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Business Law Practitioners



# Setting Up a Foreign Invested Enterprise in **VIETNAM**

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## Abbreviation

BOC	Board of Controllers / Supervisory Board / Inspection Committee (Ban Kiểm soát)
BOD	Board of Directors / Board of Management (Hội đồng Quản trị) (for JSCs)
DPI	Department of Planning and Investment
Enterprise Law	Law on Enterprises No. 59/2020/QH14 dated 17 June 2020
ERC	Enterprise Registration Certificate
FIE	A foreign invested enterprise (or “economic organization with foreign investment capital” as defined under the Investment Law)
FTAs	Free Trade Agreements
GMS	General Meeting of Shareholders (Đại Hội đồng Cổ đông) (for JSCs)
HNX	Hanoi Stock Exchange ( <a href="http://www.hnx.vn">http://www.hnx.vn</a> )
HOSE	Ho Chi Minh City Stock Exchange ( <a href="https://www.hsx.vn">https://www.hsx.vn</a> )
Investment Law	Law on Investment No. 61/2020/QH14 dated 17 June 2020
IRC	Investment Registration Certificate
JSC	A joint stock company / shareholding company
LLC	A limited liability company
LURC	Certificates of Land Use Right and Ownership of Residential House and Other Assets
MC	Members’ Council (Hội đồng Thành viên) (for LLCs)
MM-LLC	A multiple member LLC
MPI	Ministry of Planning and Investment
NBRP	National Business Registration Portal
NPFI	National Portal on Foreign Investment ( <a href="https://vietnaminvest.gov.vn">https://vietnaminvest.gov.vn</a> )
Securities Law	Law on Securities No. 54/2019/QH14 dated 26 November 2019
SM-LLC	A single member LLC
WTO	World Trade Organization

## Introduction

Despite various difficulties and challenges from the coronavirus (COVID-19) pandemic, Vietnam has maintained its position as a credible and attractive investment destination for foreign investors, in part because of its abundant labor resources, a stable socio-political situation, infrastructure for manufacturing and circulation, and numerous investment incentives. Even with the COVID-19 pandemic, the Ministry of Industry and Trade (MOIT) has recently announced that the total foreign direct investment (FDI) in the last nine months of 2021 reached US\$22.15 billion, an increase of 4.4% over the same period last year.

As a matter of practice, when it comes to making any direct investment in Vietnam, most foreign investors tend to think about setting up a new wholly or partly foreign owned enterprise (which will hereinafter be referred to as a “**foreign invested enterprise**” or “**FIE**”) and use the FIE for its (commercial) presence in Vietnam. This Guide will provide general and comprehensive information in terms of the legal framework for setting up FIEs in Vietnam.

## Legislation

The main legislation that a Foreign Investor should be aware of, in respect of proceeding with inward investment through setting up FIEs in Vietnam includes:

### Investment related International treaties / agreements

- Commitments of Vietnam in services to WTO (Part II – Schedule of Specific Commitments in Service, Document No. WT/ACC/48/Add.2 of the Working Party on Vietnam’s WTO Accession), effective as of 11 January 2007 (the “**WTO Commitments**”)
- ASEAN Comprehensive Investment Agreement (ACIA)
- ASEAN Framework Agreement on Services (AFAS)
- Economic Partnership Agreement between Vietnam and Japan (VJEPA)
- Free Trade Agreement between Vietnam and Korea (VKFTA)
- European and Vietnam Free Trade and Investment Agreements (EVFTA and EVIA)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

### Local laws and regulations

- Investment Law
- Enterprise Law
- Decree No. 31/2021/ND-CP of the Government dated 26 March 2021 guiding for the implementation of a number of articles of the Investment Law
- Decree No. 01/2021/ND-CP of the Government dated 4 January 2021 providing regulations on enterprise registration
- Circular No. 03/2021/BKHDT of the MPI dated 31 March 2021 providing templates for documents and reports related to investment activities in Vietnam, outward investment and investment promotion activities
- Circular No. 01/2021/BKHDT of the MPI dated 16 March 2021 providing guidelines on enterprise registration

There are also specialized branch laws which are applicable for the determination of specific business investment conditions and/or market access conditions depending on the registered business lines of the FIE.

## Eligibility

In general, foreign individuals and organizations of any nationality (the “**Foreign Investor**”) are entitled to set up an FIE in Vietnam, except for those engaged in:

- Industries and trades for which there has not yet been market entry approval / market access is not yet allowed, which are detailed in the List of Restricted Sectors (*as defined below*); and/or
- Prohibited sectors, including, among others, business in drugs, prostitution, trading firecrackers, human trafficking and debt recovery business services.

## Investment Conditions Applicable to a Foreign Investor

Under the Investment Law and its guiding documents, major investment conditions for Foreign Investor are separated into two groups:

- **Group 1 - Business investment conditions**, which apply to any individual or entity (regardless of whether such entity is an FIE or otherwise) engaging in certain conditional business lines; and
- **Group 2 - Market access conditions**, which the Foreign Investor must satisfy to invest in certain restricted sectors (a list of which, the “**List of Restricted Sectors**”). The List of Restricted Sectors further comprises two “smaller” groups: (i) the list of industries and trades for which there has not yet been market access approval; and (ii) the list of industries and trades for which market access is conditional.

Foreign Investors are entitled to the same market access conditions applicable to domestic investors for any sector not included in the List of Restricted Sectors. With respect to sectors where market access is conditional, the Foreign Investor must satisfy all relevant conditions published on the NPFI operated by the MPI. Under the Investment Law, such conditions may comprise: the ratio of foreign ownership, forms of investment, scope of investment operation, capacity of the Foreign Investor, and other specialized conditions (if any).

With respect to business lines which Vietnam has not made a commitment allowing market access to Foreign Investors, or has reserved the right to adopt certain measures that may be inconsistent with its obligation of approving market access:

- If Vietnamese laws do not provide market access conditions, the Foreign Investor will be

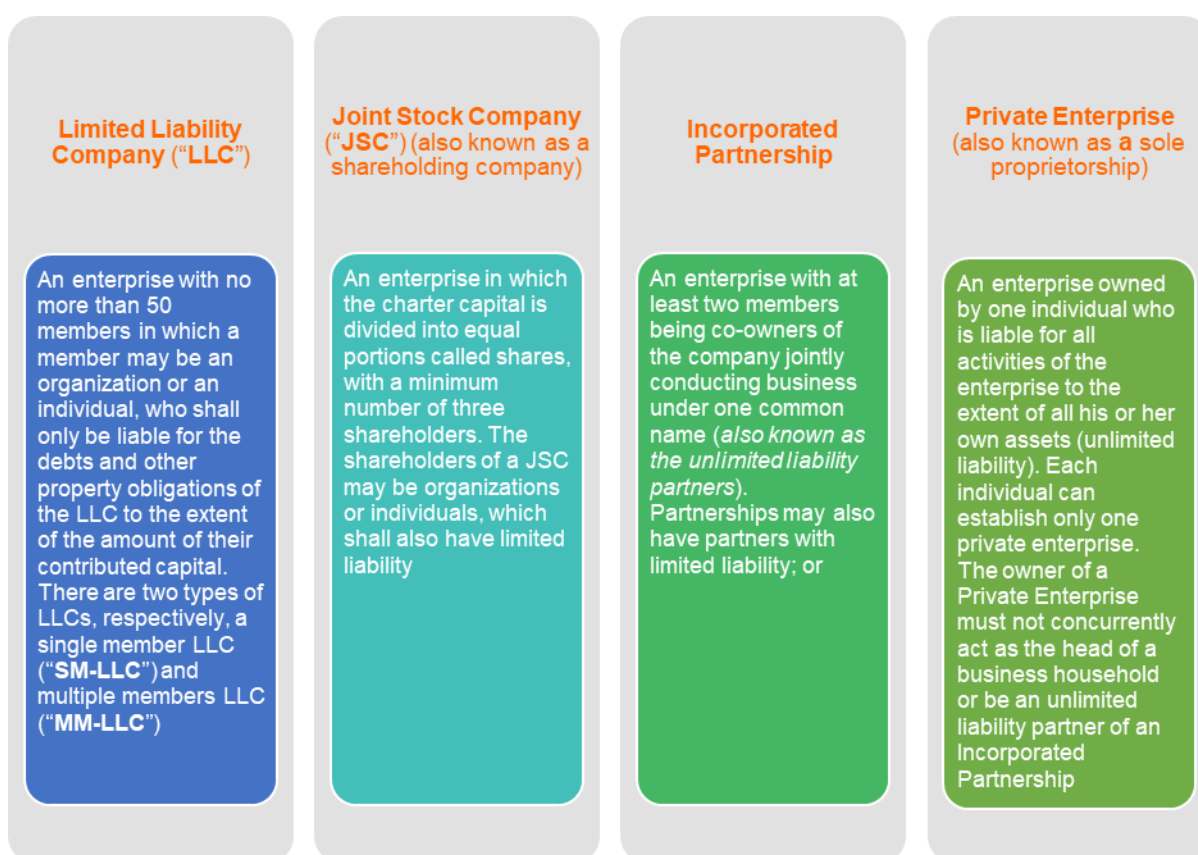
entitled to the same conditions applicable to domestic investors.

- If Vietnamese laws contain any restrictive provisions regarding market access applicable to the Foreign Investor, the Foreign Investor must comply with such provisions.

The List of Restricted Sectors is attached to Appendix 1 of this Guide.

## Forms of Corporate Vehicles in Vietnam

Under the Enterprise Law and its guiding documents, there are four main types of enterprises in Vietnam:



Below we clarify the key differences as well as some of the advantages and disadvantages of LLCs and JSCs, the two most popular corporate vehicles in Vietnam.

Issues	LLC	JSC
Required number of members / shareholders (promoters)	<p>LLCs have two (2) types, SM-LLC and MM-LLC:</p> <ul style="list-style-type: none"> <li>▪ One (1) member for SM-LLC</li> <li>▪ Two (2) to 50 members, for MM-LLC</li> </ul>	<p>At least three (3) shareholders are required, and there is no restriction on the maximum number of shareholders.</p>

Issues	LLC	JSC
Liabilities for the members / shareholders	Limited liability <sup>1</sup> .	Limited liability.
Issuing shares	LLCs may not issue shares, except for the purpose of conversion into a JSC.	JSCs may issue shares.
Listing on stock exchange	Not allowed, except when the LLC is listed for conversion into a JSC, provided the listing conditions are satisfied according to the Securities Law.	A JSC can be listed on an official stock exchange (e.g. HOSE or HNX), provided the listing conditions are satisfied according to the Securities Law.
Management Structure	<p>(In order, in terms of powers)</p> <ul style="list-style-type: none"> <li>▪ MC (for a MM-LLC)</li> <li>▪ MC or Company Chairman (for a SM-LLC)</li> <li>▪ Chairman of MC or Company Chairman</li> <li>▪ Director / General Director (CEO), and</li> <li>▪ BOC for LLC which is compulsory if the LLC is a State-owned MM-LLC or the MM-LLC is a subsidiary of a State-owned enterprise or a SM-LLC of which the owner is a State-owned enterprise.</li> </ul> <p>MC is the highest authority of the MM-LLC, including all members of the MM-LLC. Members can be individuals or corporate entities. If a member is a corporate entity, it must appoint authorized representative(s) to participate in the MC.</p> <p>The single member of a SM-LLC is the highest authority because the rights and obligations of the MC or Company Chairman are authorized by that single member.</p>	<p>(In order, in terms of powers)</p> <p>A JSC can choose one of the following models of management structure:</p> <p><u>Model 1 (Two-tier Board Structure):</u></p> <ul style="list-style-type: none"> <li>▪ GMS</li> <li>▪ BOD</li> <li>▪ BOC (in case of having 11 or more shareholders, and corporate shareholders holding 50% shares or more), and</li> <li>▪ Director / General Director (CEO).</li> </ul> <p><u>Model 2 (One-tier Board Structure):</u></p> <ul style="list-style-type: none"> <li>▪ GMS</li> <li>▪ BOD (in which at least 20% members / directors of the BOD must be independent directors), with an Audit Committee established under the BOD, and</li> <li>▪ Director / General Director (CEO).</li> </ul> <p>GMS is the highest authority of the JSC, and includes all shareholders holding voting shares. If a shareholder is a corporate entity, it must appoint one or more authorized representative(s) to participate in the GMS.</p> <p>BOD is the management body of the JSC, with full authority to make</p>

<sup>1</sup> The member is [only] liable for the debts and other property obligations of the enterprise to the extent of the amount of capital contributed as undertaken to the enterprise.

Issues	LLC	JSC
		<p>decisions in the name of the JSC, except for issues which fall within the authority of the GMS. The BOD consists of between 3 and 11 members / directors, appointed and dismissed by the GMS.</p>
<p>Quorum for a meeting of the MC / GMS</p>	<p>The quorum of the meeting of a MC (for a MM-LLC) shall be:</p> <ul style="list-style-type: none"> <li>▪ members representing 65% or more of the charter capital for 1<sup>st</sup> convening</li> <li>▪ 50% or more for 2<sup>nd</sup> convening, or</li> <li>▪ any members present at the meeting (regardless of number) for 3<sup>rd</sup> convening.</li> </ul>	<p>The quorum of the meeting of a GMS shall be as follows:</p> <ul style="list-style-type: none"> <li>▪ shareholders representing more than 50% of the total number of voting slips for 1<sup>st</sup> convening</li> <li>▪ 33% or more for 2<sup>nd</sup> convening, and</li> <li>▪ any shareholders present at the meeting (regardless of number) for 3<sup>rd</sup> convening.</li> </ul>
<p>The voting thresholds for a MC / GMS resolution</p>	<p>A resolution of the MC (for a MM- LLC) is passed at a MC meeting if approved by members representing:</p> <ul style="list-style-type: none"> <li>▪ 75% or more of the total capital of participating members, for certain important matters, and</li> <li>▪ 65% or more for general matters.</li> </ul> <p>A decision of the MC shall be passed by way of collection of written opinions (i.e., a circular resolution) if agreed by members holding 65% or more of the charter capital of the enterprise.</p>	<p>A resolution of the GMS is passed at a GMS meeting if approved by shareholders representing:</p> <ul style="list-style-type: none"> <li>▪ 65% or more of the total number of voting slips of all attending shareholders, for certain important matters;</li> <li>▪ more than 50% of the total number of voting slips of all attending shareholders for general matters, and</li> <li>▪ 75% or more of the total number of preference shares for any contents which results in an adverse change of rights and obligations of such type of preference shareholders.</li> </ul> <p>A decision of the GMS is considered as passed by a circular resolution if approved by shareholders representing more than 50% of the total votes. For any contents which result in an adverse change of rights and obligations of preference shareholder, a decision of the GMS shall be passed if it is approved by 75% or more of the total number of preference shares of such type.</p>
<p>Preemptive</p>	<p>For MM-LLCs, the members when</p>	<p>Transfer of shares is not subject to</p>



Issues	LLC	JSC
rights for transfer of capital contribution / shares	transferring their share of capital contribution shall be subject to the preemptive rights of other members (the “ <b>right of first refusal</b> ”).	preemptive rights unless the shareholders agreement between the shareholders provides otherwise.  The only restriction is that, within three years from the date of establishment of a JSC, a founding shareholder may only sell his/her shares to a non-founding shareholder upon approval of the GMS. He/she may freely transfer his/her shares to another founding shareholder. This restriction is not applicable to: (i) additional shares which founding shareholders obtain after registration of establishment of a JSC; and (ii) shares which founding shareholders assign to others not being founding shareholders of the company.

A clear advantage of a JSC is that a foreign partner / investor may always sell shares to raise capital, and it is more flexible for fund raising. It is also appropriate for an exit strategy for the foreign investor if it wants to sell shares to others.

The LLC structure is likely to be the best structure for a wholly foreign owned enterprise. The sole investor has complete control of the company and is not subject to rules governing business relationships with partners, quorums, and majority voting. The LLC structure may also be preferable for foreign investors entering into joint ventures with Vietnamese parties. In an LLC, the foreign investor may choose his/her partners, rather than in a JSC where the public may have the right to purchase shares.

## Key Steps and Procedures for Establishment of an FIE

Under the Vietnamese laws, foreign investment by virtue of setting up an FIE is considered to be the implementation of an investment project by the Foreign Investor (the “**Investment Project**”) and is regulated under the Investment Law; it is also regarded as the incorporation of a whole new company which is regulated by the Enterprise Law. Therefore, in order to legally set up an FIE in Vietnam, the Foreign Investor must go through the following steps:

### *Step 1 – Registration of the Investment Project*

Under the Investment Law, the Foreign Investor must register for the Investment Project, which is divided into two types, by submitting application dossiers to relevant licensing authority(ies), as set out in the table below:

Issues	Mega Investment Project	Regular Investment Project
Project classification	<p>Mega Investment Projects are defined under the Investment Law, which are depending on the scale subject to an in-principle approval of the competent authorities including the National Assembly, the Prime Minister, or the Provincial People's Committees.</p> <p>The List of Mega Investment Projects is attached to <b>Appendix 2</b> of this Guide.</p>	Regular Investment Projects are the rest.
Required approvals	<ul style="list-style-type: none"> <li>▪ Investment Policy Approval (the “<b>IPA</b>”);</li> <li>▪ IRC.</li> </ul>	<ul style="list-style-type: none"> <li>▪ IRC</li> </ul>
Licensing authorities	<p>For the IPA:</p> <ul style="list-style-type: none"> <li>▪ National Assembly;</li> <li>▪ Prime Minister; or</li> <li>▪ Provincial People’s Committee.</li> </ul> <p>For the IRC:</p> <ul style="list-style-type: none"> <li>▪ The MPI, for the Mega Investment Projects which are subject to the issuance of the IPA by the National Assembly or the Prime Minister;</li> <li>▪ The DPI or the provincial industrial zone management authority or specific economic zone management authority (the “<b>IZ Management Authority</b>”), as the case may be, for all others.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The DPI where the Investment Project is located; or</li> <li>▪ The IZ Management Authority if the Investment Project is located in an industrial zone, export processing zone, high tech zone or economic zone (collectively the “<b>Special Zone</b>”).</li> </ul>
Regulatory timeline	<ul style="list-style-type: none"> <li>▪ IPA: N/A (it is subject to the level of authority to issue IPA);</li> <li>▪ IRC: Five (5) working days.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fifteen (15) working days.</li> </ul>

In practice, the actual timeline for the licensing authorities to process an IRC application (and any IPA, if necessary) may extend from one month (for the IRC) up to two to three months (for an IPA).

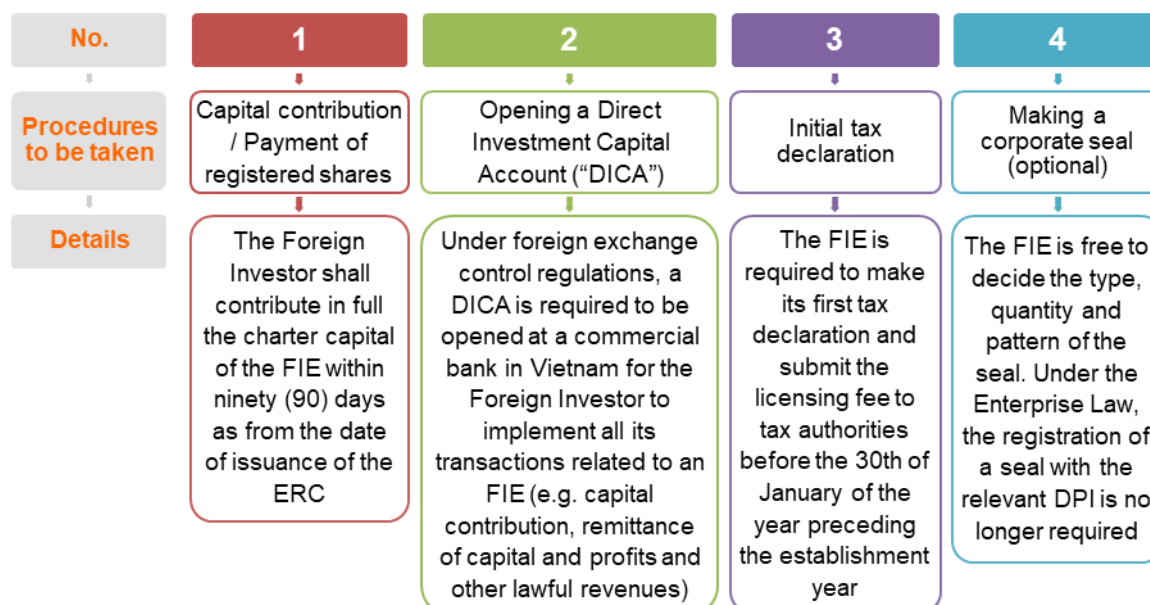
## Step 2 – Establishment of an FIE

Upon issuance of an IRC, the Foreign Investor has to apply for an ERC (*also known as a certificate of incorporation in some jurisdictions*) for establishment of the FIE. The application dossier for issuance of the ERC may be done directly, via post, or electronically on the NBRP.

The ERC will be issued for the FIE by the DPI (as the licensing authority) within three (3) working days. The ERC includes key particulars of the FIE (i.e. enterprise code, name, address, date of

incorporation, charter capital and legal representatives' information).

### Step 3 – Post-licensed Procedures



## Practical Guidelines and Notes

### Minimum capital requirement

In general, the current laws do not set out any requirements for minimum capital in setting up an enterprise (**regardless of whether such enterprise is an FIE or otherwise**), except for several strictly-regulated business sectors (i.e. banking, insurance, securities, education, aviation, etc.)

### Registered address / location

The Foreign Investor may lease or purchase (dependent on laws governing real estate business) a physical location in Vietnam for the FIE's head office which may also serve as the location for implementing the Investment Project.

However, as indicated in **Item III.4 – Appendix 2**, should the FIE be located on islands or in border or coastal communes, wards or towns or in other areas affecting national defense and security, the Foreign Investor will be required to obtain an IPA regardless of the registered business sectors.

Notwithstanding, should the FIE be located in preferential geographic areas (i.e. provinces, areas with especially difficult socio-economic conditions, as acknowledged by the Prime Minister), or a Special Zone, the FIE may be entitled to certain investment incentives.

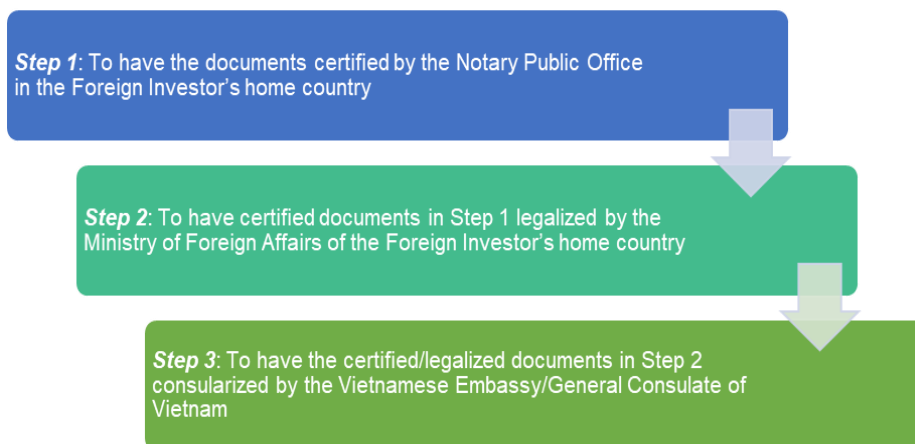
### Requirement to be physically present at the time of FIE registration

Under the Vietnamese laws, there is no specific requirement that the Foreign Investor and/or its representative must be physically present in Vietnam at the time of FIE registration. Both the IRC and ERC application dossiers can be lodged by parties authorized by the Foreign Investor who are based in Vietnam as long as such authorization is properly indicated in writing, i.e., a Power of Attorney (POA).

**Main documents required to be prepared by a Foreign Investor**

No.	Foreign Investor being a Legal / Corporate Entity	Foreign Investor as an Natural Person / Individual
1.	Certificate of incorporation or an equivalent document that can certify the legal status	Passport of the Investor
2.	Memorandum and articles of association of the entity being the Foreign Investor	N/A
3.	Passport of the key personnel for managing and controlling the Investment Project and the FIE in Vietnam	
4.	Documents evidencing the financial capacity of the Foreign Investor. The best documents to demonstrate this are: <ul style="list-style-type: none"> <li>▪ Bank statement on account balance; or</li> <li>▪ Audited financial statements of the preceding fiscal year (<i>required for a Foreign Investor being a corporate entity only</i>).</li> </ul>	
5.	Documents evidencing the right to use the premises as the Investment Project's location and the head office of the FIE in Vietnam, including: <ul style="list-style-type: none"> <li>▪ Memorandum of understanding (MOU); or</li> <li>▪ Lease agreement.</li> </ul>	
6.	Landlord/ lessor's documents evidencing their right to lease the premises, including: <ul style="list-style-type: none"> <li>▪ LURC or the equivalent in respect of the premises; and</li> <li>▪ The landlord's ERC (<i>if the landlord / lessor is a corporate entity</i>).</li> </ul>	

In order to be validly used in Vietnam, the documents at items 1 to 3 above must be legalized by the Embassy of Vietnam in the Foreign Investor's home country and translated into Vietnamese, as follows:



## Appendix 1: List of Restricted Sectors

<b>I. List of Industries and Trades for which Market Entry is Not Allowed</b>	
1.	Trading goods and services on the list of goods and services over which the State has a monopoly in the commercial sector
2.	Journalistic activities and news collection activities of any kind
3.	Fishing or seafood harvesting
4.	Investigation and security services
5.	Judicial administrative services including judicial assessment services, bailiff services, property auction services, notarization services, and services of asset management officers
6.	Guest worker services under contracts
7.	Investment in building infrastructure for cemeteries and graveyards to transfer land use rights associated with infrastructure
8.	Garbage collection services directly from households
9.	Public opinion polling service (survey of public opinion)
10.	Blasting services
11.	Production of and trading weapons, explosives and supporting tools
12.	Import and dismantling of second-hand ships
13.	Public postal services
14.	Business of goods trans-shipment
15.	Business of temporary import for re-export
16.	Exercising the right to export, the right to import and the right to distribute goods on the list of goods which foreign investors and economic organizations with FIC are not allowed to exercise the right to export, the right to import and the right to distribution
17.	Collection, purchase and disposal of public property at units of the armed forces
18.	Production of military materials or equipment; trading military equipment and supplies for the people's armed forces, military weapons, technical equipment, military hardware and specialized vehicles used for the army and police; and special components, parts, spare parts, supplies and equipment and specialized technology to manufacture them
19.	Trading industrial property representative services and intellectual property assessment services
20.	Services of establishing, operating, maintaining and preserving marine signals, water areas/zones, public marine navigational channels and marine routes; survey services with respect to water areas/zones, public marine navigational channels and marine routes to serve the publication of maritime notices; services of surveying, building and publishing navigational maps for water areas, seaports, marine navigational channels and marine routes; formulating and publishing marine navigational safety documents and publications
21.	Maritime safety assurance regulatory services in water bodies, water areas, and marine navigational channels; marine electronic information services
22.	Services of inspecting (checking, testing) and issuing certificates for means of transport (including systems, assembly, equipment and components of vehicles); services of inspecting and issuing certificates of technical safety and environmental protection for vehicles, specialized equipment, containers, and dangerous goods packaging equipment used in transportation;

	services of inspecting and issuing certificates of technical safety and environmental protection for vehicles and equipment used in oil and gas exploration, exploitation and transportation at sea; technical inspection services for occupational safety with respect to machines and equipment applying strict requirements on occupational safety which are installed on means of transport and equipment used in oil and gas exploration, exploitation and transportation at sea; fishing vessel registration services
23.	Services of investigation, assessment and exploitation of natural forests (including wood exploitation and hunting and trapping of rare and precious wild animals, management of the funds of plant genes, livestock and microorganisms used in agriculture)
24.	Researching or using genetic resources of new livestock breeds before being evaluated and assessed by the Ministry of Agriculture and Rural Development
25.	Business of tourism services, except for international tourism services for international tourists to Vietnam
<b>II. List of Industries and Trades for which Market Entry is Conditional</b>	
1.	Production and distribution of cultural products, including video recordings
2.	Production, distribution and broadcast of television shows and works of music, dance, theatre and cinema
3.	Provision of radio and television broadcasting services
4.	Insurance; banking; securities trading and other services related to insurance, banking and securities trading
5.	Postal and telecommunication services
6.	Advertising services
7.	Printing services and publication issuance services
8.	Measurement and mapping services
9.	Services of taking pictures from above
10.	Educational services
11.	Exploration, exploitation and processing of natural resources, minerals, oil and gas
12.	Hydropower, offshore wind power and nuclear energy
13.	Transport of goods and passengers by rail, air, road, river, sea, pipeline
14.	Aquaculture
15.	Forestry and hunting
16.	Business of betting, casino
17.	Security guard services
18.	Building, operating and managing a river port, seaport or airport
19.	Real estate business
20.	Legal services
21.	Veterinary services
22.	Goods trading and activities directly relating to goods trading by foreign service providers in Vietnam
23.	Technical analysis and testing services
24.	Travel services
25.	Health and social services
26.	Sports and entertainment services
27.	Production of paper

28.	Production of means of transport [vehicles] with over 29 seats
29.	Development and operation of traditional markets
30.	Commodity Exchange operations
31.	Domestic retail collection services
32.	Auditing, accounting, accounting books and tax services
33.	Valuation services; consulting enterprise valuation for equitization
34.	Services related to agriculture, forestry and fisheries
35.	Production/manufacturing aircraft
36.	Production/manufacturing locomotives and railway wagons
37.	Production of and trading tobacco products, tobacco raw materials, and specialized machinery and equipment for the tobacco industry
38.	Publishers' activities
39.	Ship building and repair
40.	Waste collection services, environmental surveillance [monitoring] services
41.	Services of commercial arbitration and arbitration mediation
42.	Business of logistics services
43.	Coastal sea transport
44.	Cultivation, production or processing of rare and precious crops, husbandry and breeding of rare and precious wild animals and processing and handling of such animals or plants, including live animals and their preparations
45.	Production of construction materials
46.	Construction and relevant technical services
47.	Assembling motorcycles
48.	Services related to sports, fine arts, performing arts, fashion shows, beauty pageants and modelling contests, and other recreational activities
49.	Air transport support services, ground technical services at airports and airfields; in-flight catering services; communication, navigation, surveillance services, aeronautical meteorological services
50.	Shipping agency services; shipping tugboat [ship towing] services
51.	Services related to cultural heritage, copyright and related rights, photography, video recordings, sound recordings, art exhibitions, festivals, libraries, museums
52.	Services related to tourism promotion and development
53.	Services of representation, recruitment agency and scheduling, management of artists and athletes
54.	Services related to family
55.	E-commerce activities
56.	Cemetery business, cemetery services and burial services
57.	Services of sowing seeds and spraying chemicals by plane
58.	Marine pilot services
59.	Investment industries and trades under the pilot mechanism of the National Assembly, the National Assembly Standing Committee, the Government and the Prime Minister

## Appendix 2: List of Mega Investment Projects

<b>I. Approved by the National Assembly</b>	
1.	Nuclear power plants
2.	Investment projects with a requirement for conversion of the land use purpose of special use forest land, of upstream protective forest or of border protection forest of 50 hectares or more; or of protective forest as a windbreak, shelter from flying sand or breakwater/protection from sea encroachment of 500 hectares or more; or productive forest of 1,000 hectares or more
3.	Investment projects with a requirement for conversion of the land use purpose for wet rice cultivation on two harvests in an area of 500 hectares or more
4.	Investment projects with a requirement for relocation and resettlement of 20,000 people or more in mountainous areas or 50,000 people or more in other areas
5.	Investment projects which require application of a special mechanism or policy which needs to be decided by the National Assembly
<b>II. Approved by the Prime Minister</b>	
1.	Investment projects with a requirement for relocation and settlement of 10,000 people or more in mountainous areas and 20,000 people in other areas
2.	Investment projects for new construction of: airfields and airports; landing runways of airfields and airports; international passenger terminals; cargo terminals of airfields and airports with a capacity of 1 million more tons per year
3.	New investment projects for passenger aviation transport business
4.	Investment projects for new construction of ports and wharves of specialized seaports; investment in new construction of ports and wharves with a scale of investment capital of 2,300 billion dong or more within the category of Grade 1 seaports
5.	Investment projects for processing of petroleum
6.	Investment projects which include business of betting and casinos, excluding business in electronic games with prizes reserved for foreigners
7.	Projects for construction of residential housing (for sale, lease or hire purchase), urban areas with a land use scale of 50 or more hectares or below 50 hectares but with a population of 15,000 or more people in such urban area; or with a land use scale of 100 or more hectares or below 100 hectares but with a population of 10,000 or more people in the non-urban area; or investment projects regardless of the size of the land area or population but within the scope of protection of relics recognized by the competent level being national and special level national heritage
8.	Investment projects for construction and commercial operation of infrastructure in industrial zones and export processing zones
9.	Investment projects of foreign investors in the following sectors: business of telecommunications services with network infrastructure; afforestation; publication, press
10.	Investment projects which at the same time fall within the authority of two or more provincial people's committees to provide the investment policy approval
11.	Other investment projects subject to the authority of the Prime Minister of the Government to provide investment policy approval or to make an investment decision as stipulated by law
<b>III. Approved by the Provincial People's Committee</b>	



1.	Investment projects requesting the State to allocate or lease land not via an auction or tendering for or on receipt of an assignment [of a land use right], and investment projects requesting permission to convert land use purpose, except for cases of land allocation, land lease or permission to convert land use purpose by family households or individuals not within the category requiring approval from the provincial people's committee as prescribed by [pursuant to] the law on land
2.	Investment projects for construction of residential housing (for sale, lease or hire purchase), and urban zones in the following cases: investment projects with a land use scale below 50 hectares and with a population below 15,000 people in the urban area; or on a scale of land use below 100 hectares and with a population below 10,000 people in a non-urban area; or investment projects regardless of land scale and population but within a restricted development area or within an historical inner area (determined in accordance with urban master planning projects) of a special category urban area
3.	Investment projects for construction and commercial operation of golf courses
4.	Investment projects of foreign investors and of economic organizations with foreign investment capital implemented on islands or on border or coastal communes, wards or towns and in other areas affecting national defense and security

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