration Portal, which enable fully online submission and processing in accordance with Vietnam’s digital transformation initiatives under Decree No. 96/2026/ND-CP dated 31 March 2026 (“Decree 96”).

- **Certificate of Investment Registration**

Investment projects are required to register with the local investment authority and obtain an IRC which sets out the key details of the investment project, including its objectives, duration, investment capital (equity and debt) and names of investors. For projects not subject to approval of an investment policy decision, the IRC shall be issued within 15 days from the date the investment registration authority receives a complete and valid application dossier. For projects in industrial zones, export processing zones, high-tech zones, digital technology zones, and economic zones, the IRC is issued by the management board of such zone.

Forms of investment for foreign investors:

1. Investment in the form of establishment of a business entity
2. Execution of an investment project
3. Investment in the form of a business cooperation contract
4. Investment in the form of capital contribution or purchase of shares or capital.

(1) Investment in the form of establishment of a business entity

An application dossier for the IRC should include:

- ✓ An application form for execution of the investment project
- ✓ A document concerning the legal status of the investor (passport for individuals, certificate of incorporation for corporations as well as the passport of the legal representative of the corporation);
- ✓ Document(s) proving the financial capacity of the investor including at least one of the following: the investor’s financial statements for the last two years; commitment of a parent company to provide financial support; commitment of a financial institution to provide financial support; guarantee for the investor’s financial capacity; other documents proving the investor’s financial capacity;
- ✓ Proposal for the investment that addresses the following: investment objectives, investment scale, investment capital and plan for raising capital, location, duration and schedule of the investment, information about the current land use in the location of the project and proposed demand for land use (if any), demand for labor, proposal for investment incentives, impact and socioeconomic efficiency of the project and preliminary assessment of environmental impact (if any) in accordance with the law on environmental protection; and
- ✓ If the law on construction or other relevant laws require formulation of a pre-feasibility study report, the investor is entitled to submit the pre-feasibility study report instead of a proposal for the investment project;

- ✓ If the investment project does not require the State to allocate or lease out land or to permit land repurposing, a copy of the document regarding the land use rights or other document identifying the right to use the land for execution of the investment project is required to be submitted; and
- ✓ Explanation on any technology to be used in the investment project (if relevant). For example, information on the technology of the solar panel to be used for a solar power development project

(2) Execution of an investment project

This form of investment applies to projects:

- ✓ That need to meet requirements concerning national defense, security and state secrets;
- ✓ where only one investor enters in open bidding.

The selection of investors shall be carried out by bidding by means of one of the following methods:

- ✓ Bidding forland use rights;
- ✓ Bidding for selection of investors; or
- ✓ Investor appointment

An investment in project execution form requires an application for a Decision on Investment Policy from the competent authority. The authority depends on the nature and scale of the project: (i) the National Assembly for projects specified in Article 24.1 of the 2025 Investment Law (including nuclear power plants, projects requiring relocation and resettlement of 10,000 people or more, and projects requiring special mechanisms); (ii) the Prime Minister for projects specified in Article 24.2 (including airports, international seaports, and oil and gas projects); or (iii) the provincial-level People's Committee for projects specified in Article 24.3. Within 5 working days from the date of issuance of the Decision on Investment Policy, the competent authority shall instruct the investment registration authority to issue the IRC for the foreign investor. The processing time for a Decision on Investment Policy is 35 days for projects under provincial People's Committee authority and 60 days for projects under Prime Minister authority, calculated from the date of receipt of a complete and valid application dossier. For projects under National Assembly authority, the timeline follows the National Assembly's legislative calendar.

The application dossier for the Decision on Investment Policy is basically the same as the one submitted for the purpose of the IRC.

Projects that are subject to approval by a Decision on Investment Policy are listed in Article 24 of the 2025 Investment Law (Law No. 143/2025/QH15). These include: (i) projects under National Assembly authority such as nuclear power plants, projects requiring relocation of 10,000 or more people, and projects requiring special policy mechanisms; (ii) projects under Prime Minister authority such as civil airports, international seaports, petroleum exploration and exploitation, and projects with total investment capital of VND 10,000 billion or more in certain sectors; and (iii) projects under provincial People's Committee authority such as projects requiring land allocation or lease by the State without auction, projects requiring conversion of agricultural land, protection forest, or special-use forest, and projects in coastal areas.

(3) Investment in the form of a business cooperation contract

<u>An application dossier for the Certificate of Investment Registration should include</u>:

- ✓ An application form for the execution of the investment project

- ✓ A document concerning the legal status of the investor (Passport for individual, Certificate of incorporation for a corporation as well as the passport of the legal representative of the corporation);
- ✓ Document(s) proving the financial capacity of the investor including at least one of the following: the investor's financial statements for the last two years; commitment of a parent company to provide financial support; commitment of a financial institution to provide financial support; guarantee for the investor's financial capacity; other document proving the investor's financial capacity;
- ✓ Proposal for the investment project that addresses the following: investment objectives, investment scale, investment capital and plan for raising capital, location, duration and schedule of the investment project, information about the current land use in the location of the project and proposed demand for land use (if any), demand for labor, proposal for investment incentives, impact and socioeconomic efficiency of the project and preliminary assessment of environmental impact (if any) in accordance with the law on environmental protection.
- ✓ If the project does not require the State to allocate or lease out land or to permit land repurposing, a copy of the document regarding the land use rights or other document identifying the right to use the land for execution of the investment project is required to be submitted;
- ✓ Explanation on any technology to be used in the investment project (if relevant). For example, information on the technology of the solar panel to be used for a solar power development project; and
- ✓ The business cooperation contract.

(4) Investment in the form of capital contribution or purchase of shares or capital

Foreign investors who wish to invest in the form of capital contribution or purchase of shares or capital shall follow procedures for registration of capital contribution or purchase of shares or stakes of a business entity and then proceed to carry out any necessary amendments to the enterprise's details of members or shareholders.

An application for registration of capital contribution or purchase of shares/capital consists of:

- ✓ A registration form for capital contribution or purchase of shares/capital, which specifies enterprise registration information about the business entity to which foreign investors contribute capital or whose shares/stakes are purchased by foreign investors; business lines; list of founding shareholders, list of shareholders that are foreign investors (if any); holding of charter capital by the foreign investor before and after capital contribution or purchase of shares/stakes; transaction value of the contract for capital contribution or purchase of shares/stakes; information about the business entity's investment project (if any);
- ✓ Copies of legal documents of the individual or organization that contributes capital or purchases shares/stakes and of the business entity to which foreign investors contribute capital or whose shares/stakes are purchased by foreign investors; and
- ✓ A written agreement/contract on the capital contribution or purchase of shares/stakes between the foreign investor and the business entity receiving capital contribution from or selling shares/stakes to the foreign investor.

Investors shall submit the application to the local Department of Planning and Investment (now the Department of Finance - DOF) or the relevant investment registration authority and shall receive the result of the application within 15 days from the date of receipt of a complete and valid dossier. In cases where the investment registration authority needs to consult with relevant ministries or agencies on whether the transaction complies with market access conditions for foreign investors, the consultation period shall not exceed 15 working days, and the total processing time shall not exceed 25 working days from receipt of a complete dossier. If approval is not required for the transaction, the investment registration authority shall issue a notification confirming the same within the standard timeline.

- **Enterprise Registration Certificate (ERC):**

The investor also needs to register the legal entity/project company that will carry out the investment with the business registration office of the DOF and obtain an ERC. The ERC application may be submitted before the IRC application using a single-window mechanism between the National Investment Information System and the National Business Registration Information System. Enterprise registration is processed within 3 working days from the date of receipt of a complete and valid dossier.

Once the ERC is issued, the project company is officially established with a legal entity status and can commence its commercial operations under its own name pursuant to Vietnamese law.

Please refer to the Section below for the requirements and procedures to obtain an ERC for the various forms of legal entities / companies.

- ***Company registration in Vietnam***

Under the Law on Enterprises No. 59/2020/QH14 (as amended by Law No. 76/2025/QH15), there are four types of legal entities in Vietnam but the most common are (i) the Limited Liability Company (LLC) and (ii) the Joint Stock Company (JSC).

Kindly find below the application dossier for each type of legal entity:

- **Sole proprietorship**

A sole proprietorship is an enterprise:

- ✓ that is owned by a single individual whose liability for its entire operation is equal to his/her total assets;
- ✓ that must not issue any kind of securities;
- ✓ that must not contribute capital upon establishmentor purchase shares or stakes of partnerships, limited liability companies or joint stock companies; and
- ✓ whose owner may establish only one sole proprietorship. The owner of a sole proprietorship must not concurrently own a household business or hold the position of a general partner in a partnership.

The dossier for the ERC of a sole proprietorship should include:

- ✓ Application for enterprise registration as per the below form
- ✓ Legalized copies of legal documents of the sole proprietorship's owner (i.e.passport)
- ✓ MOU or contract for office lease
- ✓ Company charter
- ✓ Copies of the Investment Registration Certificate

- **Partnership**

A partnership is an enterprise in which:

- ✓ there are at least two partners that are joint owners of the company and do business under the same name (“general partner”). There can be capital contributing partners in addition to the general partners;
- ✓ a general partner shall be an individual whose liability for the company’s obligations is equal to all of his/her assets; and
- ✓ a capital contributing partner can be an organization or an individual whose liability for the company’s debts is equal to the promised capital contribution.

A partnership must not issue any kinds of securities.

The dossier for an ERC for a partnership should include:

- ✓ Application form for enterprise registration as per the below form
- ✓ Company charter
- ✓ List of general partners
- ✓ Legalized copies of the following documents:
    - o Legal documents of general partners who are individuals (i.e.passports); Legal documents of general partners that are organizations (i.e. certificate of incorporation);
    - o Legal documents of authorized representatives (i.e.passports)and letters of appointment of authorized representatives.
    - o Investment registration certificate.
    - o MOU or contract for office lease.

- **Multi-member limited liability company and joint-stock company**

A multi-member limited liability company:

- ✓ is an enterprise owned by 2 to 50 organizations or individuals (“members”). A member’s liability for the company’s debts and other liabilities shall be equal to the amount of charter capital contributed to the company by the member;
- ✓ must not issue shares except for upon conversion into a Joint Stock Company; and
- ✓ may issue bonds.

A joint stock company is an enterprise in which:

- ✓ the charter capital is divided into units of equal value called shares;
- ✓ shareholders can be organizations and individuals; the minimum number of shareholders is three; there is no limit on the maximum number of shareholders;
- ✓ a shareholder’s liability for the company’s debts and other liabilities is equal to the amount of capital contributed to the company by the shareholder;
- ✓ shareholders may transfer their shares to other persons in accordance with the Law on Enterprises, subject to transfer restrictions applicable to founding shareholders during the first 3 years from the date of enterprise registration pursuant to Article 120 of the Law on Enterprises.

A joint stock company may issue shares, bonds and other kinds of securities.

The dossier for an ERC for a multi - member liability company or joint stock company should include:

- ✓ Application form for enterprise registration
- ✓ Company charter
- ✓ List of members of the multi - member limited liability company; lists of founding shareholders and shareholders that are foreign investors of the joint stock company.
- ✓ Legalized copies of the following documents:
  - Legal documents of the enterprise's legal representative (i.e. passport);
  - Legal documents of members or founding shareholders and foreign shareholders that are individuals (i.e. passports); legal documents of members or founding shareholders and foreign shareholders that are organizations (i.e. incorporation certificate); legal documents of authorized representatives of members or founding shareholders (i.e. passport) and foreign shareholders that are organizations (i.e. passport) and their letters of appointment of authorized representatives.
  - Copies of Investment registration certificate
  - MOU or contract for office lease

- **Single-member limited liability company**

A single-member limited company:

- ✓ is an enterprise owned by a single organization or individual ("owner"). The owner's liability for the company's debts and other liabilities shall be equal to the company's charter capital;
- ✓ must not issue shares except for conversion into a joint stock company;
- ✓ may issue bonds.

The dossier for an ERC for a single - member limited company should include:

- ✓ Application form for enterprise registration
- ✓ Company charter
- ✓ Legalized copies of the following documents:
  - Legal documents of the enterprise's legal representative (passport);
  - Legal documents of the company's owner that is an individual (passport); Legal documents of the company's owner that is an organization (certificate of incorporation); Legal documents of the authorized representative (passport) and letter of appointment of authorized representative.
  - Investment registration certificate
  - MOU or contract for office lease

- ***Conditional sectors in Vietnam***

A complete list of conditional investment sectors for foreign investors according to international treaties and Vietnamese laws can be found here.

A complete list of conditional business activities under different sectors (together with required license/ permit/ etc.) can be found here.

- ***Applicable taxes for businesses***

Among others:

- Corporate Income Tax
- Value added tax
- Foreign contractor tax

INTELLECTUAL PROPERTY RIGHTS (IPRS) IN VIETNAM

- ***Protection of IPRs in Vietnam***

By law, protection is provided for the following IPRs:

- Copyright, including the right to literary, artistic and scientific works: subject matters of copyright-related rights include performances, phonograms, video recordings, broadcasts and encrypted program-carrying satellite signals.
- Industrial property rights, including rights to inventions, industrial designs, layout-designs of semiconductor integrated circuits, trade secrets, marks, trade names and geographical indications.
- Rights to plant varieties, including rights to reproductive and harvested materials.

The EVFTA covers all categories of intellectual property that are referred to in Sections 1 to 7 of Part II of the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement), namely:

- copyright and related rights;
- trademarks;
- geographical indications;
- industrial designs;
- patent rights;
- layout-designs (topographies) of integrated circuits;
- protection of undisclosed information; and
- plant varieties.

- ***Registration of IPRs in Vietnam***

Registration of copyrights is conducted at the Copyright Office of Vietnam under the Ministry of Culture, Sports and Tourism. Copyrights also apply to computer programs that cannot be patented. While no copyright registration is required in Vietnam (copyright arises automatically upon creation of a work), registration is strongly recommended as it provides prima facie evidence of ownership and facilitates enforcement. The governing law is the Law on Intellectual Property No. 50/2005/QH11 as amended by Law No. 36/2009/QH12, Law No. 42/2019/QH14, Law No. 07/2022/QH15, Law No. 93/2025/QH15, and most recently by Law No. 131/2025/QH15 (effective 1 April 2026). Detailed procedures for copyright registration, including re-issuance, exchange, and cancellation of copyright registration certificates, are prescribed by the Government pursuant to Article 49.5 of the Law on Intellectual Property as amended.

The registration dossier for copyrights and related rights should include:

- A declaration for registration of copyright or related rights;
- Two copies of the work subject of the application for copyright registration, or two copies of the formulated object that is subject of the application for related rights registration;
- A letter of authorization where the applicant is an authorized person;
- Documents proving the right to file the application where the applicant acquires such right by way of inheritance, succession or assignment;
- Written consent of the co-authors in the case of a work under joint authorship;
- Written consent of the co-owners if the copyright or related rights are jointly owned.

Industrial property rights registration (inventions, industrial designs, trademarks, geographical indications, and layout-designs of integrated circuits) is conducted at the Intellectual Property Office of Vietnam (IP Vietnam) under the Ministry of Science and Technology. Applications may be filed in paper form or electronically through the electronic filing system. For inventions and utility solutions, applications can also be filed through the Patent Cooperation Treaty (PCT) designating Vietnam. For trademarks, applications can be filed directly with IP Vietnam or through the Madrid System for the International Registration of Marks. Note: PCT applications originating from Vietnam are subject to security control procedures; IP Vietnam may refuse to process such applications if security control requirements are not met.

The registration dossier for industrial property rights should include:

- Declaration for registration;
- Documents, samples and information identifying the industrial property object registered for protection;
- Power of attorney, if the application is filed through a representative;
- Documents evidencing the registration right, if such right is acquired by the applicant from another person;
- Documents evidencing the priority right, if such right is claimed;
- Receipt for payment of fees and charges.

The trademark system in Vietnam protects signs including words, letters, numerals, images, three-dimensional shapes, holograms, colors, sounds, or combinations thereof that are capable of distinguishing goods or services. The 2022 amendments to the Law on Intellectual Property expanded protectable subject matter to include sound marks. Trade name rights are established through use rather than formal registration. Domain names are administered by the Vietnam Internet Network Information Center (VNNIC) on a first-come, first-served basis. Trademarks can be registered in Vietnam directly at IP Vietnam or internationally through the Madrid Protocol. Detailed criteria for trademark registrability are prescribed by the Minister of Science and Technology .

The registration dossier for rights to plant varieties at the Plant Variety Protection Office under the Ministry of Agriculture and Environment (formerly Ministry of Agriculture and Rural Development) should include:

- A written application for protection of plant varieties;
- A declaration of the distinctness, uniformity and stability testing techniques (DUS testing) according to the templates in the regulation on DUS testing of each kind of plant;
- Copies of the receipts, or the fax of the papers proving that the registration fee has been transferred to the account of the Department of Crop Production;
- A letter of authorization (if the application is submitted by a representative);
- At least 3 pictures (size 9 cm x 15 cm) of the variety that demonstrate its 3 distinct characteristics.

For copyright registration: Copyright registration certificates are issued within 22 working days from receipt of a complete and valid dossier. Re-issuance and exchange of copyright registration certificates are processed within 15 working days.

For industrial property rights registration:

- Formal examination: Applications are examined for formal compliance. Applications not falling within the grounds for refusal are deemed formally valid and published;
- Publication of applications: Invention applications are published in the 19th month from the filing date or priority date (or within 1 month of early publication request). Industrial design, trademark,

and geographical indication applications are published within 1 month from the date the application is deemed formally valid. Substantive examination timelines: (i) for inventions: 12 months from the publication date or from the date of substantive examination request, whichever is later; (ii) for trademarks, industrial designs, and geographical indications: 5 months from the publication date. Fast-track substantive examination is available within 3 months, subject to the eligibility conditions (for patents: invention on the List of Strategic Technologies, already commercially exploited, early publication requested, maximum 10 claims with no more than 2 independent claims, not a divisional/converted application, and fast-track fee paid; for trademarks: similar conditions apply, and applications revert to standard timelines if disputes arise or the mark is similar to a prior application).

For registration of rights to plant varieties: Formal examination results in acceptance or rejection of the application. Upon acceptance, technical examination (DUS testing) proceeds, with results examined within 60 days of receipt. If the applicant conducts self-examination, testing must commence within 24 months from the date the application is accepted. Note: Decree 100/2026/ND-CP has reduced the overall plant variety examination period from 18 months to 12 months.

Types of IP protected without registration under Vietnamese law include: copyright and related rights (which arise automatically upon creation), well-known trademarks, trade secrets, trade names (established through use), and layout-designs of integrated circuits (protected for 10 years from the first commercial exploitation or 15 years from the creation date, whichever is earlier, even without registration). The Law on Intellectual Property as amended provides enhanced protections for digital platforms, with specific liability provisions for intermediary service providers and digital platform operators. “Digital platform intermediary enterprises” now expressly include online social media services, e-commerce platforms, and other digital intermediary platforms.

AI-Generated Intellectual Property: inventions, industrial designs, and layout-designs created using AI systems are protected if a natural person made creative contributions and controlled the AI process. If no human creative contribution exists, the creator may use and license the AI-generated subject matter but cannot obtain registered IP protection. Trademarks, trade names, geographical indications, and trade secrets created using AI are protected if they meet standard registration conditions. For copyright and related rights, authors and rights holders have the right to reserve their rights and prohibit their works from being used for AI training, research, and experimentation, unless otherwise permitted by law.

EXPORTING GOODS TO VIETNAM

- ***Applicable tariff rates (including tariff rate quotas) and rules of origin for products***

The Ministry of Industry and Trade issues the annual quotas for products every year.

To enjoy preferential in quota tariff rates, importers need to obtain an import quota license from the Ministry of Industry and Trade. The application dossier, to be submitted to the Import - Export Department of the Ministry of Industry and Trade, shall include:

- An original request for import tariff quotas;
- A self-certified true copy of an Investment Registration Certificate or Enterprise Registration Certificate of the importer.

Please note that for the import of tobacco raw materials, the importer must have a license to produce cigarettes issued by the Ministry of Industry and Trade and have a demand to import tobacco raw materials for cigarettes production.

The in-tariff quotas for refined sugar and raw sugar is currently subject to a pilot auction program by the Ministry of Industry and Trade.

- ***Import control***

The list of prohibited imports into Vietnam pursuant to Decree 292/2026/NĐ-CP dated 22 July 2026 (Appendix I, Section II) includes:

- Weapons, ammunition, explosive materials (except for industrial explosives), military technical equipment, supplies, and spare parts for specialized military use;
  - ✓ Firecrackers of all types (except for maritime safety flares pursuant to guidelines of the Ministry of Construction), sky lanterns, and equipment that interferes with road traffic speed-measuring instruments;
  - ✓ Dangerous chemicals specified in the List of Prohibited Chemicals and Minerals issued pursuant to the Law on Investment;
  - ✓ Rough diamonds prohibited from import under the Kimberley Process Certification Scheme;
- Electronic cigarettes and heated tobacco products;
  - ✓ Second-hand consumer goods and used vehicles, comprising the following categories:
  - ✓ Textiles, garments, footwear, and clothing;
  - ✓ Electronic, refrigeration, and household electrical goods;
  - ✓ Interior decoration goods;
  - ✓ Household goods made of ceramics, earthenware, porcelain, glass, metal, plastic, rubber, and other materials;
  - ✓ Bicycles, motorcycles, and mopeds;
  - ✓ Used medical equipment;
  - ✓ Medicines and pharmaceutical ingredients on the List of Prohibited Imports and Production;
- Cultural products in the category prohibited from dissemination or circulation, or for which there is a decision to suspend dissemination, circulation, recall, confiscate, or destroy in Vietnam;
- Publications prohibited from dissemination and circulation in Vietnam;
- Used digital technology products;
- Postal stamps in the category for which trading, exchange, display, or dissemination is prohibited pursuant to the Law on Post;
- Radioactive waste;
- Right-hand drive road vehicles (including disassembled vehicles and vehicles with right-hand drive converted before import), except for fire trucks, airport passenger vehicles, and specialized machinery (such as excavators) imported solely for use on dedicated roads not open to public traffic;
- Automobiles and sets of automobile components with erased, altered, or re-stamped frame numbers, and all types of trailers and semi-trailers with erased, altered, or re-stamped frame numbers (unless accompanied by manufacturer's certification legalized by Vietnamese diplomatic missions abroad);
- Motorcycles, mopeds, and specialized machinery with erased, altered, or re-stamped frame or engine numbers (unless accompanied by manufacturer's certification legalized by Vietnamese diplomatic missions abroad);

- Used materials and vehicles, including:
  - ✓ Spare parts and components for automobiles, trailers, semi-trailers, and four-wheeled motorized vehicles;
  - ✓ Automobile and tractor chassis with engines attached (including new chassis with used engines, and used chassis with new engines);
  - ✓ Automobiles with modified structures that have changed the original design function;
  - ✓ Used vehicles more than 5 years old (from year of manufacture to year of customs clearance), including automobiles, trailers, semi-trailers (except specialized trailers and semi-trailers), four-wheeled passenger vehicles with engines, and four-wheeled cargo vehicles with engines;
- Ambulances;
- Chemicals in Appendix III of the Rotterdam Convention;
- Plant protection agents prohibited for use in Vietnam;
- Specimens of endangered wild animals and plants listed in CITES Appendix I, derived from nature, imported for commercial purposes; and specimens and processed products of white rhinoceros (*Ceratotherium simum*), black rhinoceros (*Diceros bicornis*), and African elephants (*Loxodonta africana*) for commercial purposes;
- Controlled substances and equipment, products containing or manufactured from controlled substances pursuant to international treaties on ozone layer protection to which Vietnam is a party;
- Veterinary drugs prohibited for use in Vietnam;
- Products and materials containing asbestos of the amphibole group;
- Products and goods extracted, produced, or manufactured in whole or in part by forced labor from enterprises, countries, or territories, in accordance with relevant international treaties to which Vietnam is a party.

Import permits are required for the importation of the following products:

- Chemicals requiring special control, chemicals listed in Tables pursuant to the Chemical Weapons Convention, and dangerous chemicals on the List of Prohibited Chemicals and Minerals pursuant to the Law on Investment;
- Goods subject to automatic import licensing as announced by the Ministry of Industry and Trade from time to time;
- Precursors specified in the List of Precursors prescribed by the Government, except for precursors managed by the Ministry of Public Security and Ministry of Health
- Explosive precursors and industrial explosives;
- Rough diamonds imported pursuant to the Kimberley Process Certification Scheme;
- Refurbished goods imported pursuant to CPTPP, EVFTA, UKVFTA;
- Tobacco raw materials, cigarette rolling paper, and specialized tobacco machinery and equipment;
- Civil cryptographic products;

- Unmanned aerial vehicles (UAVs), other flying devices, aircraft engines, propellers, and equipment for UAVs and other flying devices: (a) for defense and security purposes; (b) for non-defense/security purposes;
- Narcotics and precursors specified in the Lists prescribed by the Government, except for narcotics and precursors that are pharmaceutical ingredients subject to special control managed by the Ministry of Health and industrial precursors managed by the Ministry of Industry and Trade;
- Cybersecurity products including: (a) products for testing and assessing network information security; (b) products for monitoring network information security; (c) anti-attack and anti-intrusion products;
- Maritime safety flares;
- Specimens of endangered wild animals and plants listed in CITES Appendices; specimens of endangered, precious, and rare forest plants and animals;
- Crop varieties not yet granted circulation recognition or self-declared circulation, imported for research, testing, advertising, exhibitions, or international exchange;
- Fertilizers not recognized for circulation in Vietnam, imported for: (a) testing purposes; (b) use for sports stadiums or entertainment areas; (c) use in foreign investment projects in Vietnam; (d) gifts or samples; (đ) fairs or exhibitions; (e) scientific research; (g) production of fertilizer for export;
- Livestock and animal breeds and lines subject to testing or meeting import conditions pursuant to livestock regulations;
- Aquaculture products not on the list of products permitted for use in Vietnam, imported for testing, scientific research, exhibitions, or fairs;
- Fishing vessels imported for fisheries exploitation;
- Veterinary drugs containing narcotics or precursors; narcotics and precursors used as raw materials for veterinary drug production as specified in the Lists prescribed by the Government;
- Vaccines and microorganisms for veterinary use;
- Veterinary drugs without veterinary drug circulation certificates in Vietnam, imported for: (a) emergency disease prevention or disaster relief; (b) testing samples, registration, exhibitions, fairs, or scientific research; (c) treatment of animals in temporary import-re-export or transit; (d) temporary import-re-export or toll manufacturing for export; (đ) diagnosis, testing, and veterinary examination; (e) international organization aid and other non-commercial imports;
- Veterinary drug raw materials imported for: (a) production of veterinary drugs with circulation certificates in Vietnam; (b) veterinary diagnosis, testing, and examination as prescribed by the Ministry of Agriculture and Environment;
- Animal feed not yet published on the Ministry of Agriculture and Environment’s electronic portal, imported for introduction at fairs or exhibitions, adaptation, research, laboratory analysis samples, or for production/processing for export;
- Ozone-depleting substances and greenhouse gases controlled under the Montreal Protocol;
- Plant protection agents imported in the following cases: (a) not yet on the permitted list, imported for temporary import-re-export or for production in Vietnam for export; (b) fumigation agents containing methyl bromide or extremely toxic chemicals of Type I/II under GHS; (c) not yet on the permitted list, imported for testing for registration purposes; (d) not yet on the permitted list, imported for testing, research, use in foreign projects in Vietnam, samples, fairs, exhibitions, or

special cases as determined by the Minister; (đ) on the prohibited list but imported as reference materials;

- Genetically modified organisms and their products imported for research, testing, release, closed production, use as food, animal feed, or processing into food/animal feed;
- Hazardous waste transported across borders;
- Medical equipment without circulation numbers, imported for: scientific research, testing, guidance on use and repair; or aid purposes; or individual medical treatment; or special diagnostic needs of medical facilities; or use at ODA/concessional loan-funded medical facilities;
- Medicines without circulation registration certificates in Vietnam;
- Medicines subject to special control with circulation registration certificates in Vietnam; pharmaceutical ingredients subject to special control;
- Pharmaceutical ingredients without circulation registration certificates in Vietnam, except for ingredients on published lists that are exempt from import licensing (does not apply to ingredients subject to special control);
- Insecticides and disinfectants for household and medical use, imported for research purposes;
- Insecticide and disinfectant preparations for household and medical use, imported for aid purposes or special uses (gifts, donations, or where suitable products are not available on the market);
- Cosmetics imported by order for research and testing purposes;
- Radioactive materials and nuclear equipment;
- Gold raw materials and gold bars.

- ***Applicable technical requirements in general***

Products and goods are classified into three risk levels: (i) low-risk products, which have minimal potential to cause harm to humans, animals, plants, property, or the environment; (ii) medium-risk products, which may have a notable impact on safety and require appropriate management measures; and (iii) high-risk products, which may cause serious consequences and require special controls. The risk level is determined based on a quantitative assessment considering the severity of potential impacts, the likelihood of occurrence, and the impact coefficient related to human health, environmental harm, and supply chain controllability. Quality management requirements are proportionate to the risk level: low-risk products are subject to announced standards by producers; medium-risk products require declaration of conformity to corresponding technical regulations based on testing by accredited or designated organizations; and high-risk products require conformity certification by designated certification bodies.

All imported goods must have their applicable standards announced. Producers and importers shall announce fundamental properties, warning information (including risk level warnings where applicable), and standard codes on goods or on (i) the goods packaging; (ii) the goods labels; or (iii) documents accompanying the products or goods. The contents of announced standards must not conflict with the requirements of technical regulations issued by competent state management agencies.

Imported goods classified as medium-risk or high-risk must pass state quality inspections. For medium-risk imported goods, the inspection includes examination of conformity evaluation results, goods labels, conformity stamps, and accompanying documents; importers may declare conformity based on testing results from accredited or designated testing organizations. For high-risk imported goods, conformity certification by a designated certification body is mandatory. Inspection authorities apply risk-based management principles, selecting inspection targets based on risk analysis, consumer complaint data, traceability records, and international warnings. Imported goods samples must be tested according to announced applicable standards and relevant technical regulations as determined by the sector-managing ministry.

Technical regulations for medium-risk and high-risk products are issued by the government ministry in charge of the relevant product sector. Specifically:

- Products and goods under the management authority of the Ministry of Agriculture and Environment, together with relevant technical standards/ regulations and form of inspection can be found in Circular No. 27/2026/TT-BNNMT.
- Products and goods under the management authority of the Ministry of Home Affairs, together with relevant technical standards/ regulations and form of inspection can be found in Circular No. 16/2026/TT-BNV.
- Products and goods under the management authority of the Ministry of Public Security, together with relevant technical standards/ regulations and form of inspection can be found in Circular No. 125/2026/TT-BCA.
- Products and goods under the management authority of the Ministry of Industry and Trade can be found in Circular No. 33/2026/TT-BCT.
- Products and goods under the management authority of the Ministry of Construction, together with relevant technical standards/ regulations and form of inspection can be found in Circular No. 49/2026/TT-BXD.
- Products and goods under the management authority of the Ministry of Science and Technology can be found in Circular No. 36/2026/TT-BKHCN.
- Products and goods under the management authority of the Ministry of Culture, Sports and Tourism can be found in Circular No. 09/2023/TT-BVHTTDL.

Registration dossier for the declaration (announcement) of conformity with technical standards:

Organizations and individuals declaring conformity with technical standards shall notify the declaration through the National Database on Standards, Metrology and Quality or submit the notification directly or by post to the Department of Standards, Metrology and Quality where the manufacturer or importer is located. Declaration of conformity with technical standards may be based on the results of: (i) self-assessment by the organization or individual (first party); or (ii) certification by a registered certification body (third party). The registration dossier shall include the following documents:

- If the declaration of conformity with standards is based on results of certifying the conformity with standards by a registered certification body (third party), the registration dossier shall include:
  - ✓ Declaration of standard conformity;
  - ✓ Original copies of documents proving business operation of the organization or individual declaring product standard conformity (Enterprise Registration Certificate, Investment Registration Certificate or other equivalent documents);
  - ✓ Original copy of the applied standard;
  - ✓ Original copy of the standard conformity certificate issued by the registered certification body, enclosed with standard conformity marking specimen. The conformity mark shall be designed by the certification body in accordance with guidance from the Ministry of Science and Technology.
- If the declaration of conformity with standards is based on the results of self-assessment by the organization or individual (first party), the registration dossier shall include:

- ✓ Declaration of conformity with standards;
- ✓ Original copies of documents proving business operation of the organization or individual declaring conformity with product standards (Enterprise registration certificate, Investment Registration Certificate or other equivalent documents);
- ✓ Original copy of the applied standard;
- ✓ In case where the product owner has not yet obtained the certificate of conformity with standards on management system such as ISO 9001, ISO 22000 or HACCP, for example, granted by a registered certifying organization, the application must include the production process enclosed with the plan on quality control formulated and applied and the plan on supervising the management system;

- ▪ In case where the product owner has obtained a certificate of conformity with standards related to management system (ISO 9001, ISO 22000, HACCP, TCVN ISO/IEC 17025 or other equivalent standards) granted by a registered or accredited certification body, the dossier must include a copy of the valid original certificate of conformity with standards on management system;
- ▪ Report on assessing the conformity with standards, enclosed with an original copy of the test result of the sample made by a registered or accredited testing organization. For organizations not yet accredited, the testing organization shall submit a declaration of testing capability in compliance with the requirements of TCVN ISO/IEC 17025 or ISO/IEC 17025 or applicable national or international standards in the specialized testing field.

Registration dossier for the declaration (announcement) of conformity with technical regulations:

Organizations and individuals are responsible for declaring that their products, goods, services, processes, environment, and other objects in economic and social activities conform to the corresponding technical regulations. Declarations of conformity with technical regulations shall be submitted through the National Database on Standards, Metrology and Quality, or directly or by post to the sector-managing Ministry. Organizations and individuals declaring conformity shall ensure that declared products and goods conform to the technical regulations as announced. The dossier shall include:

- ▪ If the declaration of conformity is based on the self-assessment of the organization or individual (first party), the dossier for declaring conformity with technical regulations shall include:
  - ✓ Declaration of conformity with technical regulations and the following additional content:
  - ✓ The self-assessment report, signed with a date by the leader of the organization or individual, shall include the following information:
    - o Name of organization or individual; address; telephone and fax number;
    - o Names of products and goods;
    - o Number of technical regulations;
    - o Conclusion that products and goods conform to technical regulations;
    - o Self-declared commitment to product and goods quality in accordance with technical regulations and the announced applicable standards, and taking full responsibility before the law for product and goods quality, self-assessment results, and any false declarations.

The self-assessment report is based on the results of self-implementation by the organization or individual or based on the assessment results of a registered or accredited conformity assessment organization. Organizations and individuals are responsible before the law for the content of the announced applicable standards and must provide relevant technical documents proving that their products, goods, services, processes, environment, and other objects conform to the announced standards when requested by a competent authority.

- In case the declaration of conformity is based on the certification results of a registered or designated certification body (third party), a dossier for the declaration of conformity with technical regulations shall include:
  - ✓ Declaration of conformity with technical regulations;
  - ✓ The name of the registered testing organization, certificate number, certificate issue date;
  - ✓ A copy of the original certificate of conformity with relevant technical regulations, enclosed with a specimen of the regulation conformity seal, issued to the organization or individual by the registered or designated certification body. The shape, structure, and presentation of the conformity seal shall be prescribed by the Ministry of Science and Technology.

- ***Applicable taxes***

Imported products could be subject to value added tax (VAT) and, where applicable, special consumption tax.

Goods imported into Vietnam are generally subject to VAT unless specifically exempt. VAT rates currently comprise 0%, 5% and 10%, although a temporary reduced rate of 8% applies to certain goods and services that would otherwise be subject to the standard 10% rate under separate National Assembly resolutions. VAT exemptions continue to apply in certain circumstances, including, among others, goods in transit through Vietnam, goods temporarily imported for re-export, and certain other imports expressly exempted by law.

Moreover, certain imported goods are subject to special consumption tax, whose rate varies from 5% to 150% or higher in certain cases under the statutory tax schedule, with separate rate structures applicable to different types of tobacco products, alcoholic beverages, motor vehicles and other taxable goods:

- Tobacco products;
- Alcoholic beverages;
- Beer;
- Motor vehicles with fewer than 24 seats, including certain passenger pick-up trucks, double-cabin pick-up trucks and cargo vans specified by law;
- Two-wheeled and three-wheeled motorcycles with an engine displacement exceeding 125 cm^3;
- Aircraft, helicopters, gliders and yachts (subject to certain exemptions);
- All types of gasoline;
- Air conditioners with a cooling capacity of over 24,000 BTU and up to 90,000 BTU (subject to statutory exceptions);
- Playing cards;
- Joss paper and votive objects (except certain children's toys and educational items); and
- Sugar-sweetened beverages meeting the criteria prescribed by law (i.e. beverages containing more than 5g of sugar per 100ml under the applicable Vietnamese standard)

- ***Applicable requirements for label of goods***

Generally, a good’s label must contain the following information: the good’s name, the name and address of the organization or individual who is responsible for the good, and the good’s origin.

A supplementary label presenting the compulsory information in Vietnamese is required for imported goods along with the original label. The information on the label must be the direct Vietnamese translation of the label in its original language. In addition, where the original label of imported goods does not fully contain the above compulsory information in Vietnamese, the importer must add a subordinate label in Vietnamese to the goods before or after customs clearance but before their circulation in the market.

Depending on the types of goods imported and the specific laws governing such goods, there may be additional compulsory labeling requirements.

- ***Trade remedy measures against imports in Vietnam***

Vietnam imposes additional duties or measures on imported goods if these goods cause (i) injurious dumping or (ii) injurious subsidization or (iii) in case of injurious sudden increases of imported goods.

- **Anti-dumping duties**

By law, imported goods are subject to anti-dumping duties if an anti-dumping investigation shows that the export price of the imported goods is lower than its normal price, thereby causing or threatening to cause material injury to the affected domestic industry.

- **Countervailing duties**

While anti-dumping duties address the private commercial conduct of exporters, countervailing measures address certain types of subsidies granted by governments. Countervailing measures are applied where the subsidized goods imported into Vietnam cause substantial injury or threaten to cause material injury to the domestic industry or prevent the formation of a domestic industry.

- **Safeguard measures**

Safeguard measures are measures applied in cases where goods are excessively imported into Vietnam, causing serious damage or threatening to cause serious damage to the domestic industry.

Safeguard measures include applying (i) safeguard tax, (ii) import quotas; (iii) tariff quotas; (iv) import permits; and other safeguard measures.

DISTRIBUTION OF GOODS IN VIETNAM

- ***Applicable requirements***

To implement distribution of goods in Vietnam, a foreign-invested enterprise must first obtain the Investment Registration Certificate (IRC) and the Enterprise Registration Certificate (ERC) as provided above.

To conduct retail distribution of goods to final customers, a Business License must be obtained from the Department of Industry and Trade (DOIT) where the enterprise's head office is located. To establish a retail outlet, a License to Establish a Retail Outlet is also required from the DOIT where the retail outlet is located. Notably, approval functions previously exercised by MOIT are now performed by the Provincial People's Committee.

For ease of reference, distribution includes:

- wholesaling: selling goods to wholesalers, retailers, and other traders and organizations; this does not include retail activities;
- retailing: selling goods to individuals, households, and other organizations for consumption purposes. A retail outlet is the place where retailing is conducted;
- sales agencies; and
- franchising.

- ***Applicable restrictions***

Note that an import right is the right to import goods from foreign countries into Vietnam for sale to traders that have the right to distribute those goods in Vietnam, including the right to be named on the customs declaration for import goods to carry out and take responsibility for import procedures. An import right does not include the right to establish, or participate in, a goods distribution system in Vietnam, unless otherwise provided by Vietnamese law or international treaties to which Vietnam is a member.

Thus, if a foreign-invested enterprise has the import right, it may import goods from abroad and from separate customs areas into Vietnam and sell them to traders that have the right to distribute those goods in Vietnam.

In case the products are lubricants, the local Department of Industry and Trade will consider granting the import right and wholesale distribution right to a foreign-invested enterprise that performs one of the following activities:

- Manufacturing lubricants in Vietnam; or
- Manufacturing or being authorized to distribute in Vietnam machinery, equipment, or goods that use specific lubricants.

In case of rice; sugar; recorded items; books, newspapers and magazines: The local Department of Industry and Trade will consider granting retail distribution right to a foreign-invested entity that already has retail outlets in the form of supermarkets, mini supermarkets, or convenience stores to sell the above goods at those retail outlets.

- ***Applicable procedures for a company to set up outlet/shop for imported products?***

A foreign-invested entity must apply for a License for Establishment of Retail Outlet after obtaining Business License and retail outlet documentation.

If the retail outlet is in the same province/ city as the headquarter, the foreign invested entity must apply for a Business License and a License for Establishment of Retail Outlet at the same time.

The foreign invested entity submits an application dossier directly, via post or online to the local Department of Industry and Trade.

Application dossier for a Business License should include:

- An application form for a business license;
- An explanation document specifying:
  - ✓ Conditions for issuance of a business license;
  - ✓ Business plan: business activities and methods of doing business; presentation of business plan and market development; labor demand; evaluation of the implications and socio-economic effectiveness of the business plan;
  - ✓ Financial plan: An income statement made on the basis of the last audited financial statement if the enterprise has been established in Vietnam for at least one year; explanation of capital, sources of funds and fund raising plans; enclosed with other financial documents;
- A document justifying that the enterprise incurs no overdue tax issued by the tax authority.
- Copies of: the enterprise registration certificate; investment registration certificate for sale of goods and other related activities.

Within three working days from the receipt of the application dossier, the local Department of Industry and Trade may request the submission of additional documents in case of an invalid dossier. Within ten working days from the receipt of a valid dossier, the local Department of Industry and Trade will issue the Business License if the foreign invested entity satisfies the requirements for issuance of a business license. Note: For activities requiring prior approval under Clause 3 of Article 8 of Decree 09/2018/ND-CP, the DOIT must obtain approval from the Provincial People's Committee (rather than MOIT, as previously required) before issuing the Business License.

In case the foreign invested entity applies for the Business License and the License for Establishment of a Retail Outlet at the same time, the application dossier should include:

- An application form for a business license;
- An application form for a License for Establishment of a Retail Outlet;
- An explanation document specifying:
  - ✓ Conditions for issuance of a business license;
  - ✓ Business plan: business activities and methods of doing business; presentation of business plan and market development; labor demand; evaluation of the implications and socio-economic effectiveness of the business plan;
  - ✓ Financial plan: An income statement made on the basis of the last audited financial statement if the enterprise has been established in Vietnam for at least one year; explanation of capital, sources of funds and fund raising plans; enclosed with other financial documents;
- An explanation document specifying:
  - ✓ Location of the retail store: address of the store; description of the general common area, related areas and areas to be used for establishing the store; and an explanation on satisfaction of the conditions prescribed, enclosing the retail store location data;
  - ✓ Business plan on trading by the retail store: presentation of the business plan and market development; the labor demand; and an assessment of the impact and socio-economic efficiency of the business plan;

- ✓ Financial plan for establishment of the retail store: business operational results on the basis of the audited financial statements for the most recent year if the applicant has been established in Vietnam for one year or more; and an explanation of capital, capital sources and methods for mobilizing capital, enclosing financial data.

- ▪ A document specifying that the enterprise has not incurred overdue tax debts
- ▪ Copies of: the enterprise registration certificate; investment registration certificate for sale of goods and other related activities and establishment of a retail outlet (if any).

Within three working days from the receipt of the application dossier, the local Department of Industry and Trade requests additional submission of documents in case of invalid dossier. Within 20 working days from the receipt of a valid dossier, the local Department of Industry and Trade will issue the Business License and License for Establishment of a Retail Outlet if the foreign invested entity satisfies the requirements for issuance. Note: Approval functions are now performed by the Provincial People's Committee instead of MOIT.

In case a foreign invested entity applies for a License for Establishment of a First Retail Outlet which is not in the same province/ city as the headquarter, after obtaining the Business License, it must apply for another License for Establishment of a Retail Outlet. An application dossier should include:

- ▪ An application form for a License for Establishment of a Retail Outlet;
- ▪ An explanation document specifying:
  - ✓ Conditions for issuance of a business license;
  - ✓ Business plan: business activities and methods of doing business; presentation of business plan and market development; labor demand; evaluation of the implications and socio-economic effectiveness of the business plan;
  - ✓ Financial plan: An income statement made on the basis of the last audited financial statement if the enterprise has been established in Vietnam for at least one year; explanation of capital, sources of funds and fund raising plans; enclosed with other financial documents;
- ▪ An explanation document specifying:
  - ✓ Location of the retail store: address of the store; description of the general common area, related areas and areas to be used for establishing the store; and an explanation on satisfaction of the conditions prescribed, enclosing the retail store location data;
  - ✓ Business plan on trading by the retail store: presentation of the business plan and market development; the labor demand; and an assessment of the impact and socio-economic efficiency of the business;
  - ✓ Financial plan for establishment of the retail store: business operational results on the basis of the audited financial statements for the most recent year if the applicant has been established in Vietnam for one year or more; and an explanation of capital, capital sources and methods for mobilizing capital, enclosing financial data.
- ▪ A document specifying that the enterprise incurs no overdue tax issued by the tax authority.
- ▪ Copies of: the enterprise registration certificate; investment registration certificate for sale of goods and other related activities and establishment of a retail outlet (if any).

Within three working days from the receipt of the application dossier, the local Department of Industry and Trade may request additional documents in case of an invalid dossier. Within 20 working days from the receipt of a valid dossier, the local Department of Industry and Trade will issue the License for

Establishment of a Retail Outlet provided the foreign invested entity satisfies the requirements for issuance. As noted above, approval functions are now performed by the Provincial People’s Committee .

E-COMMERCE IN VIETNAM

- ***Major platforms in Vietnam***

Pursuant to the Law on Electronic Commerce No. 122/2025/QH15 dated 10 December 2025 ("E-Commerce Law") and Decree No. 248/2026/ND-CP dated 30 June 2026 ("Decree 248"), which took effect on 1 July 2026, e-commerce platforms are classified into the following categories:

- Direct E-Commerce Platform: A platform established by a trader or organization to conduct its own commercial activities, including selling goods, providing services, or carrying out commercial promotions. Platform operators with online ordering functions must notify the Ministry of Industry and Trade (MOIT) through the National Public Service Portal.
- Intermediary E-Commerce Platform: A platform established by a trader or organization to provide an environment for other traders, organizations, or individuals to conduct their commercial activities. Intermediary platforms must register with MOIT before operation.
- Social Network with E-Commerce Activities: A social network platform that provides features for commercial transactions, including online ordering, payment processing, or similar functions. These platforms must register with MOIT and comply with seller identification requirements.
- Integrated E-Commerce Platform (: A platform that integrates other e-commerce platforms into its ecosystem, allowing users to access multiple platforms through a single interface. Platform operators must register with MOIT and ensure that integrated platforms comply with applicable regulations.

Key features introduced by the new e-commerce regulatory framework include:

- Livestream Selling (Livestream bán hàng): The E-Commerce Law regulates livestream selling activities conducted on e-commerce platforms. Platform operators must establish livestream selling regulations, verify the electronic identity of livestream sellers, and store audiovisual data from livestream activities for at least one year. Platform operators must implement electronic identity verification for livestream sellers from 1 January 2027.
- Affiliate Marketing (Tiếp thị liên kết): The E-Commerce Law introduces specific regulations for affiliate marketing in e-commerce. Organizations and individuals providing affiliate marketing services must verify the electronic identity of affiliate marketers before allowing them to establish referral links or codes.
- Electronic Identity Verification (Xác thực điện tử danh tính): Intermediary platform operators must implement electronic identity verification for sellers before allowing them to sell on the platform. This requirement helps ensure accountability and traceability of commercial transactions.

The major e-commerce platforms in Vietnam include: www.shopee.vn; www.lazada.vn; www.tiki.vn; www.tiktokshop.com; and www.sendo.vn.

- ***Payments on e-commerce platforms***

E-commerce platforms with online ordering functions must publicly disclose their payment policies, including available payment methods, refund procedures, and any point accumulation or reward systems. Payments can be made by cash on delivery (COD), bank transfer, e-wallet, credit card, debit card, mobile money, and other electronic payment methods.

Digital wallets remain a fast-growing e-commerce payment method in Vietnam. Popular digital wallet brands include MoMo, ZaloPay, VNPay, and ShopeePay. Cash on delivery remains widely used, particularly for first-time online shoppers.

Platform operators must implement clear refund mechanisms for returned goods or terminated services. If a platform establishes point accumulation, point redemption, or rewards systems, it must publicly disclose the formation and use of points, scope of application, redemption conditions and limits, and the responsibilities of each party. Points cannot be converted to cash withdrawals.

- ***Selling products***

Under the E-Commerce Law and Decree 248, sellers on intermediary e-commerce platforms must complete electronic identity verification before being permitted to sell goods. Sellers have the following rights and obligations:

- Sellers may register, maintain, suspend, or terminate selling activities; determine goods, services, prices, and promotional policies in accordance with law and platform agreements; use the platform's technical infrastructure and support tools; access data directly related to their business activities; receive full and timely payment; and have complaints resolved transparently.
- Sellers must provide accurate and complete information; ensure product and service quality; fulfill delivery, warranty, return, and refund obligations; refrain from using the platform to conduct prohibited business activities, sell counterfeit goods, or infringe intellectual property rights; comply with tax and financial obligations; protect buyer data; and cooperate with platform operators and competent authorities in handling legal violations.

Foreign e-commerce platforms (intermediary platforms, social networks with e-commerce activities, or integrated platforms) that conduct e-commerce activities in Vietnam must register with MOIT if they (i) intend to operate in Vietnam (requiring registration before operation), or (ii) reach 100,000 or more transactions with buyers in Vietnam within one calendar year (requiring registration within 60 days of reaching this threshold). Foreign platform operators with online ordering functions must also appoint an authorized legal entity in Vietnam and deposit at least VND 20 billion at a commercial bank in Vietnam.

In order to sell your products on major e-commerce platforms in Vietnam, you will have to comply with each platform's policies for seller registration.

- ***Return policy***

Each e-commerce website has their own return policy.

EXPORTING SERVICES TO VIETNAM UNDER THE EVFTA

- ***Method of exporting services to Vietnam***

As provided above, Vietnam is now a member of the WTO and a signatory party of the EVFTA and the CTPPP. In other words, Vietnams has opened its market to trade in services with/from the other parties in a wide range of service sectors/subsectors from business services to communication services and from financial services to education services as reflected in its schedules of specific commitments under each of the international instrument.

Foreign services can be exported to Vietnam through one or more of the following modes of supply:

- **Cross-border supply (Mode 1)**: services flow from the territory of one trading partner (country) into the territory of another partner.
- **Consumption abroad (Mode 2):** the service consumer travels to the territory where the service is provided to consume it.
- **Commercial presence (Mode 3):** the service is supplied through the establishment of a commercial presence in the territory of the consumer
- **Temporary Presence of natural persons for business purposes (Mode 4):** Service providers from one party are temporarily present in the territory of the consumer

- ***Specific commitments under the EVFTA***

The EVFTA offers traders and consumers predictable and reliable access to European and Vietnamese services markets under conditions – referred to as reservations. In terms of market access, Vietnam committed to according European services and service suppliers treatment not less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Annex 8-B (Viet Nam's Schedule of Specific Commitments).

In sectors where market access commitments are undertaken, Vietnam shall not adopt or maintain measures either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in its Schedule of Specific Commitments.

In terms of national treatment, in the sectors inscribed in Annex 8-B (Viet Nam's Schedule of Specific Commitments) and subject to any conditions and qualifications set out therein, Vietnam shall accord to services and service suppliers of the EU, in respect of all measures affecting the cross-border supply of services, treatment no less favourable than that it accords to its own like services and service suppliers.

The EVFTA covers the supply of all services sectors/subsectors, except:

- audio-visual services;
- national maritime cabotage; and
- domestic and international air transport services, whether scheduled or non-scheduled, and services directly related to the exercise of traffic rights, other than: (i) aircraft repair and maintenance services during which an aircraft is withdrawn from service; (ii) the selling and marketing of air transport services; (iii) computer reservation system (CRS) services; and (iv) ground handling services.

- ***Applicable restrictions under the EVFTA***

Restrictions to cross-border services can take the following forms:

- Limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirement of an economic needs test;

- Limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test; and
- Limitations on the total number of service operations or on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test.
- Licensing requirements and procedure and qualification requirements.

Restrictions to the presence of natural persons providing services in Vietnam include:

- *The entry and temporary stay:*
  - ✓ for managers or executives, a period of up to three years;
  - ✓ for specialists, a period of up to three years;
  - ✓ for trainee employees, a period of up to one year. This restriction is effective from 1 August 2023;
  - ✓ for business visitors for establishment purposes, a period of up to 90 days;
  - ✓ for business sellers, a period of up to 90 days.
- *For contractual service suppliers in the following sectors and sub-sectors:*
  - ✓ architectural services;
  - ✓ urban planning and landscape architecture services;
  - ✓ engineering services;
  - ✓ integrated engineering services;
  - ✓ computer and related services;
  - ✓ higher education services (only privately funded services);
  - ✓ foreign language training; and
  - ✓ environmental services
- a natural person shall be engaged in the supply of a service on a temporary basis as employee of a juridical person, under a service contract not exceeding 12 months;
- the natural person entering Vietnam should be offering such services as employee of the juridical person supplying the services for at least two years immediately preceding the date of submission of an application for entry into Vietnam; in addition, the natural person shall possess, at the date of submission of an application for entry into Vietnam, at least five years' professional experience in the sector of activity which is the subject of the contract;
- the natural person entering Vietnam shall possess: (i) a university degree or a qualification demonstrating knowledge of an equivalent level; and (ii) professional qualifications in the case that this is required to exercise an activity pursuant to the laws, regulations or legal requirements of Vietnam where the service is supplied;
- the natural person shall not receive remuneration for the provision of services in Vietnam other than the remuneration paid by the juridical person employing the natural person;
- the entry and temporary stay of natural persons within Vietnam shall be for a cumulative period of not more than six months or for the duration of the contract, whichever is less;

- the number of persons covered by the service contract shall not be larger than necessary to fulfil the contract, as may be required by the laws and regulations or other measures of Vietnam where the service is supplied; and
- other discriminatory limitations, including on the number of natural persons in the form of an economic needs test, are specified in Appendix 8-B-2, Chapter 12, EVFTA.

All requirements pursuant to the laws and regulations of Vietnam regarding entry, stay, work and social security measures continue to apply, including regulations concerning the period of stay, minimum wages as well as collective wage agreements.

EVFTA CHAPTER ON TRADE AND SUSTAINABLE DEVELOPMENT AND ITS IMPLICATIONS IN VIETNAM

- ***Corporate Social Responsibility (CSR)***

The EU and Vietnam commit to promote sustainable development by fostering the contribution of trade and investment related aspects of labor and environmental issues. Vietnam has the right to establish its own levels of domestic protection in the environmental and social areas, as well as modify its policies to match international treaties to which it is a signatory. Chapter 13 of the EVFTA requires Vietnam to uphold multilateral labor standards and agreements (e.g. ILO standards), multilateral environmental agreements, commitments under climate change protocols and commitments to protect biological diversity. Vietnam undertakes to ensure its laws and policies provide for and encourage high levels of domestic protection in the environmental and social areas, meaning companies operating in Vietnam shall be required to comply with EVFTA-related CSR standards.

If there is a dispute regarding any CSR issues, EU investors may directly appeal to the EU Committee on Trade and Sustainable Development (Government Consultations). If the Committee is unable to resolve the issue satisfactorily, a Panel of Experts under the EVFTA will be established to address the issue.

Although Vietnam does not have specific CSR laws or regulations, CSR obligations are evident in important laws like the Law on Enterprise, the Labor Code, and the Law on Environmental Protection, and CSR has undoubtedly gained popularity among businesses in recent years. In fact, since 2005, the Vietnam Chamber of Commerce and Industry has given out the "Corporate Social Responsibility towards Sustainable Development" award each year to recognize companies that uphold their CSR obligations in the context of integration. The award is given in collaboration with the Ministries of Labor, Invalids and Social Affairs, Industry and Trade, and other associations.

- ***Implications on labor***

The 1998 ILO Declaration on Fundamental Principles and Rights at Work serves as the foundation of EVFTA. The Declaration focuses on pledging its signatories' commitment to uphold and advance fundamental norms on the abolition of child labor and forced labor, the abolition of workplace discrimination, the promotion of gender equality, the right to free association, and the right to collective bargaining.

With assistance from the ILO and other partners, such as the EU, the Ministry of Labor, Invalids and Social Affairs (MoLISA) amended the Labor Code to be more in line with global labor norms. An analysis of Vietnam's latest labor code conducted by the International Labor Organization (ILO) can be found here.

The main labor rights covered by the EVFTA and the domestic laws that relate to them are listed below:

- the freedom of association and the effective recognition of the right to collective bargaining.
- the elimination of all forms of forced or compulsory labor. This right is recognized by the Vietnamese 2019 Labor Code under Article 8.
- the effective abolition of child labor. Although the minimum working age in Vietnam is 15 years, chapter XI of the 2019 Labor Code still allows enterprises to employ children from the age of 13 years if the enterprises satisfy simple conditions such as taking care of these children, obtaining their parents' approval and making sure they carry out works within their physical and mental capacity.
- the elimination of discrimination in respect of employment and occupation. This right is recognized by the Vietnamese 2019 Labor Code under Article 8.

- ***Implications on obligations to protect the environment and mitigate climate change***

Central to the EVFTA provisions on environment protection and climate change is the parties' commitment to adhere to international treaties that they are parties to, namely the *United Nations Framework Convention on Climate Change* of 1992, the *Kyoto Protocol to the United Nations Framework Convention On Climate Change and the Paris Agreement.*

Under Article 5 of the Commercial Law, where a treaty to which Vietnam is a contracting party stipulates the application of foreign laws or international commercial practices, or contains provisions that are inconsistent with this Law, the provisions of such treaty shall apply. This means that, where the EVFTA provides more protection to EU investors than Vietnamese laws do, investors could rely on and make use of provisions of the EVFTA in order to ensure compliance.

LABOR

Some basic obligations regarding labor under Vietnam laws are as follows:

- ***Normal working hours***
  - Normal working hours shall not exceed eight hours per day or 48 hours per week. However, employers have the right to determine the daily or weekly working hours and inform the employees accordingly. The daily working hours shall not exceed 10 hours per day and 48 hours per week where a weekly basis is applied.
  - The State encourages employers to apply 40-hour workweeks.
  - Employers shall limit the time of exposure to harmful elements in accordance with relevant National Technical Regulations and laws.
- ***Maternity protection***
  - The employer must not dismiss an employee or unilaterally terminate the employment contract with an employee due to his/her marriage, pregnancy, maternity leave, or nursing a child under 12 months of age.
  - Upon expiration of the employment contract with female employee who is pregnant or nursing a child under 12 months of age, conclusion of a new employment contract shall be given priority.
  - During her menstruation period, a female employee shall be entitled to a 30 minute break in every working day; a female employee nursing a child under 12 months of age shall be entitled to 60 minutes breaks in every working day with full salary as stipulated in the employment contract.
- ***Annual leave***
  - Any employee who has been working for an employer for 12 months is entitled to fully-paid annual leave, which is stipulated in his/her employment contract as follows:
    - ✓ 12 working days for employees who work in normal working conditions;
    - ✓ 14 working days for employees that are minors or disabled, employees who do laborious, toxic or dangerous works;
    - ✓ 16 working days for employees who do highly laborious, toxic or dangerous works.
  - An employee who has been working for an employer for less than 12 months will have a number of paid leave days proportional to the number of working months.
  - An employee who, due to employment termination or job loss, has not taken or not entirely taken up his/her annual leave shall be paid in compensation for the untaken leave days.
- ***Sick leave***
  - Employees can enjoy insurance-paid sick leaves, if they are:
    a. Employees who have to take leave due to sickness or accidents other than labor accidents, with the certification of a competent health establishment under the Ministry of Health's regulations.

       The sickness regime does not cover employees who take leave due to sickness or accidents as a result of self-infliction, drunkenness or use of narcotics or narcotic precursors on the Government-prescribed list.

    b. Employees who have to take leave for caring for sick children aged under 7 years, with the certification of a competent health establishment.

- Employees working under normal conditions benefit from the regime for the following duration:
  - ✓ 30 days, if they have paid compulsory social insurance contributions for under 15 years;
  - ✓ 40 days, if they have paid compulsory social insurance contributions for between 15 years and under 30 years; or
  - ✓ 60 days, if they have paid compulsory social insurance contributions for 30 years or more

- ***Insurance***
  - Employer and employee agree on the payment of social insurance, health insurance and unemployment insurance. Employee can pay for these insurance by themselves or this is the employer who pays on the employee's behalf by deducting the corresponding amount from the employee's salary.

- ***Foreign employees***
  - Work *Permits*
    - ✓ Except for individuals who meet the requirements for an exemption under the legislation, foreign nationals must get a work permit in order to work in Vietnam. Foreign nationals entering Vietnam to work must also have a visa or temporary residency card.
    - ✓ The employer shall apply for a work permit on behalf of the foreign employee by submitting a complete application dossier to the competent authority in accordance with applicable laws. The application for approval of the employment of foreign workers (where applicable) and the application for issuance of a work permit are submitted as a consolidated dossier. The competent authority shall issue the work permit within 10 working days from receipt of a complete and valid dossier.
  - Residency *Permits*
    - ✓ A foreign employee must be sponsored by a legally established organization or enterprise in Vietnam to obtain an appropriate visa for entry and employment purposes. The sponsoring organization is responsible for submitting the relevant application dossier to the Vietnamese immigration authority in accordance with applicable immigration laws.
    - ✓ Foreign employees working in Vietnam are generally required to obtain a valid work permit or a work permit exemption certificate, unless exempt under applicable laws. Work visas in the LD category may be granted to eligible foreign employees, and the validity of the visa is linked to the underlying work authorization documents. An LD visa may be granted for a period of up to two years, subject to the validity of the relevant work permit or work permit exemption certificate.
    - ✓ Foreign employees who intend to reside and work in Vietnam on a long-term basis may apply for a Temporary Residence Card (TRC). Eligible applicants include foreign employees holding a valid work permit or work permit exemption certificate and satisfying the conditions prescribed by Vietnamese immigration laws. The Temporary Residence Card is issued by the competent immigration authority under the Ministry of Public Security and allows multiple entries and exits during its validity period without requiring a separate visa. The validity of the TRC is subject to the applicant's immigration status, passport validity and work authorization documents, and may be granted for a period of up to two years for foreign employees.

LITIGATIONS AND DISPUTES

Under the EVIPA, which incorporates important tenets of the ICSID 1965 and the New York Convention 1958, investors are afforded a high level of protection. The EVIPA allows EU investors to bring legal action against the Vietnamese government for decisions made regarding investments. The local courts have no right to challenge the legality of the final arbitral ruling because it is binding and enforceable.

In particular, EVIPA specifies the two-tier arbitration procedure, under which parties may appeal a panel's first ruling if they are dissatisfied with it. The interim award, however, becomes final and "shall not be subject to appeal, review, set aside, annulment or any other remedy" if neither contesting party has appealed it (Article 3 of the EVIPA).

Vietnam now reserves the right to carry out this promise for a period of five years following the EVIPA's effective date (NOTE: The EVIPA has not yet taken effect).

In the event of disagreements, investors are urged to turn to international arbitration organizations like the ICC or SIAC.

- ***Important provisions to keep in mind***

When reviewing a general sales and purchase contract, key provisions to look out for include:

- **Dispute resolution:**
  - ✓ A sample dispute resolution clause in a commercial contract would look like this:
    - Any differences or disputes arising from this Contract or other agreements related to the Contract performance will be resolved by the mediation efforts between the Parties;
    - Any disputes or differences related to the contract which cannot be settled based on mediation will be resolved at the Vietnam Internationa Arbitration Center.
    - The costs of arbitration and/or other expenses (includes the cost of hiring a lawyer) shall be borne by the plaintiff;
    - The language of arbitration is Vietnamese.
- **Termination:**
  - ✓ Force majeure: Under Article 156 of the Civil Code, an event of force majeure is an event which occurs in an objective manner which is not able to be foreseen and which is not able to be remedied by all possible necessary and admissible measures being taken.

    Typical Force majeure circumstances in contracts include:
    - Natural phenomena such as rain, flood, fire, storm, tsunami, volcanic eruption.
    - Social phenomena such as wars, coups, strikes, embargoes, changes in government policies
    - In addition, the parties can agree on events such as: lack of fuel, power failure, network failure, etc., to exempt liability in case of violation.
- **Events of Default:**
  - ✓ An event of default is an event specified in a commercial agreement that gives the non-defaulting party the right, among other things, to terminate the agreement. Events of default are common in loan agreements or debt instruments. An event of default entitles the lender to cancel the facility and/or declare all amounts owing by the borrower to be immediately due and payable. Typical events of default in loan agreements include:

- non-payment or late payment of amounts due;
- breach of certain material representations and warranties;
- breach of certain material covenants;
- cross-default;
- breach of change of control provisions;
- insolvency.

✓ Description of events of default should be clearly listed rather than using vague terms such as "in accordance with laws" as the laws cannot cover all possible circumstances and it would be difficult for the investors to comprehend whether a specific activity is an EoD.

- ***Engaging a lawyer***

Once you decide to conduct business in Vietnam, it is advised that you hire a Vietnam-based law firm to guide and help you. If you want to start a new business or negotiate a business partnership agreement with a local partner, a qualified attorney can help you avoid unnecessary delays and expenses caused by fraud or legal disputes by advising you on the necessary licenses, risk-reduction strategies, and in-person negotiations.

Businesspersons in Vietnam prefer to discuss and negotiate in person rather than via electronic means of communication unless that is the only way since Vietnamese people prefer the rapport that parties can build face-to-face. As such, it is helpful to have someone on the ground to work on your behalf at least until you arrive in Vietnam.

***

Please do not hesitate to contact Dr. Oliver Massmann under omassmann@duanemorris.com if you have any questions on the above. Dr. Oliver Massmann is the General Director of Duane Morris Vietnam LLC.