Client Guide

MARKET ENTRY GUIDE

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Abbreviation

ASEAN	The Association of Southeast Asian Nations
BCC	Business Cooperation Contract
BOC	Board of Controllers / Supervisory Board / Inspection Committee (Ban Kiểm soát)
BOD	Board of Directors / Board of Management (Hội đồng Quản trị) (for JSCs)
BO(s)	Beneficial owners
DICA	Direct Investment Capital Account
DOF	Department of Finance
DOIT	Provincial Department of Industry and Trade
Enterprise Law	Law on Enterprises No. 59/2020/QH14 dated 17 June 2020, amended by Law on Amending and Supplementing a number of Articles of the Law on Enterprises No. 76/2025/QH15 dated 17 June 2025
ERC	Enterprise Registration Certificate
EZs	Economic Zones
EPZs	Export Processing Zones
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 (http://www.hnx.vn)
HOSE	Ho Chi Minh City Stock Exchange (https://www.hsx.vn)
Investment Law	Law on Investment No. 143/2025/QH15 dated 11 December 2025
IRC	Investment Registration Certificate
IIA	Indirect Investment Capital Account
IZs	Industrial Zones
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
MOF	Ministry of Finance
M&A	Mergers and Acquisitions
NBRP	National Business Registration Portal

NPFI	National Portal on Foreign Investment (https://vietnaminvest.gov.vn)
RO	Representative Office
SBV	State Bank of Vietnam
Securities Law	Law on Securities No. 54/2019/QH14 dated 26 November 2019
SM-LLC	A single member LLC
VSDC	Vietnam Securities Depository and Clearing Corporation
WTO	World Trade Organization

Introduction

1 Over the past decades, Vietnam has transformed into one of the most dynamic and attractive investment destinations in Southeast Asia. Since the launch of the *Đổi Mới* (economic renovation) policy in 1986, the country has steadily transitioned from a centrally planned economy to a market-oriented system, actively promoting foreign investment and deepening its integration into the global economy. Vietnam is now a member of key international and regional frameworks, including ASEAN, the World Trade Organization (WTO), and a wide network of free trade agreements (FTAs).

2 Vietnam's investment environment continues to be supported by a young and competitive labour force, expanding infrastructure, an increasingly diversified manufacturing and services base, and a broad network of free trade agreements. At the same time, Vietnam's legal framework for foreign investment continues to evolve, with recent reforms aimed at improving market access, simplifying investment and enterprise procedures, strengthening transparency, and providing more targeted investment incentives for priority sectors such as high technology, digital technology, semiconductor industry, renewable energy, innovation, infrastructure, education, healthcare and sustainable development.

3 This Vietnam Market Entry Guide provides a practical overview of key legal and regulatory considerations for foreign investors seeking to establish or expand their presence in Vietnam. In particular, it addresses common market entry structures, including the establishment of new entities, mergers and acquisitions, and business cooperation arrangements. The Guide also covers key topics such as foreign ownership restrictions, licensing requirements, investment capital accounts, profit repatriation, investment incentives, and ongoing compliance obligations, together with practical insights into navigating the establishment of a foreign-invested enterprise in Vietnam.

4 This Guide is intended for general informational purposes only and does not constitute legal advice. Specific advice should be obtained in light of the particular circumstances of each investment or transaction.

Regulatory Framework and Legislation

5 Investment activities of foreign investors in Vietnam are primarily governed by investment related international treaties / agreements (to which Vietnam is a member) and local laws.

WTO Commitments

6 Vietnam joined the WTO in 2007, one of the main consequences of which is the opening of many sectors to foreign investment under specific commitments on the WTO accession of Vietnam (the "**WTO Commitments**"). On the other hand, the WTO Commitments also allow Vietnam to restrict market access in respect of several industries and businesses.

Other International Treaties / Agreements

7 Numerous trade commitments have been made by Vietnam besides the WTO Commitments. Most importantly those include:

- ✓ International treaties with countries being members of the ASEAN (in an effort to establish a single market in the region) including, amongst others, the ASEAN Comprehensive Investment Agreement (ACIA), the ASEAN Free Trade Agreement (AFTA), and the ASEAN Framework Agreement on Services (AFAs); and
- ✓ Important new-generation FTAs, including the European and Vietnam Free Trade and Investment Agreements (EVFTA and EVIA), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Local Laws and Regulations

8 Vietnam has embarked on a vast program to reform its legal and regulatory framework for investment, including those undertakings considered conditions precedent to Vietnam's WTO accession, and frequently amends the local laws to adapt to the significant changes in the market economy. Key local laws relevant to foreign investors in Vietnam, including:

- ✓ The Investment Law;
- ✓ The Enterprise Law;
- ✓ Decree No. 96/2026/ND-CP of the Government dated 31 March 2026 guiding for the implementation of a number of articles of the Investment Law ("**Decree 96**");
- ✓ Decree No. 168/2025/ND-CP of the Government dated 30 June 2025 on enterprise registration ("**Decree 168**");

- ✓ Circular No. 55/2026/TT-BTC of the MOF dated 15 May 2026 providing templates for documents and reports related to investment activities in Vietnam and investment promotion activities (“**Circular 55**”); and
- ✓ Circular No. 68/2025/TT-BTC of the MOF dated 1 July 2025 on promulgating forms for use in enterprise registration and business household registration (“**Circular 68**”).

9 The Investment Law and the Enterprise Law contain remarkable changes with an aim to make Vietnam a more attractive investment destination.

Common Forms of Foreign Investment

10 Under the Investment Law, foreign (inward) investment forms are no longer grouped under direct or indirect investment, even though the terms / concepts of "direct investment" and "indirect investment" are still mentioned in several guiding regulations.

11 There are three (3) common forms of foreign investment as follows, amongst others:

- ✓ Establishment of a commercial presence in Vietnam, i.e., an RO, Branch, or setting up an FIE to implement an investment project;
- ✓ Capital contribution or purchase of shares / stakes; and
- ✓ Business cooperation contract.

Establishment of a Commercial Presence

Establishment of an RO (Representative Office)

12 ROs are a common form of early or initial establishment for foreign corporate investors who are looking to invest or do business in Vietnam. An RO is allowed to conduct market surveys and undertake a number of commercial promotion activities permitted by the laws of Vietnam. The key limitation of the scope of activities of an RO is that it is not allowed to engage in any "direct profit-making" activities.

13 For setting up an RO, an investor will need to obtain operation licenses from the DOIT, or the Zones Management Authority (if the RO is located in the IZs, EZs, EPZs, or high-tech zones), which requires the foreign investor to have, *inter alia*, at least one (1) year of active operation in its home jurisdiction. With respect to certain highly-regulated industries (like insurance or banking), the operation licenses will be issued by other governmental authorities (not the DOIT) in accordance with relevant laws, e.g., operation licenses for the RO of foreign insurance companies and foreign banks are issued by, respectively, the MOF or the SBV, in accordance with the Law on Insurance Business and the Law on Credit Institutions.

Establishment of a Branch

14 A branch is a dependent unit of the foreign corporate investor, which is permitted to conduct commercial activities / "direct profit-making" activities in Vietnam in accordance with the law of Vietnam or an international treaty to which Vietnam is a member.

15 The foreign corporate investor is required to be duly established and operating under the laws of their home country for at least five (5) years to be eligible to apply for the establishment of the branch in Vietnam. Applications for branch operation licenses are submitted to and issued by MOIT as the licensing authority. The timeline for issuance of branch operation licenses is seven (7) working days from the date of submission of a

valid and sufficient dossier.

16 In practice, a branch is not a common form of commercial presence in Vietnam, and this form of investment is only open for foreign investors engaging in certain sectors like banking, financial and construction services.

Establishment of an FIE (Foreign Invested Enterprise)

17 Foreign investors who want a direct commercial presence in Vietnam and do not want to inherit an existing business can set up a (new) FIE, which may be either a wholly owned subsidiary / 100% foreign invested enterprise ("**100%FIE**"), or a joint venture ("**JV**") with foreign or Vietnamese partners.

18 Regardless of which specific option / type of enterprise is to be adopted, a foreign investor must (i) register for an investment project, the approval for which will be in the form of an IRC, to be issued by the DOF, or if the FIE is located in the IZs, EZs, EPZs, or high-tech zones, to be issued by the Zones Management Authority, and (ii) upon completion of obtaining the IRC, obtain an ERC to be issued by the DOF. It normally takes around one (1) month for completion of the whole process.

19 The IRC and ERC mark just the beginning of the legal life of the FIE, after that, a number of subsequent administrative formalities / post-licensing procedures will be required, e.g. tax registration, bank account opening, etc.

20 For further information on setting up a new FIE in Vietnam, please refer to the section "Details of Setting up a New FIE in Vietnam" below.

Capital Contribution or Purchase of Shares / Stakes

Private Equity

21 Foreign investors may acquire contributed capital / shares in a target company being an existing (private) Vietnamese enterprise. For such acquisition, a foreign investor will be required to obtain an approval from the DOF or the Zones Management Authority (as applicable) for proceeding with the transaction (the "**M&A Approval**"), which takes ten (10) working days from the date of submission of a valid and sufficient dossier for issuance of M&A Approval, if the acquisition of the foreign investor results in:

- ✓ an increase in the ownership ratio of each foreign investor in the target company engaging in business sectors with market entry restrictions for foreign investors;
- ✓ an increase in foreign ownership in the target company from less than 50% to more than 50% of the charter capital; or
- ✓ an increase of foreign ownership in the target company where ownership already exceeds 50% of the charter capital; or
- ✓ utilization of land in a sensitive national security area (e.g. coastal area).

22 Upon obtaining the M&A Approval, a foreign investor can proceed with the relevant registration procedure at the DOF for recording their information as the new foreign investor / shareholder of the target company, and obtain the amended ERC and/or the written confirmation for the same from the DOF, which takes three (3) working days for completion.

Public Equity

23 Foreign investors may invest in Vietnam's securities market through the following forms: (a) direct investment and trading in the Vietnamese securities market in accordance with the laws on securities and the securities market; or (b) indirect investment by entrusting capital to a securities investment fund management company, or a Vietnam-based branch of a foreign fund management company.

24 In the case of direct investment as described in point (a) above, a foreign investor is required to register for a securities trading code through a depository member, which will submit the application to the VSDC, prior to conducting investment activities. In the case of indirect investment as described in point (b), the foreign investor is not required to obtain a securities trading code; instead, the entrusted fund management company or the Vietnam-based branch of the foreign fund management company receiving the entrusted capital must register for a securities trading code.

25 In principle, foreign ownership in a public company is unrestricted, except where the company operates in business lines subject to foreign ownership limits under international treaties, specialized laws, or market access restrictions. For conditional market access business lines where no specific foreign ownership cap is prescribed, the maximum foreign ownership ratio shall be 50% of the charter capital.

Business Cooperation Contract (BCC)

26 Different from the previous options which are entitled the foreign investor to hold a legal entity established and operating in Vietnam, a business cooperation contract ("**BCC**") is a contractual arrangement between a foreign investor and domestic partner(s) or other foreign investors, under which the parties (i) establish a coordination board to perform the BCC (of which the functions, duties, and powers are as agreed by the parties in the BCC), and (ii) may establish an operating office ("**BCC Operating Office**") in Vietnam to act as its representative during the performance of the BCC.

27 The investors must obtain the IRC for the performance of the BCC, and *(if there is a BCC Operating Office to be set up)* a registration certificate for operation of the BCC Operating Office, from the DOF or the Zones Management Authority (as applicable), each of which takes ten (10) working days upon receipt of a valid application dossier.

28 Even though a BCC Operating Office is not considered a legal entity, it can open a bank account, have a seal, employ foreign and local staff, and execute commercial contracts within the scope of activities as set out in the IRC, registration certificate for operation of the BCC Operating Office, and the BCC.

Foreign Investment Restrictions

Market Access Restrictions

29 As a member of the WTO and as signatory to other international treaties, Vietnam has committed to open many sectors to foreign investment, however, Vietnam is still allowed to restrict market access in respect of several industries and businesses. The application of such restrictions will follow the set of rules regulated by the Vietnamese government.

30 The Vietnamese government divides business sectors that foreign investors can access into two (2) main groups (a list of which, the "**List of Restricted Sectors**"):

- ✓ sectors for which there has not yet been market entry approval / market access is not yet allowed for foreign investors, as listed in List A of Appendix I of Decree 96; and
- ✓ sectors in which market entry / foreign investment is conditional, as listed in List B of Appendix I of Decree 96, in which foreign investors are allowed to engage provided they satisfy market-access conditions prescribed under the international treaties to which Vietnam is a signatory (notably the WTO Commitment) and the local laws (as applicable). The applicable market entry conditions comprise the ratio of foreign ownership, forms of investment, scope of investment operation, capacity of the foreign investor and its partners, and other specialized conditions.

31 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 MOF.

32 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.

33 The List of Restricted Sectors is attached to Appendix 2 of this Guide.

Foreign Ownership Limitations

34 In general, there are certain circumstances in which foreign investment is restricted in terms of ownership ratios, *inter alia*:

- ✓ foreign investment in certain sectors for which the foreign investors must establish a JV with Vietnamese partners, such as: Electronic games business (CPC 964), which require at least 51% Vietnamese shareholding; Film production services (CPC 96112), which require at least 49% Vietnamese shareholding, etc.;
- ✓ foreign investment in banking services, i.e., if a foreign bank wants to acquire shares in a Vietnamese-established joint stock bank, the total foreign equity must not exceed 30% of the charter capital (registered equity) of such bank, subject to certain exceptions;
- ✓ foreign investment in public / listed companies, i.e., there exists a 50% cap on foreign investment as mentioned above; and
- ✓ state-owned enterprises undergoing the process of equitization, for which the specific foreign ownership limits are specified in the equitization plan.

Investment Capital Accounts and Remittance of Profits

DICA (Direct Investment Capital Account)

35 FIEs which are established by foreign investors, and which have obtained an IRC (including 100%FIEs and JVs), and local enterprises which are acquired by foreign investor(s) which result in the foreign ownership accounting for more than 50% of its charter capital (collectively, the "**FDI Enterprise**"), must open a DICA. If the foreign direct investment is through a BCC, the foreign investor must open a DICA on its own account.

36 All foreign direct investment related transactions are to be handled through the DICA, i.e., from receipt of capital contribution from the foreign investors to transfer of shareholdings to profits repatriation and other allowed transactions. Foreign investors are permitted to remit their profits annually at the end of the fiscal year upon (i) fulfilling all financial obligations towards the State and submitting the corporate income tax (CIT) returns of that fiscal year to the tax department, or (ii) termination of the investment. The foreign investor is required to submit a notification of profit remittance abroad to the tax department at least seven (7) working days prior to the date of profit remittance.

37 An FDI Enterprise is responsible for maintaining its DICA, however, if the FDI Enterprise is listed, or the foreign ownership share of the FDI Enterprise drops to 50% or below, the foreign investor must close the DICA and comply with the foreign exchange regime applicable to indirect investment, including the opening of an IIA (as specified below) in accordance with applicable regulations.

IIA (Indirect Investment Account)

38 A foreign investor will have to open an ICA for making indirect investment in Vietnam. In general, each foreign investor maintains one IIA, subject to certain exceptions.

39 All capital inflows and outflows relating to indirect investment activities (including investment proceeds and profit remittance) must be conducted through the IIA in accordance with applicable foreign exchange regulations.

40 The investor may use funds in the IIA (in VND) to purchase foreign currency from authorized credit institutions and remit lawful income overseas.

Investment Protection and Investment Incentives

Investment Protection

41 Vietnamese legislation clearly specifies the government's responsibilities regarding investment protection. The Investment Law formally states that the Vietnamese government must treat both local and foreign investors equally, and there shall be no priority to domestic goods, services or vendors compared to those of foreign investors.

42 The State also recognizes the freedom to conduct investment activities of foreign investors, i.e., a foreign investor has the right to act in sectors that are not prohibited by the law, and protects the lawful ownership of foreign investors over their property, investment capital, income and also other lawful rights and interests. The lawful assets of foreign investors in Vietnam will generally not be subject to appropriation or confiscation by any local authorities. In specific special circumstances where the assets are nationalized or appropriated by administrative measures in accordance with the laws on requisition and compulsory acquisition of property and other relevant applicable laws and regulations, foreign investors will be entitled to reasonable compensation based on the market-price mechanism.

43 For qualified investment projects which are entitled to investment incentives, if there occurs a 'change-of-law' event which may provide a new or more favorable investment incentive, the foreign investors will be granted such new or more favorable incentive for the remaining term of the investment projects. On the other hand, if the change of law results in less favorable investment incentives, the current investment incentives will remain applicable and unchanged.

Investment Incentives

44 In Vietnam, investment incentives are applicable to both foreign and domestic investors. Investment incentives are provided in the following forms: (i) Lower tax rates for the whole duration of investment term or a part thereof; exemption from and reduction of tax rates; (ii) Import duty exemption for fixed assets; (iii) Reduction/exemption of land rental; (iv) Accelerated depreciation, allowing a higher amount of deductible expenses when determining taxable income; and (v) Other forms of investment incentives as per regulations of Government.

Eligibility

45 The investment incentives and support are available for the following types of projects[1]:

✓ Projects engaging in one of the following high-demand sectors, *inter alia*:
- Development of science, technology, innovation, digital transformation, digital technology industries, and the semiconductor industry;
- Development of the green economy, circular economy, sharing economy, digital economy, and new economic models;
- Development of industry clusters and value chains; attraction of investment with modern governance, high added value, spillover effects, and connectivity with global production and supply chains;
- Development of renewable energy, new energy, and clean energy; ensuring national energy security;
- Development of agriculture and forestry; protection of the environment and natural resources; and development of the marine economy;
- Construction and development of infrastructure;
- Development of education, training, healthcare, high-performance sports, and national culture; and
- Development of key chemical industries, key mechanical engineering industries, supporting industries, and the pharmaceutical industry.

✓ Projects implemented in one of the following special locations:
- Administrative divisions in disadvantaged areas or extremely disadvantaged areas; and
- Industrial parks, industrial clusters, export processing zones, high-tech parks, hi-tech agricultural zones, concentrated digital technology zones, free trade zones, international financial centers, and economic zones.

✓ Large-scale investment projects, labour-intensive investment projects, or key or nationally important investment projects that are aligned with the socio-economic development orientation in each period as prescribed by the Government.

Tax Incentives

Corporate Income Tax (CIT) Incentives[2]

46 CIT incentives[3] may be granted to new investments projects which are:

1 Article 14, the Investment Law.
2 Under the Law on Corporate Income Tax No. 67/2025/QH15 (the “**CIT Law**”) and relevant implementing regulations, as amended from time to time. Specific incentives should be confirmed on a project-specific basis.
3 Include: (i) A preferential tax rate of 10%, 15%, or 17%, (ii) tax reduction, and (iii) tax exemptions.

✓ located in investment encouraged areas / location – *Scenario 1 (By Location)*; or
✓ operating in regulated encouraged sectors – *Scenario 2 (By Sectors)*.

Scenario 1 - By Location[4]

Location of new investment project	Incentives		
	Preferential tax rate	Tax exemption	50% reduction on CIT payable
- Geographical areas with especially difficult socio-economic conditions ("**Area A**")[5]; - High-tech zones; - Hi-tech agricultural zones; - Concentrated digital technology zones; - Economic zones located in Area A, Area B.	10% in 15 years	4 years	The next 9 years following the tax exemption period.
- Geographical area with difficult socio-economic condition ("**Area B**")[6]; - Economic zones NOT located in Area A, Area B.	17% in 10 years	2 years	The next 4 years following the tax exemption period.

Scenario 2 - By Sectors[7]

Sectors of investment project	Incentives		
	Preferential tax rate	Tax exemption	50% reduction on CIT payable
✓ Strategic technology R&D centres, strategic technology enterprises, high-tech R&D centres, and Group 1 high-tech enterprises under the law on high technology.	10% in 25 years	4 years	The next 9 years following the tax exemption period.
✓ New investment projects in the following sectors: - priority high technology and strategic technology;	10% in 15 years	4 years	The next 9 years following the

4 Articles 12.3, 13, 14, the CIT Law.
5 Article 22, Decree 96.
6 Article 22, Decree 96.
7 Articles 12.2, 13, 14, the CIT Law.

<table>
<tr><th rowspan="2">Sectors of investment project</th><th colspan="3">Incentives</th></tr>
<tr><th>Preferential tax rate</th><th>Tax exemption</th><th>50% reduction on CIT payable</th></tr>
<tr><td>- high-tech incubation and strategic technology incubation;
- software production;
- cybersecurity products and services;
- key digital technology products and services;
- electronic equipment;
- semiconductor chip research and development, design, manufacturing, packaging and testing;
- artificial intelligence data centres;
- prioritized supporting industries;
- renewable energy, clean energy and energy from waste treatment;
- environmental protection;
- advanced materials, including composite materials, light construction materials and rare materials;
- national defence and security products, and industrial mobilization products;
- key chemical products and key mechanical products; and
- specially important infrastructure works.
✓ Group 2 high-tech enterprises under the law on high technology;
✓ Science and technology enterprises under the law on science, technology and innovation;
✓ Large-scale manufacturing investment projects with total investment capital of at least VND12,000 billion, provided that the registered investment capital is disbursed within five years from the investment approval date and the project satisfies the applicable technology requirements; and
✓ Investment projects eligible for special investment incentives and support under the investment law.</td><td></td><td></td><td>tax exemption period.</td></tr>
<tr><td>✓ Forestry, agriculture, husbandry, aquaculture and agricultural / aquatic product processing activities located in Area B.</td><td>10% for the whole project's duration</td><td>N/A</td><td>N/A</td></tr>
</table>

<table>
<tr><th rowspan="2">Sectors of investment project</th><th colspan="3">Incentives</th></tr>
<tr><th>Preferential tax rate</th><th>Tax exemption</th><th>50% reduction on CIT payable</th></tr>
<tr><td>✓ Planting, tending and protection of forests; production, propagation and cross-breeding of plant varieties and animal breeds; investment in post-harvest preservation of agricultural products, and preservation of agricultural products, aquatic products and food; production, exploitation and refining of salt, except salt production;
✓ Socialized activities in education, vocational training, healthcare, culture, sports and environment;
✓ Judicial assessment; and
✓ Social housing projects.</td><td>10% for the whole project’s duration</td><td>N/A</td><td>N/A</td></tr>
<tr><td>✓ Publishing; and
✓ Press activities, including newspaper advertising.</td><td>10% for the whole project’s duration</td><td>N/A</td><td>N/A</td></tr>
<tr><td>✓ Cooperatives and cooperative unions operating in agriculture, forestry, fishery and salt production, which are NOT located in CIT incentive areas.</td><td>10% for the whole project’s duration</td><td>N/A</td><td>N/A</td></tr>
<tr><td>✓ Farming, husbandry, processing of agriculture and aquaculture products NOT located in CIT incentive areas.</td><td>15% for whole project’s duration</td><td>N/A</td><td>N/A</td></tr>
<tr><td>✓ New investment projects in the following sectors:
- production of high-grade steel;
- production of energy-saving products;
- production of machinery and equipment serving agriculture, forestry, fishery and salt production;
- production of irrigation equipment;
- production of livestock, poultry and aquatic feed;
- automobile manufacturing and assembly;
- production of other digital technology products;
- SME support facilities;
- SME incubation facilities; and
- co-working spaces for innovative startup SMEs.
✓ Enterprises manufacture high-tech products under the law on high technology.</td><td>17% for 10 years</td><td>2 years</td><td>The next 4 years following the tax exemption period.</td></tr>
<tr><td>✓ People’s credit funds, microfinance institutions and cooperative banks.</td><td>17% for whole project’s duration</td><td>N/A</td><td>N/A</td></tr>
</table>

Incentives on Import Tax

47 The import duty exemptions may be applicable for certain goods, some key categories of which include:

- ✓ Goods temporarily imported, then re-exported, for the purposes of exhibition; cultural, sport or similar events; product research and development, etc. provided they meet certain requirements;
- ✓ Goods imported to form fixed assets of investment projects eligible for investment incentives, including machinery and equipment, material and spare parts for such machinery and equipment; specialized means of transportation; and construction materials (that are not available in Vietnam);
- ✓ Goods imported/exported serving environmental protection purposes;
- ✓ Goods imported into the domestic market from non- tariff zones — which are manufactured, processed, recycled, assembled in non-tariff zones without using imported raw materials/components;
- ✓ Materials, construction materials for manufacturing purposes of high-tech enterprises, science and technology enterprises;
- ✓ Goods imported to fulfil export processing contracts with foreign entities; and
- ✓ Goods imported for the production for exports.

48 The above list is not exhaustive and only highlights some of the key cases.

Land Rental Incentives[8]

49 Land rental incentives may be available in various circumstances, one of which is set out below:

<table>
<tr><th>Projects</th><th>Exemption period</th></tr>
<tr><td>Projects engaged in investment encouragement / incentive industries and trades (“Incentive Industries”)</td><td>3 years</td></tr>
<tr><td>Projects located in Area B</td><td>7 years</td></tr>
<tr><td>Projects:
- located in Area A;
- engaged in especially investment encouragement / incentive industries and trades[9] (“Special Incentive Industries”); or
- engaged in Incentive Industries in Area B</td><td>11 years</td></tr>
<tr><td>Projects located in Area A, which are engaging in Incentive Industries</td><td rowspan="2">15 years</td></tr>
<tr><td>Projects located in Area B, which are engaging in Special Incentive Industries</td></tr>
</table>

8 Article 39.3, Decree 103/2024/ND-CP.

9 The list of Special Incentives Industries is provided in Item A – Appendix 1 of this Guide.

Projects	Exemption period
Projects located in Area A, which are engaged in Special Incentive Industries	Whole project period

Investment Support

Eligibility[10]

50 Investment support does not apply to all foreign investors, but only the following types of enterprises:

- ✓ High-tech enterprises;
- ✓ Science and technology enterprises and organizations;
- ✓ Enterprises investing in agriculture and rural areas,
- ✓ Enterprises investing in education, healthcare and law dissemination; and
- ✓ Enterprises directly serving national defence and security, and other eligible entities.

Forms of investment support[11]

51 The forms of investment support available under Vietnamese law include:

- ✓ Support for the development of technical infrastructure and social infrastructure inside and outside the perimeter of investment projects;
- ✓ Support for training and development of human resources;
- ✓ Credit support;
- ✓ Support for access to production and business premises; support for relocation of production and business facilities pursuant to decisions of competent state authorities;
- ✓ Support for science, technology and technology transfer;
- ✓ Support for market development and information provision;
- ✓ Support for research and development; and
- ✓ Support for green transition, emission reduction, climate change adaptation and digital transformation.

10 Article 14.4, the Investment Law.
11 Article 14.3, the Investment Law.

Investment Project of Startups / SMEs

52 Under the current laws of Vietnam, the Government provides various support policies for small and medium-sized enterprises, including small and medium-sized enterprises (“**SMEs”)** and small and small medium-sized innovative startup enterprises.

53 These support policies are designed to encourage the development of startups and SMEs by facilitating their access to technology, information, consultancy, human resource development, market development and financing support. The availability and level of support will depend on, among others, the type and size of the enterprise, its business activities, its innovative startup status, and the specific support programs applicable from time to time. In detail, SMEs[12] will be entitled to the following specialized incentives, including:

Support in technology

54 Reimbursement of up to 50% (up to VND100 million per year) of each:

- ✓ the value of the advisory contract for digitalization of the enterprise, in terms of business processes, administration processes, manufacturing processes, technological processes and conversion of business model;
- ✓ the cost of leasing, buying solutions for digitalization for automation, improvement of efficiency of business processes, administration processes, manufacturing processes, technological processes in the enterprise and conversion of business model;
- ✓ the value of the advisory contract for establishment of intellectual property rights; management and development of products and services with protected intellectual property rights; and
- ✓ the value of the advisory contract for technology transfer that is appropriate for the enterprise.

Support in information

55 SMEs will be provided with an account on the SME Assistance Portal *(in Vietnamese: Cổng thông tin quốc gia hỗ trợ doanh nghiệp nhỏ và vừa),* at the website: www.business.gov.vn, and may access the following information thereon free of charge:

- ✓ Information about plans, programs, projects and activities related to assistance for SMEs;
- ✓ Business guidelines, credit, markets, products, technologies and enterprise incubation; and

12 Under Article 4.1 of the Law on small and medium-sized enterprises, an **SME** is defined as either a micro-enterprise, small enterprise or medium-sized enterprise having the annual average number of employees who participate in social insurance is not greater than 200; and (A) having total capital not greater than VND100 billion, or (B) the enterprise’s revenue of the previous year not greater than VND300 billion.

- ✓ Other information requested by the SMEs in accordance with the laws.

Support in consultancy

56 SMEs will receive counseling about personnel, finance, manufacturing, sales, market, internal administration and other contents relevant to their business operation (except counseling about administrative procedures and legal advice according to relevant laws) as follows:

- ✓ 100% of the value of the advisory contract but not exceeding VND50million/year/enterprise for micro-enterprises, not exceeding VND70million/year/enterprise for women-owned micro-enterprises, micro-enterprises with high female employment and micro-enterprises that are social enterprises;

- ✓ Reimbursement of up to 50% of the value of the advisory contract but not exceeding VND100million/year/enterprise for small enterprises, not exceeding VND150million/year/enterprise for women-owned small enterprises, small enterprises with high female employment and small enterprises that are social enterprises; and

- ✓ Reimbursement of up to 30% of the value of the advisory contract but not exceeding VND150million/year/enterprise for medium enterprises, not exceeding VND200million/year/enterprise for women-owned medium enterprises, medium enterprises with high female employment and medium enterprises that are social enterprises.

Support in development of human resources

57 There will be online training for startups and business administration into the support policy for human resources development in SMEs. SMEs can freely access and join lectures on the online training systems of the Ministry of Planning and Investment, the provincial People’s Committees as well as online training courses, or have direct interaction with other SMEs via existing teaching tools on smart devices (e.g. Zoom or Microsoft Teams).

Support in interest rates

58 This support will be provided (exclusively) to the innovative startup SMEs and SMEs participating in industry clusters and value chains. When obtaining medium and long-term loans from credit institutions, these SMEs will be supported by the State budget with subsidised interest rates at a rate of maximum 2% per year.

Details of Setting up a new FIE in Vietnam

Forms of Corporate Vehicles in Vietnam

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

Limited Liability Company ("LLC")

An enterprise with no more than 50 members in which a member may be an organization or an individual, who shall only be liable for the debts and other property obligations of the LLC to the extent of the amount of their contributed capital. There are two types of LLCs, respectively, a single member LLC ("**SM-LLC**") and multiple members LLC ("**MM-LLC**")

Joint Stock Company ("JSC") (also known as a shareholding company)

An enterprise in which the charter capital is divided into equal portions called shares, with a minimum number of three shareholders. The shareholders of a JSC may be organizations or individuals, which shall also have limited liability

Incorporated Partnership

An enterprise with at least two members being co-owners of the company jointly conducting business under one common name (*also known as the unlimited liability partners*). Partnerships may also have partners with limited liability; or

Private Enterprise (also known as a sole proprietorship)

An enterprise owned by one individual who is liable for all activities of the enterprise to the extent of all his or her own assets (unlimited liability). Each individual can establish only one private enterprise. The owner of a Private Enterprise must not concurrently act as the head of a business household or be an unlimited liability partner of an Incorporated Partnership

60 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)	LLCs have two (2) types, SM-LLC and MM-LLC: ▪ One (1) member for SM-LLC ▪ Two (2) to 50 members, for MM-LLC	At least three (3) shareholders are required, and there is no restriction on the maximum number of shareholders.

Issues	LLC	JSC
Liabilities for the members / shareholders	Limited liability[13].	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	(In order, in terms of powers) ▪ MC (for a MM-LLC) ▪ MC or Company Chairman (for a SM-LLC) ▪ Chairman of MC or Company Chairman ▪ Director / General Director (CEO), and ▪ 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. 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. The single member of a SM-LLC is	(In order, in terms of powers) A JSC can choose one of the following models of management structure: <u>Model 1 (Two-tier Board Structure):</u> ▪ GMS ▪ BOD ▪ BOC (in case of having 11 or more shareholders, and corporate shareholders holding 50% of shares or more), and ▪ Director / General Director (CEO). <u>Model 2 (One-tier Board Structure):</u> ▪ GMS ▪ BOD (in which at least 20% members / directors of the BOD must be independent directors), with an Audit Committee established under the BOD, and ▪ Director / General Director (CEO). GMS is the highest authority of the JSC, and includes all shareholders holding voting shares. If a shareholder is a

13 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
	the highest authority because the rights and obligations of the MC or Company Chairman are authorized by that single member.	corporate entity, it must appoint one or more authorized representative(s) to participate in the GMS. BOD is the management body of the JSC, with full authority to make 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.
Quorum for a meeting of the MC / GMS	The quorum of the meeting of a MC (for a MM-LLC) shall be: ▪ members representing 65% or more of the charter capital for 1st convening ▪ 50% or more for 2nd convening, or ▪ any members present at the meeting (regardless of number) for 3rd convening.	The quorum of the meeting of a GMS shall be as follows: ▪ shareholders representing more than 50% of the total number of voting slips for 1st convening ▪ 33% or more for 2nd convening, and ▪ any shareholders present at the meeting (regardless of number) for 3rd convening.
The voting thresholds for a MC / GMS resolution	A resolution of the MC (for a MM-LLC) is passed at a MC meeting if approved by members representing: ▪ 75% or more of the total capital of participating members, for certain important matters, and ▪ 65% or more for general matters. A decision of the MC shall be passed by way of collecting written opinions (i.e., a circular resolution) if agreed by members holding 65% or more of the charter capital of the enterprise.	A resolution of the GMS is passed at a GMS meeting if approved by shareholders representing: ▪ 65% or more of the total number of voting slips of all attending shareholders, for certain important matters; ▪ more than 50% of the total number of voting slips of all attending shareholders for general matters, and ▪ 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.

Issues	LLC	JSC
		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.
Preemptive rights for transfer of capital contribution / shares	For MM-LLCs, the members when transferring their share of capital contribution shall be subject to the preemptive rights of other members (the "**right of first refusal**").	Transfer of shares is not subject to 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.

61 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.

62 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

63 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. Accordingly, in order to lawfully establish an FIE in Vietnam, the foreign investor may choose one of the following two approaches:

Option 1 – IRC-first route: Registration of the Investment Project before establishment of the FIE

64 Under the traditional route, the Foreign Investor will first carry out the procedures for registration of the Investment Project, and subsequently establish the FIE to implement the registered Investment Project.

Step 1 – Registration of the Investment Project

65 Under 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	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, the Chairperson of Provincial People's Committees, or the management board of industrial zones, export processing zones, high-tech zones, and economic zones (the "**Management Authority**"). The List of Mega Investment Projects is attached to **Appendix 3** of this Guide.	Regular Investment Projects are the rest.

Issues	Mega Investment Project	Regular Investment Project
Required approvals	▪ Investment Policy Approval (the "**IPA**"); ▪ IRC.	▪ IRC
Licensing authorities	For the IPA: ▪ National Assembly; ▪ Prime Minister; ▪ Chairperson of Provincial People's Committee; or ▪ Management Authority For the IRC: ▪ The DOF or the Management Authority, as the case may be, for all others.	▪ The DOF where the Investment Project is located; or ▪ The Management Authority if the Investment Project is located in an industrial zone, export processing zone, high tech zone or economic zone (collectively the "**Special Zone**").
Regulatory timeline	▪ IPA: N/A (it is subject to the level of authority to issue IPA); ▪ IRC: Five (5) working days.	▪ Ten (10) working days.

66 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 (2-3) months (for an IPA).

Step 2 – Establishment of an FIE

67 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 on the NBRP.

68 The ERC will be issued to the FIE by the DOF (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).

69 At this step, the FIE is obligated to collect, update, and maintain information on its BOs, and to provide such information to the competent state authorities for the purpose of identifying the BOs of the FIE upon request.

Step 3 – Post-licensed Procedures

No.	1	2	3	4
Procedures to be taken	Capital contribution / Payment of registered shares	Opening a Direct Investment Capital Account ("DICA")	Initial tax declaration	Making a corporate seal (optional)
Details	The Foreign Investor shall contribute in full the charter capital of the FIE within ninety (90) days as from the date of issuance of the ERC	Under foreign exchange control regulations, a DICA is required to be opened at a commercial bank in Vietnam for the Foreign Investor to implement all its transactions related to an FIE (e.g. capital contribution, remittance of capital and profits and other lawful revenues)	The FIE is required to make its first tax declaration and submit the licensing fee to tax authorities before the 30th of January of the year preceding the establishment year	The FIE is free to decide the type, quantity and pattern of the seal. Under the Enterprise Law, the registration of a seal with the relevant DOF is no longer required

Option 2 – ERC-first route: Establishment of the FIE before registration of the Investment Project

70 Currently, the Foreign Investor may choose to establish the FIE before carrying out the procedures for issuance of the IRC.

Step 1 – Establishment of the FIE

71 The Foreign Investor first carries out the procedures for the establishment of the FIE and the obtainment of the ERC in accordance with the Enterprise Law. Where the Foreign Investor establishes the FIE before obtaining the IRC, the enterprise registration application dossier must include an undertaking that the Foreign Investor satisfies the market access conditions applicable to foreign investors.

72 The ERC will be issued by the competent business registration authority within three (3) working days from the date of receipt of a complete and valid application dossier. The ERC records key registration particulars of the FIE, including its enterprise code, name, head office address, date of incorporation, charter capital and information on its legal representative(s).

73 At this step, the FIE is obligated to collect, update, and maintain information on its BOs, and to provide such information to the competent state authorities for the purpose of identifying the BOs of the FIE upon request.

Step 2 – Post-licensed Procedures

74 The post-licensing procedures applicable to Option 2 are the same as those applicable to Option 1, as set out in Step 3 of Option 1 above.

Step 3 – Registration of the Investment Project

75 Within twelve (12) months from the date of establishment of the FIE (e.g., the date of ERC as mentioned in Step 1 above), the FIE must complete the procedures for issuance of the IRC for the Investment Project which is consistent with the registered business lines of the FIE.

76 Until the IRC is issued, the FIE is not permitted to implement the Investment Project. In addition, the FIE may only amend its enterprise registration contents to supplement other business lines after the IRC has been issued.

77 After the IRC is issued, the FIE is entitled to implement the Investment Project in accordance with the contents recorded in the IRC. The FIE may also carry out procedures for amendment of its enterprise registration contents, supplementation of business lines, and establishment of branches, representative offices or business locations in accordance with law without necessarily having to establish a new investment project, provided that the supplemented business lines or relevant activities satisfy the market access conditions applicable to foreign investors.

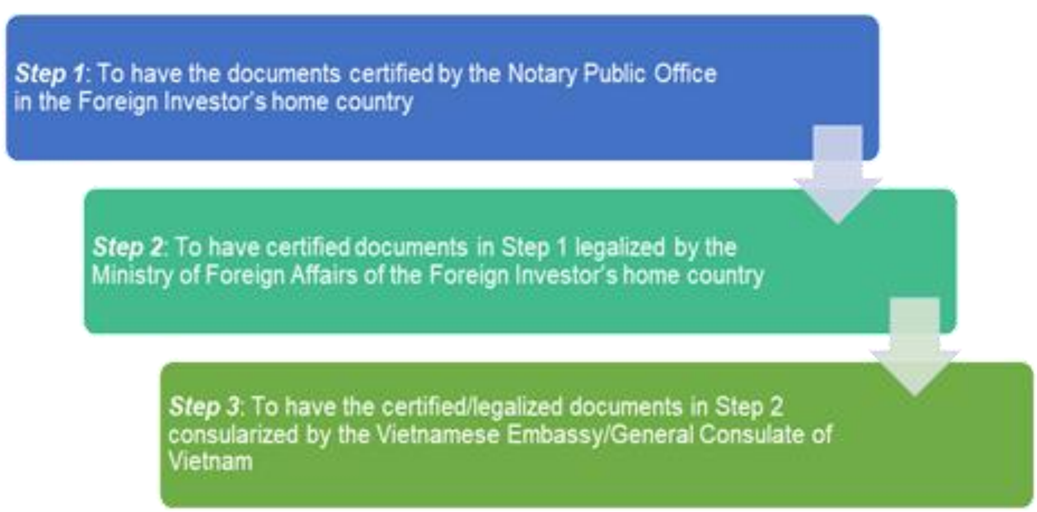
Practical Guidelines and Notes

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, 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 a 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 of 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: ▪ Bank statement on account balance; or ▪ Audited financial statements of the preceding fiscal year *(required for a Foreign Investor being a corporate entity only).*	
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: ▪ Memorandum of understanding (MOU); or ▪ Lease agreement.	
6.	Landlord/ lessor's documents evidencing their right to lease the premises, including: ▪ LURC or the equivalent in respect of the premises; and ▪ The landlord's ERC *(if the landlord / lessor is a corporate entity).*	

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:



Method for determining the BO	An individual shall be deemed a BO if they satisfy any of the following criteria: ▪ An individual who directly holds 25% or more of the charter capital or total voting shares of the enterprise (“**Direct BO(s)**”); ▪ An individual who indirectly holds 25% or more of the charter capital or total voting shares of an enterprise through another organization (“Indirect BO(s)”); ▪ An individual who has the right to control the outcome of at least one of the following corporate decisions (“**Controlling BO(s)**”): - Appointment, removal, or dismissal of a majority or all: Members of the Board of Directors; The Chairman of the Board of Directors; The Chairman of the Members’ Council; Legal representatives, directors, or general directors; - Amendments to the company’s charter; - Changes to the company’s governance structure; and - Reorganization or dissolution of the company.

Appendix 1 – List of Industries Entitled to Investment Incentives

Special Incentive Industries[14]

I. HIGH TECHNOLOGY, STRATEGIC TECHNOLOGY, INFORMATION TECHNOLOGY, SUPPORTING INDUSTRIES, AND ENVIRONMENTAL INDUSTRIES	
1.	Application of high technologies and strategic technologies, and manufacture of high-tech or strategic technology products on the lists decided by the Prime Minister.
2.	Manufacture of products on the list of high-tech products encouraged for development.
3.	Manufacture of prioritized supporting industry products.
4.	High-tech and strategic technology incubation; incubation of high-tech and strategic technology enterprises; venture investment in high technology; high-tech R&D; biotechnology products; high-tech human resource training; provision of high-tech services; strategic technology enterprises; high-tech and strategic technology R&D centres; and related incubation facilities.
5.	Manufacture of software products, key digital technology products and services, cybersecurity products and services, and products created from scientific and technological results.
6.	Production of renewable energy, new energy, clean energy and energy from waste treatment; development of hydrogen energy and green ammonia.
7.	Manufacture of composite materials, light construction materials and rare materials.
8.	Manufacture of key mechanical products and key chemical industry products.
9.	Manufacture of key chemical industry products in accordance with the laws on chemicals.
10.	Artificial intelligence data centres and systems; semiconductor chip R&D, design, manufacturing, packaging and testing; and dedicated data centres for green finance.
11.	Construction and operation of infrastructure of concentrated digital technology zones.
12.	Digital technology projects within digital technology zones.
13.	Innovative startup projects in the digital technology industry.
14.	Infrastructure development in the digital technology industry
15.	Manufacture of raw materials, materials, equipment, machinery and tools for the semiconductor industry.

[14] Appendix II.A, Decree 96.

16.	Projects developing industry clusters and value chains with modern management, high added value, spillover effects and connection to global production and supply chains.
II. AGRICULTURE	
1.	Afforestation; taking care of, growing, protecting and developing forests.
2.	Cultivation and breeding, processing and preserving agriculture, forestry, and aquaculture products.
3.	Production, generation, and hybridization of seeds, animal breeds, and forestry and aquaculture seeds.
4.	Production, exploitation, and refining of salt.
5.	Deep sea fishing and aquaculture using up-to-date fishing methods; logistic services for the fishing industry; construction of establishments for building fishing vessels and the construction of fishing vessels.
6.	Sea salvage services.
7.	Research and manufacture of biotechnology products used as food.
8.	Manufacture of wooden products and artificial boards, including plywood, laminated boards and MDF boards.
III. ENVIRONMENTAL PROTECTION AND INFRASTRUCTURE CONSTRUCTION	
1.	Concentrated collection and treatment of waste; recycling and reuse of waste.
2.	Construction and commercial operation of infrastructure in industrial zones, export processing zones, high-tech zones and within functional areas of economic zones.
3.	Development and operation of major infrastructure, including water plants, water supply and drainage systems, power plants, bridges, roads, railway infrastructure and railway business, airports, seaports, inland waterway ports, airfields, stations and other specially important infrastructure works decided by the Prime Minister.
4.	Development of public transport in urban areas.
5.	Investment in construction, management and commercial operation of markets in rural areas.
6.	Investment in the development, operation and management of technical infrastructure facilities of industrial clusters.
IV. CULTURE, SOCIALIZATION, SPORT AND MEDICAL HEALTH	
1.	Construction of social residential housing and resettlement housing.
2.	Development of intensive healthcare and preventive healthcare, and operation of sanitation and epidemic prevention establishments.
3.	Scientific research into pharmaceutical technology and bio-technology in order to manufacture new types of medicines.
4.	Production of raw materials for basic and essential medicines, including medicines for prevention and treatment of diseases subject to social prevention and control; vaccines; medical biological products; herbal and traditional medicines; medicines with expiring patents or related exclusive rights; medicines produced using advanced technology or biotechnology to international GMP standards; and packaging in direct contact with medicines.

5.	Investment in establishments producing methadone.
6.	Investment in and operation of sports centres for elite athletes and persons with disabilities; international-standard sports facilities; and specialized physical education and sports training establishments.
7.	Investment in and operation of geriatric centres, psychiatric centres, centres treating Agent Orange-related illnesses, and care centres for elderly persons, persons with disabilities, orphans and homeless youths.
8.	Operation of medical treatment - education - labour - social affairs centres, tobacco detoxification establishments, HIV/AIDS treatment establishments, drug rehabilitation establishments and community-based drug addiction counselling and treatment support points.
9.	Investment in and operation of national museums and people's cultural houses; national music and dance troupes; theatres and film studios; film printing facilities; fine arts and photography exhibition centres; production and repair of national musical instruments; renovation and conservation of museums, cultural houses and fine arts schools; and establishments and villages introducing and developing traditional crafts.
10.	Investment in community-based facilities supporting the prevention of and response to gender-based violence against sex workers.
11.	R&D, manufacture or technology transfer for herbal medicines, traditional medicines, active pharmaceutical ingredients, new medicines, original brand-name medicines, rare medicines, first domestically produced generic medicines, high-tech medicines, vaccines and biological products; cultivation of medicinal materials in difficult or especially difficult areas; conservation and development of rare and endemic medicinal genetic resources; and creation of new varieties from high-value medicinal genetic resources.

Incentive Industries

I. SCIENCE AND TECHNOLOGY, ELECTRONICS, MECHANICAL ENGINEERING, PRODUCTION OF IT AND IT MATERIALS	
1.	Investment in research and development (R&D).
2.	Production of steel billets from iron ore, high-grade steel and alloys.
3.	Production of coke and carbon coal.
4.	Production of energy-saving products.
5.	Production of petrochemicals, pharmaceutical chemicals, basic chemicals and technical plastic-rubber components.
6.	Production of products with added value of 30% or more.
7.	Manufacture of automobiles and automobile accessories, and shipbuilding.
8.	Production of electronic components, accessories and detailed electronic parts not included in the list of special incentive industries.
9.	Manufacture of instruments, machine tools, equipment, spare parts and machinery for agricultural, forestry, aquaculture and salt production; food-processing machinery; and irrigation equipment not included in the list of special incentive industries.

10.	Manufacture of materials replacing asbestos.
11.	Manufacture of lightweight non-fired construction materials with a density below 1,000 kg/m³.
12.	Investment in the use of waste heat from exhaust gas at construction-material manufacturing facilities to generate electricity, save energy and protect the environment.
13.	Production of artificial crushed sand as a substitute for natural sand.
14.	Investment in the treatment and use of waste from thermal power plants, chemical fertilizer plants and metallurgical plants as construction materials.
15.	Investment in the treatment and use of domestic waste as fuel for construction-material production.
16.	Investment in the manufacture of equipment, supplies and spare parts for the cement, glass, ceramic tile and refractory material industries; and manufacture of construction materials replacing those produced using obsolete technologies.
17.	Manufacture of environmentally friendly means of transport.
18.	Manufacture and assembly of diesel locomotives; freight wagons with a load capacity of at least 30 tonnes; high-class passenger carriages with a design speed of 100 km/hour; and railway locomotive and carriage parts.
19.	Production and processing of minerals for use as construction materials.
20.	Production and trading of products derived from scientific and technological results of science and technology enterprises.
21.	Manufacture of digital technology products.
22.	Provision of digital technology services.
23.	Manufacture of products on the Prime Minister-approved list of dual-use technologies.
II. AGRICULTURE	
1.	Cultivation, breeding, harvesting and processing of medicinal materials; and preservation and conservation of genetic resources and other rare and special medicinal materials.
2.	Production and refining of feed for cattle, poultry and fisheries.
3.	Scientific and technical services in support of cultivation of crops, animal husbandry, aquaculture and protection of plants and livestock.
4.	Construction, renovation and upgrading of concentrated livestock and poultry slaughtering facilities, livestock product preservation and processing facilities, and livestock auction facilities.
5.	Development of concentrated raw material zones for industrial processing.
6.	Exploitation of marine products.
7.	Production of biological plant protection products, organic fertilizers and biological fertilizers, and related scientific research and technology transfer.
8.	Cultivation and processing of agricultural, forestry and aquatic products under product chain linkage models or organic agricultural production models.

9.	Production of handicrafts, rattan and bamboo products, ceramics, glass, textiles and garments, yarn, embroidery, lacework and woven products.
10.	Agricultural science research and technology development.
11.	Maintenance of original livestock breeds and conservation of rare, precious and native livestock genetic resources.
12.	Production of raw materials for medicines, plant protection products and pesticides, and products for prevention and treatment of diseases in animals and aquatic species.
13.	Production and preservation of veterinary medicines and raw materials, and production of veterinary equipment and tools.
III. ENVIRONMENTAL PROTECTION AND CONSTRUCTION OF INFRASTRUCTURE	
1.	Construction and development of industrial cluster infrastructure.
2.	Construction of worker housing in industrial zones, export processing zones, high-tech zones and economic zones; student dormitories and housing for social-policy beneficiaries; and functional urban areas, including kindergartens, schools and hospitals, serving residents.
3.	New construction, renovation and upgrading of wholesale markets.
4.	Response to oil spills and remediation of avalanches, landslides, damage to river and sea dikes, dams, reservoirs and other environmental incidents; and application of technologies to reduce greenhouse-gas emissions and substances affecting the ozone layer.
5.	Investment in and operation of goods exhibition centres, logistics centres and goods warehouses.
6.	Manufacture and supply of environmental monitoring equipment, on-site domestic wastewater treatment equipment, and environmentally friendly products and services certified with the Vietnam Ecolabel.
7.	Manufacture of environmental-industry equipment and products on the Prime Minister-approved list of environmental technologies, equipment and products.
8.	Investment in and operation of technology incubation facilities and science and technology enterprise incubation facilities in accordance with technology law.
9.	Investment in and operation of innovation centres and R&D centres.
10.	Concentrated domestic wastewater treatment with a design capacity of at least 2,500 m^3 per day for grade-IV or higher urban areas.
11.	Concentrated collection, transportation and treatment of ordinary solid waste.
12.	Treatment and co-treatment of hazardous waste.
13.	Treatment and remediation of environmentally polluted public areas.
14.	Response to and handling of oil spills, chemical incidents and other environmental incidents.
15.	Construction of environmental-protection technical infrastructure for industrial zones, industrial clusters and craft villages.
16.	Relocation and conversion of operations of establishments causing serious environmental pollution.

17.	Environmental monitoring.
18.	Investment in the construction of cemeteries, cremation facilities and electric cremation facilities.
19.	Assessment of environmental damage and environmental health, and environmental assessment of imported goods, scrap, machinery, equipment and technologies.
20.	Manufacture and application of environmental-protection inventions protected by invention patents or utility-solution patents.
21.	Manufacture of environmentally friendly products certified with the Vietnam Green Label by the Ministry of Agriculture and Environment, and products from recycling or solid-waste treatment by domestic, industrial or hazardous-waste treatment facilities.
22.	Production of conforming gasoline, diesel fuel and biofuel; biochar; and energy from wind, solar, tidal, geothermal and other renewable sources.
23.	Manufacture and import of machinery, equipment and specialized vehicles used directly for waste collection, transportation and treatment; automatic and continuous wastewater and exhaust-gas monitoring equipment; environmental measuring, sampling and analysis equipment; renewable-energy production; pollution treatment; and environmental-incident response.
24.	Production, business and service activities of environmentally friendly establishments certified with ecolabels by the Ministry of Agriculture and Environment.
25.	Manufacture of water-saving products, equipment and technologies.
IV. EDUCATION, CULTURE, SOCIALIZATION, SPORTS AND MEDICAL HEALTH	
1.	Investment in educational infrastructure and establishment of non-public and private educational institutions at preschool, general education, vocational education and higher education levels.
2.	Manufacture of medical equipment, construction of pharmaceutical storage facilities and reserve storage of medicines for natural disasters, catastrophes and dangerous epidemics.
3.	Investment in biological testing facilities, bioavailability assessment facilities and pharmaceutical facilities meeting good practice standards.
4.	Research on traditional Oriental medicines and traditional medicines, and development of testing standards for such medicines.
5.	Operation of physical training and sports centres, training halls, sports clubs, stadiums, swimming pools, and facilities producing or repairing sports equipment.
6.	Operation of public, specialized, university, educational institution, community and private libraries serving the community, and development of reading culture for lifelong learning.
7.	Development of vocational education quality accreditation organizations and production of vocational education equipment.
8.	Training of human resources in science, technology, innovation and national digital transformation.
V. OTHER SECTORS	
1.	Activities of people's credit funds and of micro-finance institutions.

2.	Electronic publication activities.
3.	Operation of SME product distribution chains, SME incubation facilities, technical facilities supporting SMEs, and co-working spaces for innovative startup SMEs.
4.	Innovative startup investment.

Appendix 2 - List of Restricted Sectors

I. LIST OF INDUSTRIES AND TRADES FOR WHICH MARKET ENTRY IS NOT ALLOWED	
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.	Import and dismantling of second-hand ships.
12.	Public postal services.
13.	Business of goods trans-shipment.
14.	Business of temporary import for re-export.
15.	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.
16.	Collection, purchase and disposal of public property at units of the armed forces.
17.	Trading industrial property representative services and intellectual property assessment services.
18.	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.
19.	Maritime safety assurance regulatory services in water bodies, water areas, and marine navigational channels; marine electronic information services.

20.	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.
21.	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).
22.	Researching or using genetic resources of livestock breeds, or producing or trading in new livestock lines or breeds, before they have been appraised, evaluated, approved, or recognized by the Ministry of Agriculture and Environment.
23.	Business of tourism services, except for international tourism services for international tourists to Vietnam.
II. LIST OF INDUSTRIES AND TRADES FOR WHICH MARKET ENTRY IS CONDITIONAL	
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.	Provision of printing services, except for printing of packaging that does not contain goods labels, and provision of publication distribution 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.	Construction activities of foreign contractors.
21.	Legal services.
22.	Veterinary services.
23.	Goods trading and activities directly relating to goods trading by foreign service providers in Vietnam.
24.	Technical analysis and testing services.
25.	Travel services.
26.	Health and social services.
27.	Sports and entertainment services.
28.	Production of paper.
29.	Production of means of transport [vehicles] with over 29 seats.
30.	Development and operation of traditional markets.
31.	Commodity Exchange operations.
32.	Domestic retail collection services.
33.	Auditing, accounting, accounting books and tax services.
34.	Valuation services; consulting enterprise valuation for equitization.
35.	Services related to agriculture, forestry and fisheries.
36.	Production/manufacturing aircraft.
37.	Production/manufacturing locomotives and railway wagons.
38.	Production of and trading tobacco products, tobacco raw materials, and specialized machinery and equipment for the tobacco industry.
39.	Publishers' activities.
40.	Ship building and repair.
41.	Waste collection services, environmental surveillance [monitoring] services.
42.	Services of commercial arbitration and arbitration mediation.

43.	Business of logistics services.
44.	Coastal sea transport.
45.	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.
46.	Production of construction materials.
47.	Construction and relevant technical services.
48.	Assembling motorcycles.
49.	Services related to sports, fine arts, performing arts, fashion shows, beauty pageants and modelling contests, and other recreational activities.
50.	Air transport support services, ground technical services at airports and airfields; in-flight catering services; communication, navigation, surveillance services, aeronautical meteorological services.
51.	Shipping agency services; shipping tugboat [ship towing] services.
52.	Services related to cultural heritage, copyright and related rights, photography, video recordings, sound recordings, art exhibitions, festivals, libraries, museums.
53.	Services related to tourism promotion and development.
54.	Services of representation, recruitment agency and scheduling, management of artists and athletes.
55.	Services related to family.
56.	Management and operation of intermediary e-commerce platforms, social networks conducting e-commerce activities, and integrated e-commerce platforms.
57.	Cemetery business, cemetery services and burial services.
58.	Services of sowing seeds and spraying chemicals by plane.
59.	Marine pilot services.
60.	Investment industries and trades under the pilot mechanism of the National Assembly, the National Assembly Standing Committee, the Government and the Prime Minister.
61.	Production of and trading weapons, explosives and supporting tools.
62.	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.

Appendix 3 - List of Mega Investment Projects

I. APPROVED BY THE NATIONAL ASSEMBLY	
1.	Investment projects that require the application of special mechanisms and policies, different from the provisions of laws and resolutions of the National Assembly.
II. APPROVED BY THE PRIME MINISTER	
1.	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.
2.	Investment projects requiring a change of land use for two rice crops or more per year with a scale of 500 hectares or more.
3.	Investment projects involving betting businesses, casinos, except for prize-winning electronic games for foreigners.
4.	Investment project for a nuclear power plant.
5.	Investment projects of foreign investors in the telecommunications service business with network infrastructure, forestry, publishing, and journalism.
6.	Investment projects requiring resettlement of 20,000 people or more in mountainous areas, and 50,000 people or more in other regions.
7.	Investment projects in accordance with the Law on Cultural Heritage, regardless of the scale of land area and population within the scope of protection area I of the site recognized by the competent authority as a special national monument listed as a world heritage site.
8.	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.
9.	Other investment projects that are subject to the approval of investment policies by the Prime Minister according to the provisions of the law.
III. APPROVED BY THE PROVINCIAL PEOPLE'S COMMITTEE	
1.	Investment projects where the investor requests the State to allocate land, lease land without auctioning land use rights, or tendering to select investors to implement projects that use land; projects that request a change of land use purpose according to the provisions of land law, except for cases of (i) Investment projects of individuals that do not require written approval from the provincial People's Committee before being decided to lease land or allow a change of land use purpose according to the provisions of land law; (ii) Investment projects for the construction of technical infrastructure for industrial clusters; (iii) Mineral exploitation projects subject to auctioning of mineral exploitation rights; mineral exploitation projects to serve projects, works, construction items, implementing emergency mobilization measures according to the provisions of the Law on Geology

	and Minerals; (iv) Other investment projects as prescribed by the Government.
2.	Investment projects that request the State to allocate land, lease land, or allow a change of land use purpose in areas affecting national defence and security.
3.	Investment projects that request the State to allocate marine areas.
4.	Investment projects for the construction of housing (for sale, lease, lease purchase), urban areas regardless of land use scale or population scale in cases where the investor has land use rights through agreements on land use rights or currently has land use rights according to the provisions of housing law and land law.
5.	Investment projects regardless of land area, population in areas restricted from development or historical inner cities (determined in urban planning) of special urban areas.
6.	Investment projects for the construction and business of golf courses, except for cases of investment in the construction and business of golf courses that are part of housing construction projects, urban areas allocated or leased land through auctioning land use rights or tendering to select investors.
7.	Investment projects for the construction and business of infrastructure in industrial zones, export processing zones, and concentrated digital technology zones.
8.	New investment projects: Ports and port areas belonging to special seaports, type I seaports.
9.	New investment projects: Airports, airfields; runways of airports, airfields; international airport passenger terminals; cargo terminals of airports with a capacity of 1 million tons/year or more.
10.	New investment projects for the business of passenger transport by air.
11.	Investment projects for oil and gas processing.
12.	Investment projects requiring resettlement of 10,000 people or more in mountainous areas, and 20,000 people or more in other regions.
13.	The investment project that complies with the provisions of Law on Cultural Heritage, regardless of the scale of land area and population within the scope of protection area I and protection area II of the site recognised by the competent authority as a national monument, special national monument, except for the protection area I of the special national monument listed as a world heritage site.
IV. APPROVED BY THE MANAGEMENT AUTHORITY	
1.	Investment projects which are carried out in industrial zones, export processing zones, high-tech zones, concentrated digital technology zones, are compliant with the approved planning.

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