

Doing Business in Vietnam

2022





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Investment Promotion Center – South Vietnam

Foreword



Nguyen Chi Trung

CEO & Managing Partner

Vietnam's economy has proven resilient throughout the COVID-19 pandemic, being one of the few countries to post GDP growth during this time. Despite GDP growth rate slowing down to 2.58% in 2021, Vietnam is still set to be the fastest growing economy among ASEAN countries in 2022, with an estimated GDP growth rate of 6.5% year on year.

Vietnam's advantages include its low labour costs, its young, well-educated population, and a government that continues to prioritize improving business policies and investment laws to incentivize infrastructure investment. Nevertheless, despite recent challenges, Vietnam's economy is still expanding and modernizing. As previously restricted industries and sectors are opening, opportunities are being created to fulfill WTO commitments and obligations under various Free Trade Agreements (FTAs). Growth is being further stimulated through bi-lateral FTA's (e.g. UK and South Korea) and other agreements such as the EU Vietnam Free Trade Agreement and the CPTPP. Accordingly, Grant Thornton Vietnam, with the support of Investment Promotion Center – South Vietnam, has prepared this guide to assist those interested in doing business in Vietnam.

This guide does not cover the subject in full, however, it is intended to answer some of the more important questions that may arise. When specific problems occur in practice it will often be necessary to refer to the laws and regulations of Vietnam, and to obtain appropriate professional advice. We hope this guide will help you learn more and further understand business in Vietnam. Should you require further professional guidance, we are more than willing to consult, and to ascertain where we can be of assistance.

NOTE: This guide herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is still accurate as of the date this guide was received, or that it will continue to be accurate in the future. No one is entitled to rely on this information and no one should act on such information without appropriate professional advice obtained after a thorough examination of a particular situation.





Country Profile

Key Statistics

Vietnam has a young population, stable political system, stable currency, significant Foreign Direct Investment ("FDI") inflows, a strong manufacturing sector and commitment to sustainable growth.

Total area (331,210 km2)


310,070 km²
Land

21,140 km²
Water


Ethnicity

85.7%
Kinh (Viet)


14.3%
Others



Location
South Eastern Asia, off the coast of the Gulf of Thailand, the Gulf of Tonkin, and the South China Sea. Vietnam also borders China, Laos, and Cambodia.




Climate
Tropical in South, Monsoonal in North with hot rainy season (May to September), and warm, dry season (October to March)



Time zone
GMT+07


Major urban area – Population



Hanoi (Capital)
8.1 million

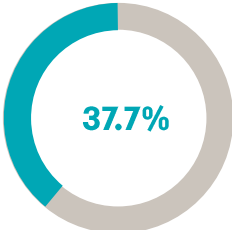
Da Nang
990K+

Ho Chi Minh City
the primary economic hub for Vietnam, had a population of almost 9 million



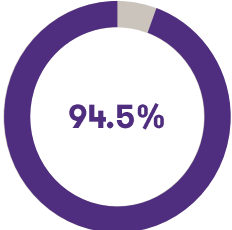
Population Est. 2022
98,953,541

Vietnam has the third largest population in South East Asia (after Indonesia and Philippines)




37.7%

Urban Population Est. 2022



94.5%

Literacy



Population Growth Est. 2022
0.90%

(Source: World Population Review – 2022)

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Government Type

Socialist State



Chief of State

President

Nguyen Xuan Phuc



Head of Government

Prime Minister

Pham Minh Chinh



Unicameral National Assembly

500 seats

5-year terms

Legislature



Supreme People's Court

1 chief justice

13 judges

Judiciary



Income Status

Lower-middle income



GDP Growth

6.42 %

in the first half year of
2022

The growth was mainly driven by:

- Agriculture, Forestry and Fisheries
2.78%
- Industry and Construction
7.70 %
- Service sector
6.60 %



Total exports in the first half of 2022

USD185.94 billion



Total imports in the first half of 2022

USD185.23 billion

Key partners

U.S. China Japan EU

Key partners

China South Korea Japan Russia

Key export

- Chemical products
- Agricultural products
- Fertilizers
- Plastic products
- Metal products
- Computers, electronic products & components
- Cell phones and Accessories
- Cameras, camcorders and accessories

Key import

- Machinery
- Equipment
- Raw material
- Iron
- Fuel
- Beauty products
- Luxury products
- Electronic products

[Source: General Statistics Office]

Employment level

The General Statistics Office has identified that the policy of safe, flexible adaptation and effective control of the COVID-19 pandemic has positively helped the labor market in the first half of 2022.

The number of people employed and average monthly income of employees increased slightly, compared to the same period last year. The underemployment rate at working age also decreased compared to the previous quarter. According to the statistics agency, the country's labor force, aged 15 and over, in the first half of 2022, was estimated to be approximately 50.3 million people.

13.9 million, of which, are people working in the agriculture, forestry, and fishery sectors. This accounts for 27.7% of the total, whereas industry and construction, with 16.7 million people, account for 33.4%, and services, with 19.5 million people, account for 38.9%.

In the first half of 2022, the General Statistics Office stated that the national unemployment rate is 2.39%. The young unemployment rate (ages 15-24) in the country is 7.78% and the underemployment rate in the working-age population in the country is 2.48%.



50.3 M

people of working age

Cost of living

Vietnam has a comparatively cheap cost of living. Out of the 209 cities examined in the Mercer Cost of Living report in 2021, Hanoi rated 139th, while Ho Chi Minh ranked 143rd. These two cities are costlier than Kuala Lumpur (ranked 152nd), but still less expensive than Phnom Penh and Bangkok (ranked 125th and 46th).



139th

Ranking of the cost of living in Hanoi

Living standards

According to the Ministry of Labour, Invalids, and Social Affairs, the national poverty rate fell to 2.23%, with a proportion of near-poor households at 3.11 %.

Vietnam's socio-economic status growth in general, human development in particular, has made significant strides. According to the United Nations Development Program (UNDP), the Human Development Index (HDI) has risen to 0.693 in 2022, moving from the medium to the high group. Vietnam's HDI rating among the world's nations and territories is up to 116th/189 in 2022.



38.9%

of the labour force working in the service sector (est. 19.5m people)

In contrast to the facts presented above, the COVID-19 pandemic has deprive many people the ability to have formal employment. This leaves some unable to find new occupations and others are forced to migrate to alternative, informal jobs, which are insecure and unsustainable. Furthermore, labor supply has been severely cut, with the number of employed individuals falling to its lowest level in many years. Additionally, fuel costs have continuously climbed, resulting in a time of inflation that shows no indications of abating. Employees' earnings and incomes are declining, making workers' living conditions tough. To better satisfy the objectives of economic development, the government has focused on adopting measures to further develop the labor market. The government also continues to reform and improve tax-cut programs, ensuring the proper execution of rules aimed at encouraging local and international investment.



143th

Ranking of the cost of living in Ho Chi Minh

Business Etiquette

Greetings

To greet and say goodbye to Vietnamese business partners, it is customary to shake using both hands with the left hand on top of the right wrist and bow slightly. Alternatively, you can bow to them.

Business meetings

Face-to-face meetings are considered very formal in Vietnam, and will normally be confirmed at most one week before the appointment time if dealing with Government departments and State-Owned Enterprises. To start a business conversation: business cards should be handed and received to and from business partners with two hands. To understand the person you are speaking with and to show proper respect, you should read your partner's cards carefully. Do not simply glance at it and put it in your pocket or wallet. One more important thing to note is being receptive to any invitations to lunch or dinner after business meetings. Dinners or luncheons are often arranged by business partners, who will be hosting you in order to build personal relationships – one of the keys to successful business in Vietnam.

Addressing Vietnamese

Vietnamese names are written backwards compared to Western names and generally have three or 4 parts: Surname (family name), middle name and first name. If it is applicable, you can add the professional title. It is normal to use the last written name to address a Vietnamese (their first name).

Business attire

In working places, Vietnamese dress conservatively in professional clothing. Men wear suits and women wear suits or dresses. In the warmer months, particularly in Southern Vietnam, jackets and suit jackets are not required unless meeting Government officials.

Souvenirs and gift giving

The giving of gifts and souvenirs are quite common, throughout Vietnam. Numerous occasions during the year, and in business meetings are used to express your appreciation, gratitude or respect to your business partners. Gifts and souvenir do not need to be costly, but it as an appreciation of friendship.



Public holidays

Employees who have been employed for 12 months are provided with a minimum of 12 days of paid annual leave (vacation) per year, in addition to the public holidays.





Vietnam Economy

Vietnam Economy Ready for Post – COVID Recovery

In the first three months of 2022, Vietnam's socio-economic development takes place in the context that the world economy continues to maintain its momentum, production activities are promoted, and the global supply chain is gradually opened. However, the conflict between Russia and Ukraine has created a major humanitarian crisis that has affected millions of people's lives and has disrupted global economic growth. Therefore, global growth forecasts for international organizations in 2022 are lower than previous forecasts.

Domestically, Vietnam is determined to recover and develop its economy to catch up with the recovery of the world economy, and achieve the goals of the Resolution of the XIII Congress, dated January 30, 2022. The Government has promulgated Resolution No.11/NQ-CP on the Socio-economic Recovery and Development Program and implemented Resolution No. 43/2022/QH15 on fiscal and monetary policies to support the Program.

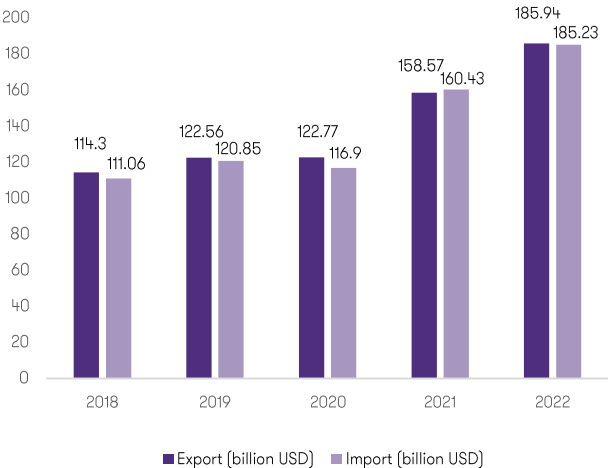
Ministries, branches and localities have focused on developing action plans to synchronously implement solutions. Based on the support of citizens and the confidence of the business community, the Government's socio-economic recovery and development program has been proven effective and created the impetus to restore the economy and sustainable economic development. Our country's socio-economy has achieved many positive results. Most industries and fields are beginning to recover and grow again.

“In parallel with Agriculture, Industry is the main sector that the Vietnam government focuses on improving and developing.”

Business activities in early 2022 are gradually recovering. Due to the complicated development of the COVID-19 pandemic, many localities have implemented social distancing, affecting the supply chain of production, processing, and consumption of agricultural, forestry and fishery products. In spite of these challenges, the Agriculture sector has had many effective solutions, demonstrating its role as a pedestal of Vietnam's economy. These solutions have ensured the supply of food, foodstuffs and essential goods, which have been an important basis for implementing social security and safety during the pandemic.

In parallel with Agriculture, Industry is the main sector that the Vietnam government focuses on improving and developing. Even with the COVID-19 pandemic, foreign investors continue to seek and invest in many business categories of Vietnam, especially in factories. As a result, Vietnam's economic development has been stable.

Total Export and Import turnover of goods in the first half of the years 2018 - 2022



[Source: General Statistics Office]



The Vietnam government has researched solutions to build a sustainable economic recovery program until 2023. This ensures the implementation of solutions to adapt to the epidemic control roadmap and focus on recovering key industries and domestic fields. Vietnam is ready to:

- innovate production and business models;
- restructure enterprises associated with digital transformation;
- improve capacity and competitiveness;
- "retain" employees via labor transformation, and labor restructuring;
- invest in new technology, strongly applying this technology to turn challenges into opportunities and;
- expand the market and move towards participating in the global value chain.

According to the World Bank, the economy has proven resilient through different crises, the last being COVID-19. Vietnam was one of the few countries to post GDP growth in 2020 when the pandemic hit. GDP growth slowed down to 2.58 percent in 2021 due to the emergence of the Delta variant, but is expected to rebound to 5.5 percent in 2022.

In early June 2022, Vietnam's economy continued to maintain strong recovery momentum despite increasing global uncertainty.

The state budget recorded the 5th consecutive month of revenue, with total state budget revenue increasing by 29.4% (compared to the same period last year).

However, the economy is also facing a number of obstacles.

- CPI inflation increased to 3.37% in June, mainly due to a price increase in petrol and essential consumer goods and services.
- Exports have grown slowly and imports have remained stagnant.

[Source: Ministry of Industry and Trade]

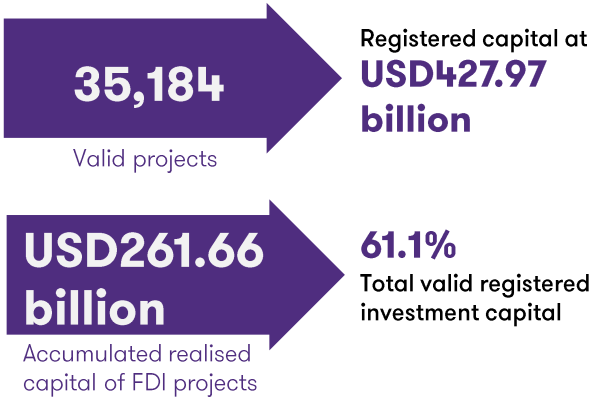
FDI and Growth in Vietnam

Foreign Direct Investment (FDI), which is hunting for new prospective markets including Vietnam, is one of the quintessential drivers for Vietnam's industrial and economic growth. Inward FDI has been a major component of the domestic economy, contributing significantly to the mobilisation of investment capital, technology, contemporary governance, and the expansion of Vietnam's export markets.

As of June 20, 2022, the total newly registered capital, adjusted and contributed capital to buy shares and contributed capital of foreign investors reached over USD14.03 billion, equivalent to 91.1% over the same period in 2021. The capital generated by FDI projects was estimated at USD10.06 billion, an increase of 8.9% over the same period last year.

The Russia-Ukraine war does not cause to a significant, direct impact on foreign investment in Vietnam because of the small portportion (0.23%) of Russian and Ukrainian investment. However it has resulted to an indirect effect through high prices and supply chain disruptions. The conflict could lead to a trend of shifting investment out of Russia and Ukraine to Asian countries. Vietnam can also benefit from this shift in foreign investment in the long term, however, this trend has not defined yet.

Despite the effects of the COVID-19 pandemic, Vietnam continues to attract international investment in its electronic industry. Foreign electronic businesses have also maintained their plants in Vietnam's Northern area. The semiconductor sector in Vietnam is anticipated to develop rapidly during the next five years. Many international investors continue to choose Vietnam as a location for manufacturing bases, particularly in the electronic industry. As many as 65% of foreign electronic businesses have established manufacturing bases in the country's northern regions, while approximately 30% have established facilities in the country's southern region, with a handful in the central region.



84 Nations and Territories have been investing in Vietnam in the first 6 month of 2022

Major contributors to inward FDI:

Singapore
USD 4.1 billion (29.5%) in total investment capital

Republic of Korea
USD 2.66 billion (19%) in total investment capital

Others
Denmark, China, Netherlands and Japan

[Source: Ministry of Planning and Investment – June 2022]

Reasons for FDI in Vietnam

FDI flows are expected to increase significantly when the COVID-19 pandemic is well-controlled. Besides the movement of capital flows of large investors, small-scale FDI projects will also take advantage of the free trade agreements that Vietnam signed in 2021 and 2022. The following factors has made Vietnam one of the most attractive investment destinations for foreign investors:

#1

The Regional Comprehensive Economic Partnership (RCEP) comes into effect, which is a significant event. Vietnam signed the RCEP on 2 November 2021 which became effective from January 2022.

RCEP will move towards eliminating at least 92% of import tariffs between the signatories within 20 years, and will establish common rules for e-commerce, commerce, and intellectual property rights. RCEP is designed to cut costs and time for merchants by allowing them to export goods to any of the agreement's signatories without having to meet individual, country-specific requirements.

The RCEP and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) will offset global economic losses caused by the US-China trade war. The two agreements will also help the economies of Northeast Asia and Southeast Asia operate more efficiently, connecting strengths in technology, manufacturing, agriculture and natural resources.

When the RCEP is fully implemented, it will provide a plethora of opportunities for Vietnamese businesses to boost exports, join new value chains in the region, and enhance foreign investment attraction. Even with this agreement, Vietnam and ASEAN countries have the opportunity to become a center to attract foreign investment. Vietnam is considered a safe and attractive destination.



#2

Vietnam is currently showing strong signs of recovery, following the COVID-19 pandemic. Although remaining vigilant, the government has introduced incentives and offered financial assistance in order to encourage economic growth. Isolation orders have been lifted and businesses are allowed to reopen and resume business.

#4

The labour force of Vietnam is quite young, abundant and well-qualified. Additionally, the cost of labour is considered to be quite competitive in the region.

#3

Vietnam is a large and potential market with political stability. With a population of nearly 100 million people and a rapidly growing middle class, utilizing the domestic market of Vietnam can also be considered a potential business and investment strategy.

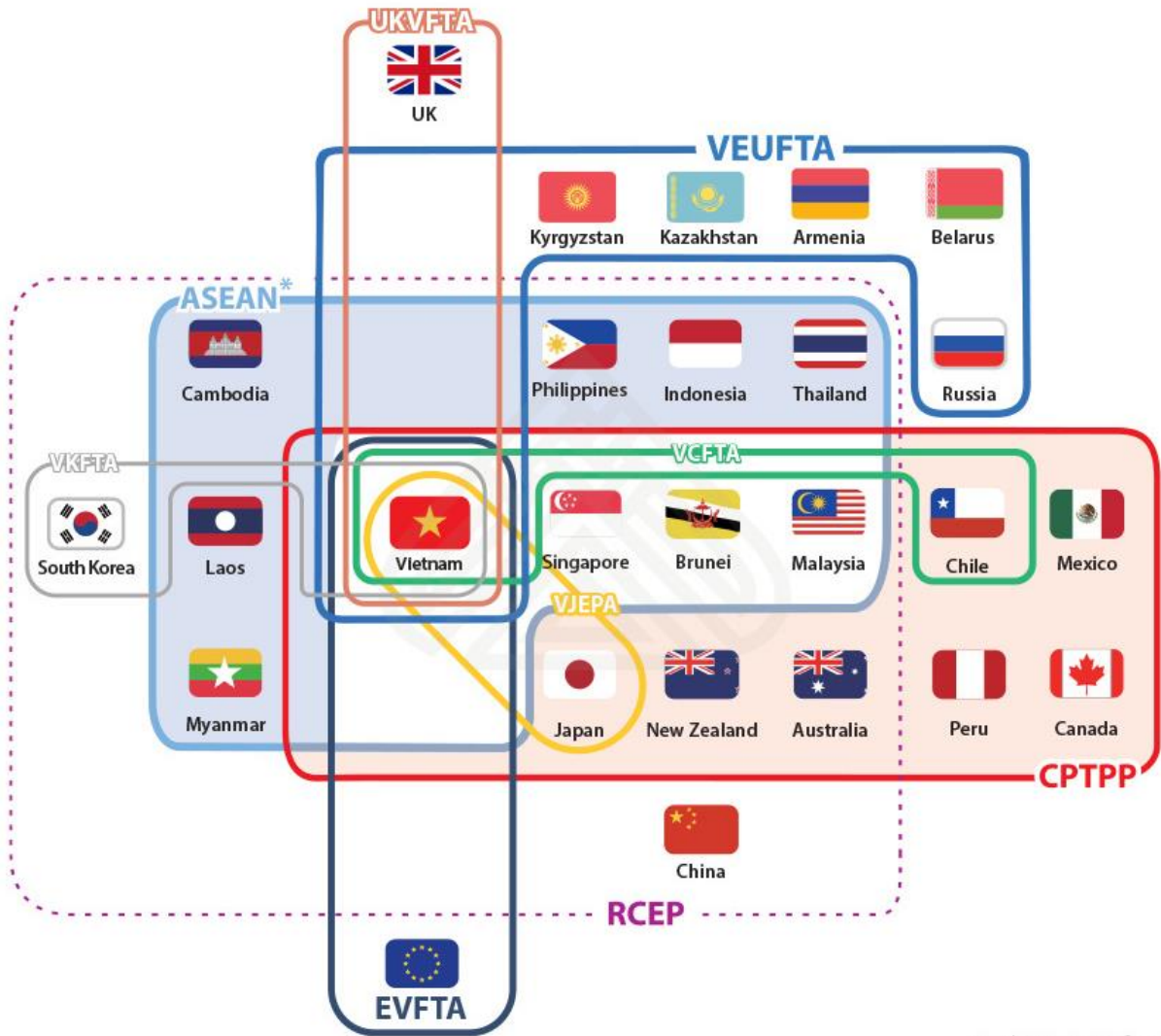
#5

A variety of regulations which benefit enterprises have been changed and enacted with the digital transformation of the economy. Administrative procedures are simplified and investment constraints are also reduced. The government decides the application of special incentives and investment support to encourage investment projects which have great economic impacts.

The Vietnam market has gradually attracted the attention and interest of foreign investors around the world due to its strengths in the economy, society and politics. Therefore, Vietnam will be a sweet spot for investors and FDI companies to invest in at present and in the future.



Trade Agreements



Graphic © Asia Briefing Ltd.

Vietnam is one of the countries with the most free trade agreements (FTAs) in the world. It has signed a total of 17 trade agreements, 15 of which have become effective while negotiations have concluded on 2 deals, and three are on the way.

The FTAs have opened the door wider for Vietnamese goods to enter foreign markets, helping the country improve its trade balance with its trade partners. Aside from export turnover, the FTAs have also brought other benefits, the most important one being ensuring fairer access to resources.

Many FTAs, especially new-generation ones, pay attention to fairness, which forces Vietnam to continuously improve its domestic business environment. The trade deals also assist with efforts to improve infrastructure, push forward administrative reforms and remove market obstacles.

Vietnam also inked the Regional Comprehensive Economic Partnership, the world's largest trade deal, which covers nearly a third of global GDP.

Current FTAs in Vietnam

No.	FTA	Status	Parties
FTAs in effect			
1	AFTA	Effective since 1993	ASEAN
2	ACFTA	Effective since 2003	ASEAN, China
3	AKFTA	Effective since 2007	ASEAN, South Korea
4	AJCEP	Effective since 2008	ASEAN, Japan
5	VJEPA	Effective since 2009	Vietnam, Japan
6	AIFTA	Effective since 2010	ASEAN, India
7	AANZFTA	Effective since 2010	ASEAN, Australia , New Zealand
8	VOFTA	Effective since 2014	Vietnam, Chile
9	VKFTA	Effective since 2015	Vietnam, South Korea
10	VN – EAEU FTA	Effective since 2016	Vietnam, Russia, Belarus, Amenia, Kazakhstan, Kyrgyzstan
11	CPTPP (previously known as TPP)	Effective since 30/12/2018, came into effect in Vietnam since 14/01/2019	Vietnam, Canada, Mexico, Peru, Chile, New Zealand, Australia, Japan, Singapore, Brunei, Malaysia
12	AHKFTA	Effective in Hong Kong (China), Laos, Myanmar, Thailand, Singapore and Vietnam since 11/06/2019 in all member countries since 12/02/2021	ASEAN, Hong Kong (China)
13	EUVNFTA	Effective since 01/08/2020	Vietnam, EU (27 members)
14	UKVFTA	Effective temporarily from 01/01/2021, officially effective since 01/05/2021	Vietnam, The UK
15	RCEP	Official effective since 1/1/2022	ASEAN, China, Korea, Japan, Australia, New Zealand
FTAs under negotiation			
16	Vietnam - EFTA	Negotiations commenced in May 2012	Vietnam, EFTA (Switzerland, Norway, Iceland, Liechtenstein)
17	Vietnam – Israel FTA	Negotiations commenced in December 2015	Vietnam, Israel

Banking and Capital Markets

Capital markets

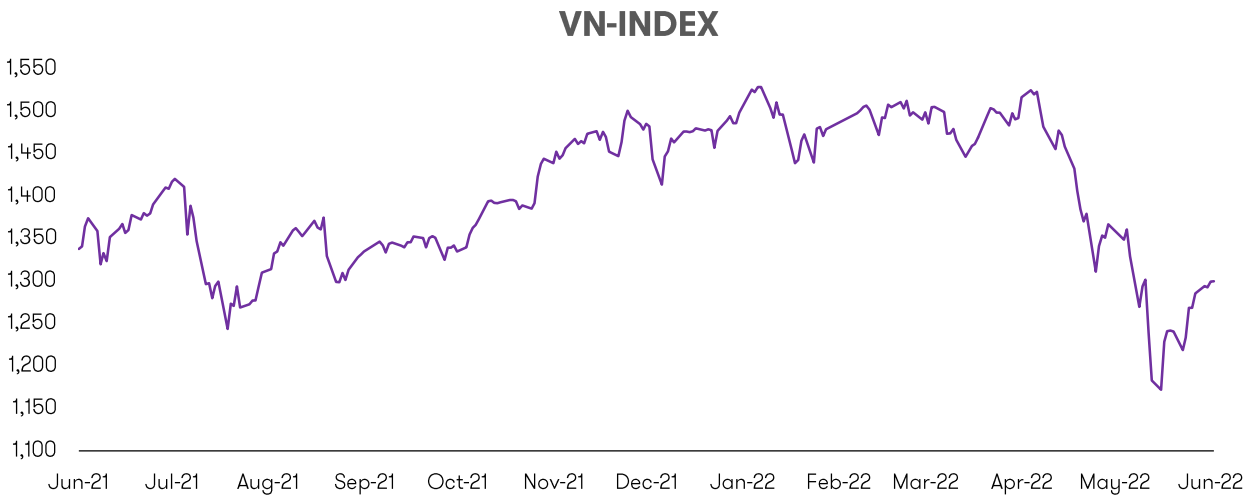
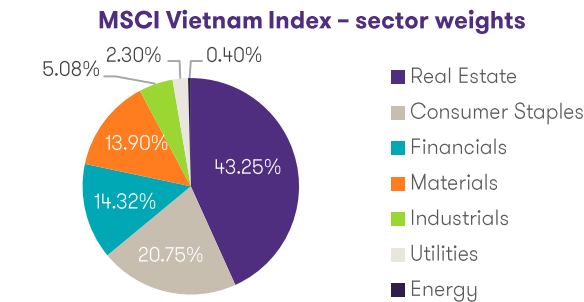
To streamline Vietnam’s securities markets, the Ho Chi Minh City Stock Exchange (HOSE) and the Hanoi Stock Exchange (HNX) were merged, creating the Vietnam Stock Exchange (VNX) which was officially put into operation on the 12th December 2021. The VNX has a charter capital of USD130.2 million, is headquartered in Hanoi and operates as a one-member limited liability company wholly owned by the State.

At end of 2021, VN-Index reached 1,500, recording an increase of 35.7% over index value at the end of 2020, and becoming the top 7 world’s best performing index. In the first 6 months of 2022, the VN-Index decreased by 12.5%. During April – July 2022, VN-Index shared bear trends as market sentiment stays weak amid low liquidity and a lack of stability for long-term recovery. The challenges are mainly from external macro factors, especially those related to tight monetary policy. Additionally, unpredictable global inflation took place when energy and food prices escalated due to the impact of the Russia-Ukraine war.

According to the MSCI Vietnam Index as of May 31st 2022, real estate is the largest sector in terms of total market capitalization, making up around 43.25% of the stock market. This is followed by Consumer Staples, Financials and Materials with 20.75%, 14.3% and 13.9% of the market, respectively.

Besides the listed company market, the Unlisted Public Company Market (UPCOM) is increasingly attracting investors thanks to the potential of its stocks. As of 1 June 2022, the market capitalization of UPCOM was at USD55.4 billion. Of the 903 businesses trading on UPCOM, 23 have a market capitalization of more than VND10 trillion (~USD44 million), with some stock codes having very high values, such as the State-run Airports Corporation of Viet Nam (ACV), Viettel Global Investment JSC (VGI) - a subsidiary of telecom giant Viettel Group, Masan Consumer Corporation (MCH) and Binh Son Refinery (BSR).

According to data from the Vietnam Securities Depository (VSD), the accumulated number of individual investors reached 5.2 million accounts as of 30 April 2022, which is an increase of 20.9% over the figure recorded by end of 2021. 5.1 million accounts were opened by individual domestic investors. The number of accounts opened by institutional investors accumulated to 13,670 accounts. This helped Vietnam reach 5.2% of the population participating in the stock market. Such a remarkable increase in new accounts is fueled by the robust inflows of capital into the stock market in 2021 and early 2022 due to low bank interest rates in recent years and less attraction to other investment avenues. The opening of new accounts is also easier due to Electronic Know Your Customer (e-KYC) technology.



(Source: Vietstocks Finance)



Banking System

Vietnam's banking system was divided into a two-tier structure in 1988, when the State Bank of Vietnam (SBV) assumed the regulatory and supervisory roles for the banking sector, with commercial activities shifting to credit institutions. The SBV acts as both the Central Bank and as a Government Agency of the Socialist Republic of Vietnam. Operating under the tight direction of the Government, the SBV is subject to the Government's or the Prime Minister's approval for key areas of operation. Since dividing into a two-tier system, the Vietnam banking system has expanded rapidly. Vietnam's credit institutions comprise State-Owned Commercial Banks (SOCBs), joint-stock commercial banks, joint-venture banks, 100% foreign-owned banks, branches of foreign banks, credit cooperatives, finance leasing companies and finance companies.

The SOCBs accounted for around 41.56% of the total banking systems assets. However, the domination of these banks has been on a significant downward trend due to the strong growth of private banks and foreign banks.

According to Decision 242/QĐ-TTg, approving the Scheme for "Restructuring Securities and Insurance market by 2020 and Vision to 2025", all joint-stock commercial banks shall list their shares and register to have their shares traded by the end of 2020. However, by Jun 2022, three joint-stock commercial banks remain unlisted, including PVCOMBANK, BaoViet Bank and Saigon Bank.

Over the last decade, foreign banks have expanded their presence in Vietnam. Up to now, there are 62 foreign bank branches, two joint-venture banks, and nine 100% foreign-owned banks in the country.

Current legislation states that the total foreign shareholding in local Vietnamese banks should not exceed 30 percent. Within this limit, the maximum shareholding permitted to a foreign bank as a strategic partner is 20 percent, while a non-strategic investor can own 15 percent. Individual investors may hold no more than 5 percent of the shares. Due to these rules, foreign investors no longer find investing in Vietnam's banking sector as appealing.

Legal treatment

Under the current regulations, credit institutions are permitted to provide a wide range of products and services from traditional banking to fund management or securities services. In practice, due to licensing restrictions, non-traditional banking services are generally provided by banks through separate legal entities. In accordance with Vietnam's commitments to the WTO, the government has been committed to providing a level playing field for both domestic and foreign credit institutions.

Foreign investor banking services

Generally, all foreign investors are required to open a bank account to conduct business in Vietnam. Foreign investors are permitted to open accounts in Vietnamese Dong and some other foreign currencies. Foreign invested enterprises should note the requirements to open a capital account for all capital and dividend transactions.

Private Equity investment opportunities

The unprecedented COVID-19 pandemic has caused massive changes in all countries' economic health and prospective growth. Within that context, Vietnam's success story in handling the pandemic has put the country in a more attractive position.

The country has been able to achieve impressive economic growth during and after COVID-19 peaks among South East Asian countries, and was able to attract investors from wider groups with increasing volume of investment sizes.

From Jun 2021 – Jun 2022, Vietnam's private equity sector recorded 335 transactions closed and 155 deals announced. The total disclosed transaction value is about USD7,434 million. There were 17 transactions with at least USD100 million in closed values in this period (Capital IQ & Merger Market).

Consumer finance was the sector that topped M&A trends in Vietnam last year with the transaction of USD1,372 million from Sumitomo Mitsui Financial Group for 49% in VPBank Finance Company (FE Credit). Additionally, Thailand's Bank of Ayudhya also announced the acquisition of SHB Finance in Vietnam from Saigon-Hanoi Commercial Bank.

Strict social distancing periods in Vietnam last year caused demand for digital payments to increase significantly, attracting PE firms and MNCs' interests in the sector, making it one of the hottest sectors in M&A trends for 2021-2022. A number of transactions are reported including the successful raising of over \$250 million by VNLIFE in a Series B funding round led by Dragoner Investment Group. Additionally, Momo announced it raised US\$200m from a Series E funding led by Mizuho Bank.

From June 2021 – June 2022, the Private sector recorded



Announced and Closed

490 deals

compared to 400 in last year

335

Deals closed

155

New deals announced

76

Deals targeted for more than 51% ownership

(Source: Capital IQ & Merger Market)

Retails and E-commerce came second in Vietnam M&A's spotlights last year with major deals such as CrownX Corporation raising USD750 million from a consortium of investors, including TPG Capital, Abu Dhabi Investment Authority (ADIA), Alibaba, etc. Tiki also raised \$258 million in a Series E funding round led by AIA Insurance.

Renewable energy is also among the top industries that have received special attention from foreign investors, especially after the Prime Minister's strong commitments to achieve net-zero emissions by 2050. Notable transactions in the period are: Mainstream Renewable Power bought a controlling interest in D&T which is developing a 405MW solar power project in Dak Nong province, and Spain's Iberdrola's acquisition of Vietnamese subsidiary of German renewables group Sowitec along with its 550-MW pipeline under development.

Although the ongoing conflict between Russia and Ukraine has disrupted supplies of fuels and materials to Vietnam and adversely affected the country's economic growth in 2022, foreign investors are still finding Vietnam to be one of world's most appealing market for investments thanks to favorable macro factors and the Government's support policies, such as tax incentives, to foreign investors.

The Vietnam M&A outlook for 2022 is bright. Industries such as E-commerce, renewable energy, consumer finance, and especially real estate, are increasingly attractive to foreign investors. In 2021, real estate businesses received more than USD31 billion of registered FDI. However, disbursed capital was USD2.6 billion only due to impact of COVID-19. With borders reopened on 15 March, investors can travel to properties and conduct market research, or evaluate potential sites. M&A deals are likely to increase along with more real estate investments.



Key Sectors for Investment in Vietnam

Manufacturing

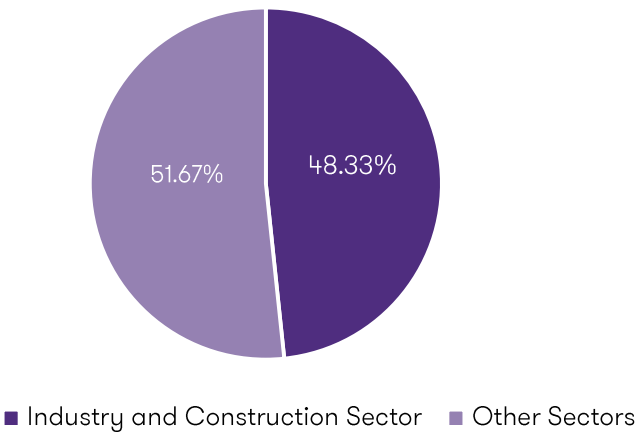
As global businesses seek to diversify, increase resiliency and connectivity of supply chains, and decrease reliance on a single country, Vietnam has become a top destination for investment in manufacturing, due to its strategic location and advantages in shipping, competitive labor, and production costs.

According to IHS Markit, the S&P Global Vietnam Manufacturing PMI was 54.0 in June 2022, down slightly from 54.7 in May, but still signalling a solid monthly improvement in the health of the sector. Business conditions have now strengthened in each of the past nine months.

According to Resolution No.115/NQ-CP in 2020, the government set a target that by 2025, Vietnamese companies will be able to manufacture products in supporting industries that have a high level of competitiveness, and will satisfy 45 percent of the essential needs of domestic production and consumption.

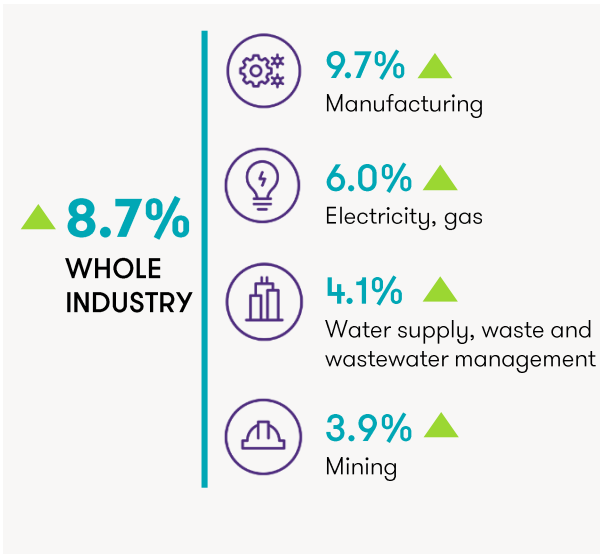
Despite COVID-19, Vietnam is still regarded as an emerging manufacturing hub, surviving the global supply chain disruption.

GDP share in the first 6 month of 2022

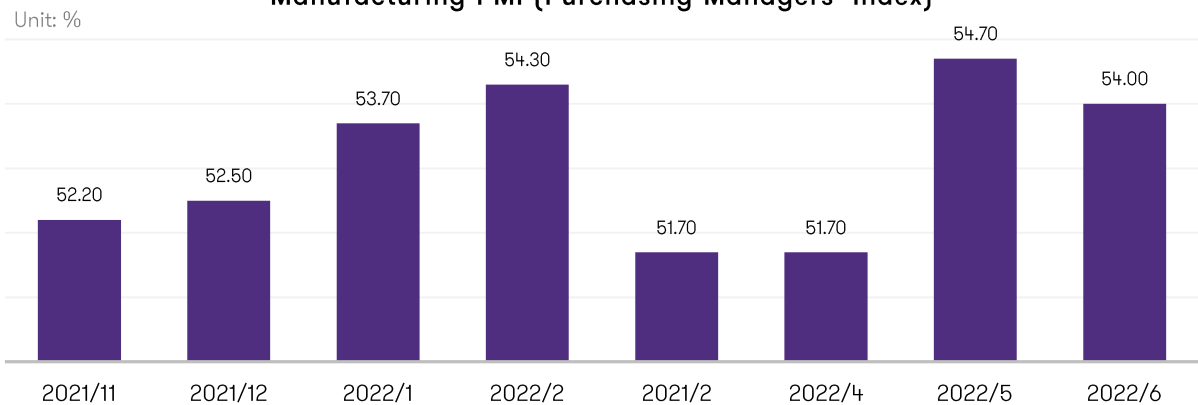


Index of industrial production for first 6 months of 2022

IIP growth rate over the same period last year



Manufacturing PMI (Purchasing Managers' Index)



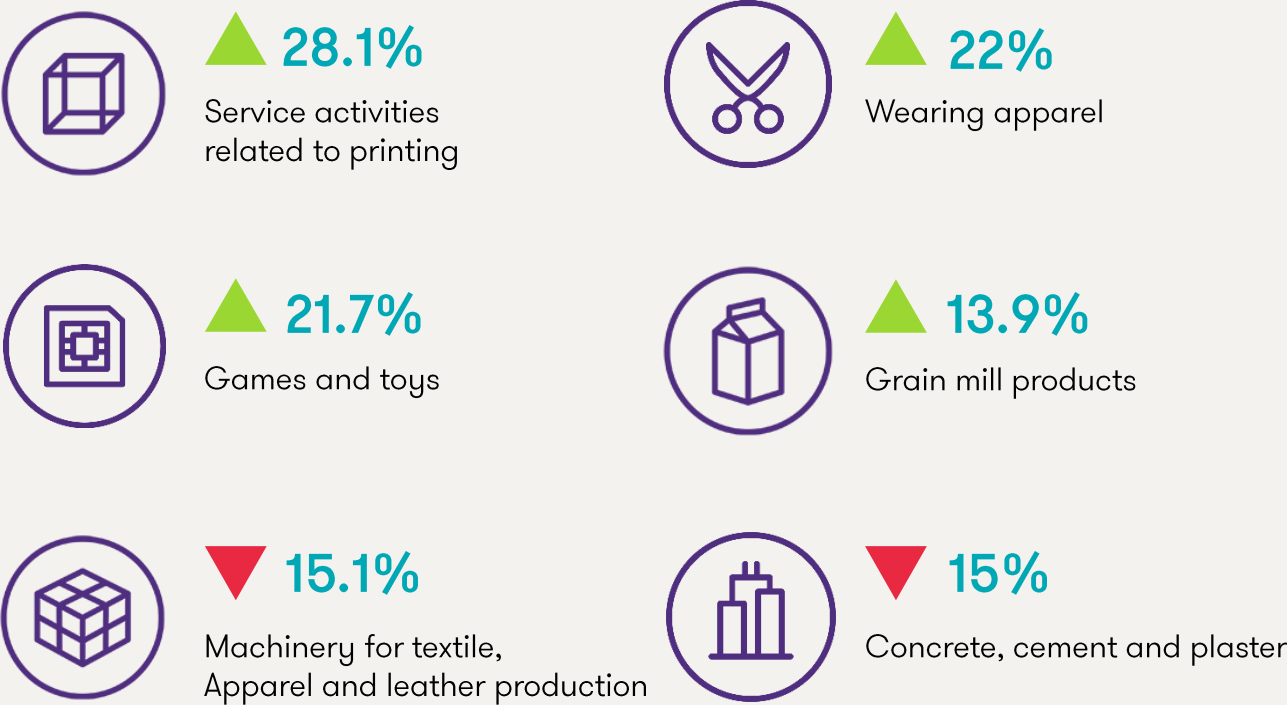
Source: General Statistics Office (GSO) of Vietnam



The fourth wave of the pandemic has had a substantial impact on the Vietnamese economy, resulting in corporate closures, suspensions, travel restrictions, and supply chain delays. However, the government's rapid actions have helped companies weather the storm by implementing measures to promote industries connected to the supply of raw materials, spare parts, and components for manufacturing industries such as electronics, mechanical engineering, textiles, leather and footwear, high-tech industries, and the automobile industry.

With the government's efforts and the year to catch up, companies are researching and developing environmentally friendly materials and technologies, particularly in the textile sector. The companies decided to overcome the most difficult moments of COVID-19 by introducing and exporting antibacterial masks. Furthermore, large-scale steel complexes are being encouraged for investment and growth in order to lessen the industry's reliance on imported raw resources like ore, scrap, and petroleum during inflationary times.

Index of some major industrial products (IIP) for first 6 months of 2022



Source: General Statistics Office (GSO) of Vietnam

Renewable Energy and Cleantech

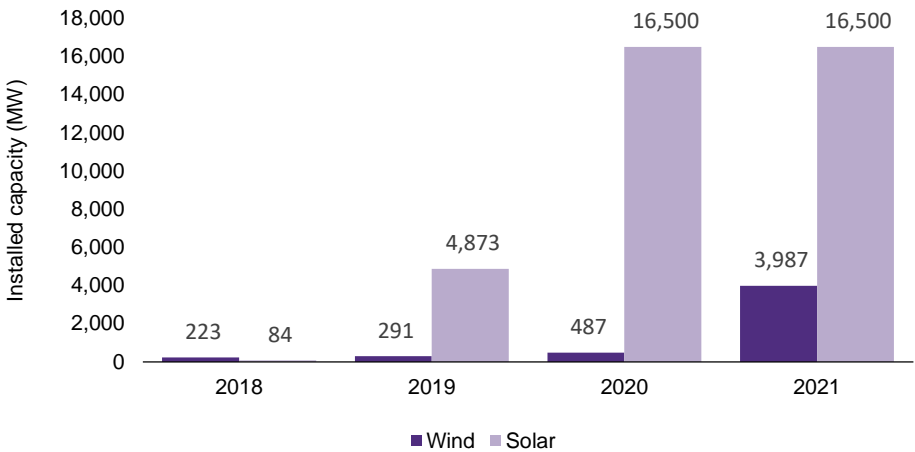


With the dramatic increase in number of installed renewable energy projects, Vietnam is being called “Asia’s Next Clean Energy Powerhouse” according to EnergyTrackerAsia.

Update on the installed capacity of renewable energy at the end of 2021

At the end of 2021, total installed capacity for the whole electricity system reached 76,620 MW, which is an increase of 7,500 MC compared to 2020. Within the installed capacity of renewable energy, the amount for solar and wind is 20,670 MW, which has been risen by 3,420 MC compared to 2020, accounting for 20.7% of the whole system.

Cumulative installed capacity of renewable energy (solar and wind) in Vietnam by the end of 2021



The incentive fixed in tariff has expired at the end of 2020 for solar projects and November 2021 for wind projects. So the installed capacity from 2021 until now has not significantly increased because the investors are waiting for the new price mechanism from the government.

Wind and solar tariff after 2021

Under the current regulation, projects that did not achieve commercial operation by the relevant tariff deadline would be subject to a tariff auction. However, in January 2022, the Ministry of Industry and Trade (MOIT) proposed a different tariff structure. This is based on which investors would negotiate power prices within the price frame announced by MOIT, and to sign the PPA contract with EVN.

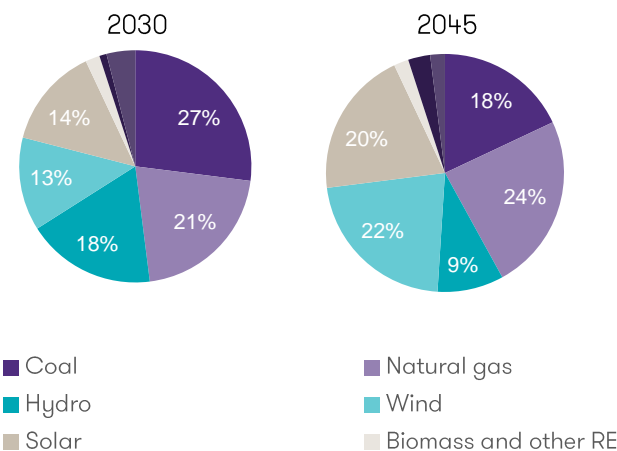
In addition, the MOIT also recommended that EVN should start inviting bids for new renewable projects in 2022 with the tariff to be applicable until 2025. A bidding model has not been determined yet, but EVN has earlier proposed several models, including the "solar park competitive bidding" in which the government identifies the site and conducts the land clearance for the power plant, and the winning developer will construct and operate the project. Another proposed bidding model is "substation-based competitive bidding", in which the government identifies substations with available megawatt capacity and certain capacity at each station is open for bidding.

Update on Power Development Plan 8 (PDP8)

The 1st draft of PDP 8 has been submitted to the government on March 2021. Key points of the draft include:

- The total capacity of power sources expected to be developed by 2030 is 146,000 MW. However, unlike previous versions, the focus will no longer be on fossil fuels. The latest draft proposes a 50.7% share of wind and solar power, compared to 40% in previous versions.
- Diversifying energy sources, increasing renewables, and reducing coal dependency. Coal usage would reduce to 9.5% of capacity by 2045, compared and 15% to 19% previously.
- Adding Biomass, Ammonia and Hydrogen to the mix. Compared with the previous versions, the latest draft focuses on alternative forms of energy. The vision laid out on PDP8 now intends to move from coal and natural gas to biomass, ammonia and hydrogen.

Energy resources under PDP8 revised



Update on DPPA program

On May 2022, MOIT just published the second draft Decision for the DPPA pilot program (May 2022 Draft Decision) between renewable energy power generation companies and major power customers. Key points under the second draft include:

- The maximum capacity of the pilot scheme is 1,000MW.
- Generators and offtakers will be required to submit an application to participate in the scheme within 45 working days from the date the MOIT DPPA electronic registration portal opens.
- The power consumers will take and buy power from EVN/PC at the retail price (instead of the VWEM spot market price plus DPPA charges as proposed under the previous draft MOIT circular)

Financing for renewable energy projects

Almost all the investment in Vietnam's renewable generation has come from domestic and regional sources. The most recent PDP8 for Vietnam projects an annual financial demand of over USD11 billion, with a large portion going toward renewable energy sources. Therefore, Vietnam's capacity to attract foreign investment is essential to maintaining the rapid rise of renewable energy. Foreign investors can choose among permitted investment forms, such as a 100 percent foreign-invested company, joint venture, or public-private partnership (PPP) in the form of a BOT contract. With low feed-in-tariffs and high production costs, the PPP is the most effective means of entering the market to minimize risks. PPP term is 20 years from the commercial operation date.



Tourism and Hospitality

From May 15, 2022, the Vietnamese government has suspended the requirement of SARS-CoV-2 virus testing prior to entering Vietnam. However, the pandemic situation is continued to be monitored by The Ministry of Health with appropriate guidelines for pandemic prevention and control measures.

Vietnam's tourism sector responded passively in the first stages of the pandemic and then responded reactively and successfully alongside the Vietnamese government's planned re-opening of society and the economy. In particular, government authorities and tourism companies are implementing strategies to encourage domestic tourism and boost the sector's economic recovery.

The economic consequences of the pandemic have been dramatic for tourism one of the most affected sectors with the collapse of both international and domestic tourism. However, in recent years, Vietnam has bet on a strong development strategy for the sector.

With over 19 million tourists flocking to Vietnam in 2019, and spending around USD32.76 billion each year, the government has been mulling the decision to reopen Vietnam's tourism industry post pandemic. During the pandemic, Vietnam left no stone unturned in combating the outbreak of the COVID-19 virus. The nation made news for imposing the world's strictest border controls and aggressively worked on boosting the vaccination drive across the country. As a result, according to the latest data from "Our world in data", nearly 81% of its 98 million population has been vaccinated, with 219 million vaccine doses given.. This has instilled confidence in the hearts of travelers all over the globe to travel to Vietnam.

Many hotel owners as well as hotel operators are restarting their businesses, implementing recruitment and training plans, and pushing up marketing activities to catch up with the recovery of the international market. Many hotel projects are actively accelerating the construction, completion, and implementation of pre-resuming activities to welcome tourists in the near future. Hotels with a global distribution system and media network are expected to take advantage of this to accompany the Vietnamese tourism industry in promoting and attracting international tourists.

After 2 years of being severely affected by the COVID-19 pandemic, in 2022, the hotel industry expects many international brand hotel projects to operate such as Regent Phu Quoc, Voco Hotel Da Nang, and Best Western Plus Marvella Nha Trang. According to a report from TopHotel, Vietnam is set to welcome about 130 new projects (with 54,038 new rooms) by 2025 and beyond. There are 30 hotels (with 10,359 rooms) set to open in 2022, and 36 hotels (12,302 rooms) planed to open in 2023. In addition, there are 64 hotels that are under construction, which set to contribute another 31,377 rooms from 2024 onwards. The most prominent locations for hotel growth are Ho Chi Minh City with 15 forthcoming properties encompassing 7,323 rooms and Hanoi with 13 forthcoming hotels, altogether comprising 4,242 rooms. Da Nang expects 11 properties with 2,933 rooms between them.



In 2022, domestic tourism is set to be the "key" to help Vietnam's tourism industry create momentum for recovery and development. During the last 2 years, the tourism industry has had to rely entirely on the domestic market. The reliance will continue for the target set for 2022, in which Vietnam's tourism industry aims to welcome 65 million visitors by the end of the year 60 million of which are domestic and 5 million are international, bringing in a revenue of VND400,000 billion.

“ Vietnam's tourism industry aims to bring in revenue of VND400,000 billion in 2022.”

Regarding tourism products, in 2022, there is an increasing trend in demand for resort tourism products, green tourism, eco-tourism, medical tourism, and care tourism. In particular, the demand for health rehabilitation and wellness tourism and medical tourism will increase in 2022 and the following years due to post-COVID-19 symptoms. Regarding tourism consumption behavior, the recent trends post COVID-19 is focused on choosing safe tourist destinations, green tourism, ecotourism and isolated resorts. The trend of traveling to nearby destinations, traveling in small groups or family groups continues to be the choice of many travelers in 2022.

130

New projects

By 2025 and beyond

Ho Tram

Ba Ria – Vung Tau

Da Lat

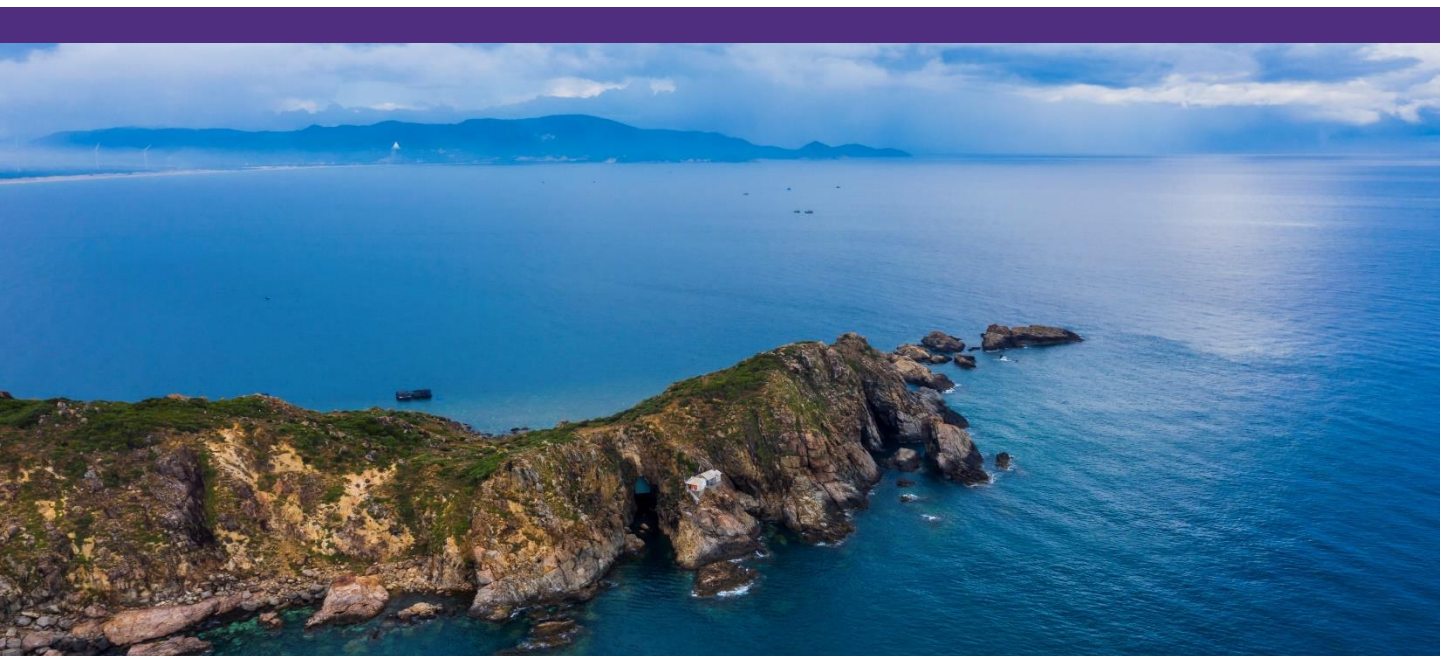
Lam Dong

Phan Thiet

Binh Thuan

Quy Nhon

Binh Dinh





Entity Incorporated in Vietnam

The Law on Enterprises (LoE) was passed by Vietnam's National Assembly on 17 June 2020 and took effect on 1 January 2021. The laws provide four types of legal forms of corporation for business entities, comprising:

- Limited liability company (LLC)
- Joint-stock company (JSC)
- Sole proprietorship
- Partnership

The law on Public Private Partnership came into effect on 1 January 2021. Forms of investment under PPP contracts will be made on the basis of a contract between a regulatory agency and an investor.

The National Assembly adopted the Law on Investment 2020 on June 17, 2020, which seems to be structurally more permissive of foreign investment. However it also introduces a “negative list”, which means that foreign entities are allowed to invest in Vietnam except in those sectors explicitly set out in the List of Restricted Sectors. Investment in certain sectors may be subject to certain conditions. Conditional investment rules apply to foreign investors, with additional potential restrictions including:

- (i) Percentage ownership limits;
- (ii) Restrictions on the form of investment;
- (iii) Restrictions on the scope of business and investment activities;
- (iv) Financial capacity of the investors and partners and;
- (v) Other conditions under international treaties and Vietnamese law

Foreign investors who wish to establish an entity in Vietnam for the purpose of conducting their investment in the country must have an investment project. An investment project is a collection of proposals declaring how the firm plans to spend its medium and long-term capital for investment activities in a specific area and for a specified duration of time. Documents must also be supplied, and attested to the legal status of the investor. In addition, a report on the financial capacity, and a proposal for investment preferential treatment must also be provided. An Investment Registration Certificate (“IRC”) will be issued within 15 days from the receipt of a complete dossier of documents for a common investment project. Upon the issuance of the IRC, the investor must apply for the Business Registration Certificate (“BRC”) to complete the incorporation process and put the investment project into implementation. These process may take longer if the authorities require extra documentation. In some cases, an IRC may not be granted, as it is at the discretion of the authorities.

Capital requirement

Typically, there are no maximum or minimum capital requirements for a company. However, in some sectors, a company must be able to meet certain capital threshold requirements before it is permitted to start business, e.g. a minimum capital requirement of VND3,000 billion (equivalent to USD129 million) is required for a commercial bank.

Company Charter

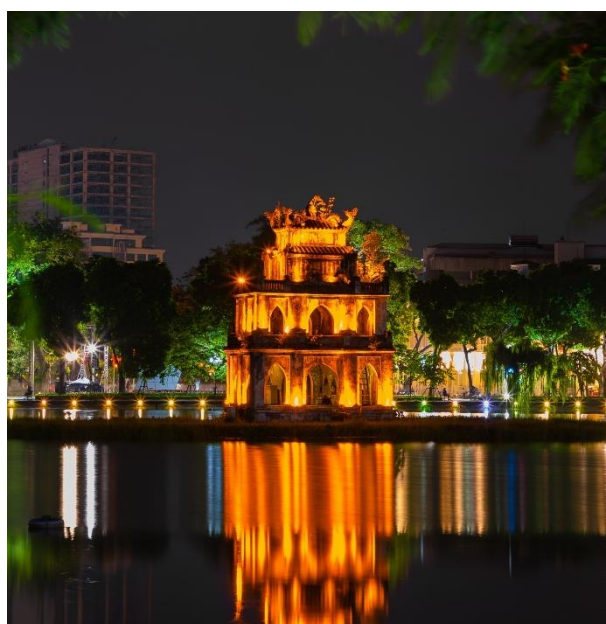
The Company Charter is one of the documents that governs the incorporation and operation of the company. The Company Charter determines the competence, duties and obligations conferred on the board of directors and its shareholders/owners.

Filing requirements

Every company established in Vietnam must comply with the Vietnamese Accounting Standards and System regulated by the Ministry of Finance.

Companies are obliged to submit financial statements within 30 days for sole proprietorships and partnerships and within 90 days for other types of enterprises from the fiscal year end.

Audited financial statements by third parties are mandatory requirements for foreign invested companies, public companies, securities firms, credit institutions, financial institutions, insurance enterprises/brokers.





Following establishment, a number of other main formalities must be carried out, including:

- Announcing the establishment of information on the National Business Registration Portal
- Carving the Company's seal(s)
- Opening bank accounts
- Registering to join the social insurance with social insurance department
- Registering and paying Business License Tax to the competent tax authorities
- Online tax registration and invoice registration
- Others

A foreign entity may establish its presence in Vietnam as:

- Limited liability company;
- Joint stock company;
- Partnership;
- Branch;
- Representative office; or
- Business cooperation contract

Foreign investors can also buy capital/shares in an existing domestic enterprise, subject to certain ownership restrictions, which are vary depending on the sectors.

Limited Liability Companies

There are two types of limited liability company: (i) One Member Limited Liability companies, and (ii) Limited Liability companies with two or more members. Neither form can be listed.

Limited liability companies are not entitled to issue shares and the total members in a limited liability company cannot exceed 50. A limited liability company can have more than one legal representative.

A limited liability company cannot issue shares. In addition to cash, capital contributions can be made in the form of gold, the value of land use rights, intellectual property rights, technology, technical know-how and other assets.

Limited liability companies can reduce their charter capital in accordance with the laws.

Joint-Stock Companies

A joint stock company ("JSC") is a company whose charter capital is divided into shares, held by three or more organisations or individuals. A JSC can have more than one legal representative. JSC is a recognised legal entity and the only company type under Vietnamese law that can issue shares. Its shareholders are responsible for its debts and liabilities up to the amount of their contributed capital. A JSC can issue securities and be listed on the Securities Exchange. A JSC may either be 100 per cent foreign owned or domestically owned, or may take the form of a joint venture between foreign and domestic investors.

A JSC is established by its founding shareholders based upon their subscription to shares in the company. It is required to have at least 3 shareholders, with no maximum stipulated by law.

The founding shareholders of a JSC must subscribe for at least 20% of the total shares that the JSC is authorised to offer for sale. Shareholders can be Vietnamese or foreign nationals. A JSC must issue ordinary shares and may issue preference shares and/or issue bonds. Types of preference shares include:

- Voting preference shares: only held by government authorised organisations and founding shareholders
- Dividend preference shares
- Redeemable preference shares
- Other types of preference share are subject to the company's charter.

Shareholders are permitted to convert preference shares into ordinary shares, but not permitted to convert ordinary shares into preference shares. The company's shares are allowed to be freely transferred among shareholders, except for voting preference shares.

Business Cooperation Contract (“BCC”)

A business cooperation contract is a contractual relationship signed between multiple parties, generally a foreign investor and a local company. This does not form a legal entity but permits the partners to engage in business activities on the basis of mutual allocation of responsibilities and the sharing of profits and losses. This form of business has traditionally been used in industries where LLCs and JSCs are restricted. This form of business is a means of private financing without transferring management control to a foreign partner.

Public and Private Partnership Contract (“PPP”)

Public and Private Partnerships (“PPP”) contract is a contractual arrangement entered into by the government with the private sector for infrastructure projects and public services. The PPP is typically used for transportation, electricity production, water supply, drainage and waste treatment projects. It includes Build-Operate-Transfer (BOT), Build-Transfer (BT) and Build-Transfer-Operate (BTO) Contracts. The difference between these contracts is the point in time that the project is transferred to the government. According to the law on PPP, it is focused on five essential areas: 1. Transportation 2. Power grid, power plant (except hydroelectric plants and some other cases) 3. Irrigation, clean water supply, drainage, wastewater treatment, waste treatment 4. Health care, education and training 5. IT infrastructure

Branch

Branch is not a common form of foreign direct investment and is only applicable in certain sectors (e.g. banks or law firms). A branch is not an independent legal entity.

- Foreign businesses shall only be entitled to set up a branch in Vietnam with the condition that the business has been in operation for at least five years.
- Branch of a foreign company is permitted to conduct commercial activities in Vietnam whereas the RO is not permitted.
- Branches are required to report annually to the Ministry of Industry and Trade, on the operational and financial position of the business.

Representative Office

In accordance with Commercial Law, foreign investors can set up a resident Representative Office (“RO”) in Vietnam. The following regulations are in place regarding the RO:

- The foreign parent company must be in operation for at least 01 year to be allowed to establish an RO in Vietnam;
- Licenses for an RO will be valid for 05 years but may be extended or re-issued upon expiration;
- RO is not allowed to conduct revenue-generating activities (e.g. concluding contracts, selling goods/services). The RO is only permitted to act as a liaison office, conduct market research and promote the parent company’s business and investment opportunities
- RO is required to submit an annual report on activities to the local Department of Industry and Trade.

Partnership

Partnerships can be established in Vietnam provided there are at least two individuals who are members of the partnership and co-owners of the business. These individuals will be general partners and have unlimited liability for all obligations of the partnership. The partnership may also have limited liability partners, who can be individuals or organisations, who only contribute a part of the capital and have limited liability and rights up to the value of their contribution.

Typically, partnerships are not widely used for foreign investment in Vietnam.





Accounting and Audit

Accounting system

Foreign-invested business entities are generally required to adopt the Vietnamese Accounting System ("VAS"). VAS is mainly governed by the following Circulars:

Circular 200	Circular 133	Circular 132	Circular 210
Circular No 200/2014/TT-BTC dated 22 December 2014 ("Circular 200") for all types of enterprises in Vietnam	Circular No 133/2016/TT-BTC ("Circular 133") for Small and Medium-sized Enterprises	Circular No 132/2018/TT-BTC ("Circular 132") which provides guidance on VAS for microenterprises	All securities companies in Vietnam are required to adopt the Circular No 210/2014/TT-BTC ("Circular 210")

Circular 200

Circular 200 replaces Decision 15/2006/QĐ-BTC, provides guidance for Vietnamese Accounting Systems ("VAS") - the application of adoption of accounting standards to all types of enterprises in Vietnam.

Circular 133

Circular 133 provides guidance on VAS for Small and Medium-sized Enterprises ("SMEs") and replaces the contents applied to SMEs in both the Decision No 48/2006/QĐ-BTC dated 14 September 2006 and the Circular No 138/2011/TT-BTC dated 4 October 2011. SMEs are authorised to proactively design and construct their accounting systems in line with SMEs' respective industries, management and decision-making purposes. SMEs can decide to apply the accounting system under the Circular 200 and relevant amendments, supplements or replacements of regulations, but are required to notify the Tax Authorities as well as to consistently apply this accounting system during the fiscal year.

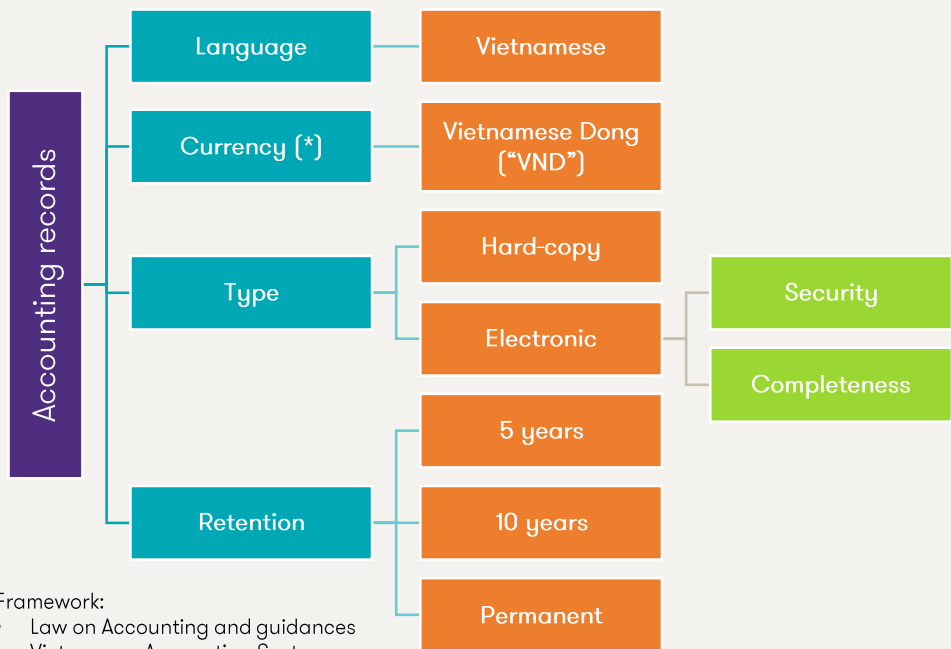
Circular 132

Circular No 132 provides guidance on VAS for microenterprises. The Circular 132 took effect for fiscal years commencing on or after 1 April 2019. Accordingly, a microenterprise shall not be required to appoint a chief accountant, if available, it is entitled to engage in chief accountant services. In addition, a microenterprise that pay corporate income tax ("CIT") based on the CIT-to-sales ratio (%) is not bound to prepare and submit a financial statement to the tax authority. A microenterprise, at their discretion, may choose to apply either the Circular 132 or the Circular 133 on accounting regulations for SME's.

Circular 210

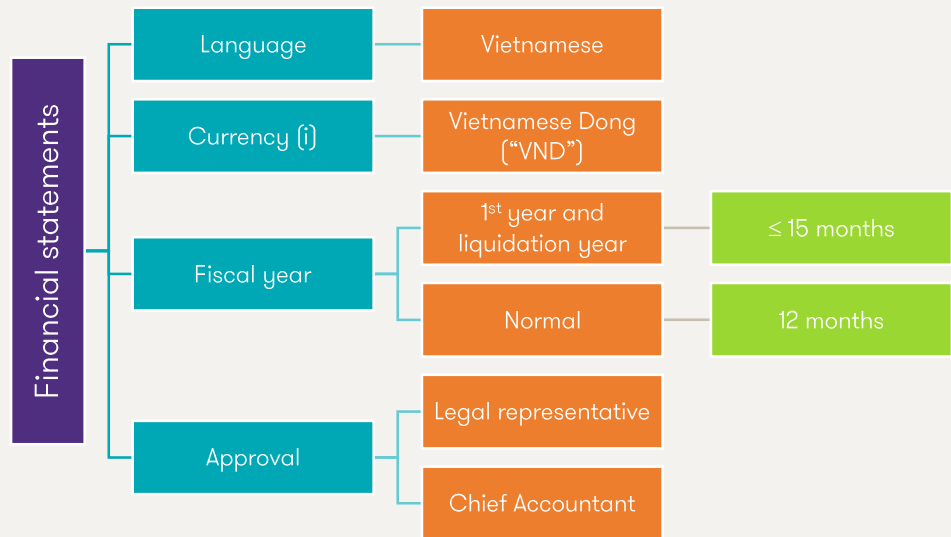
Circular 210 provides guidance on accounting systems applicable to securities companies. Circular 210 provides a number of amendments related to the chart of accounts, accounting methods, forms of accounting books, methods of preparation, and presentation of financial statements applicable to securities companies, which have been established and are operating under the provisions of the Vietnamese Securities Law. Circular 210 is applied to securities companies' from financial year starting from 1 January 2016 onwards.

Accounting records



(*) Foreign-invested entities are allowed to select and use another currency in recording transactions and maintaining their accounting records, provided that they can clearly demonstrate that the receipts and disbursements are mainly denominated in such other currency. However, for statutory reporting, entities using another currency as a functional currency must convert their financial statements prepared under such other currencies into VND under certain prescribed regulations.

Financial statements



(i) If an enterprise selects a foreign currency to be used as functional currency in recognising transactions, maintaining accounting records and preparing financial statements, its financial statements are required to be translated into VND for statutory reporting purposes.

(ii) VAS specified some requirements for financial statements of change in the fiscal year.

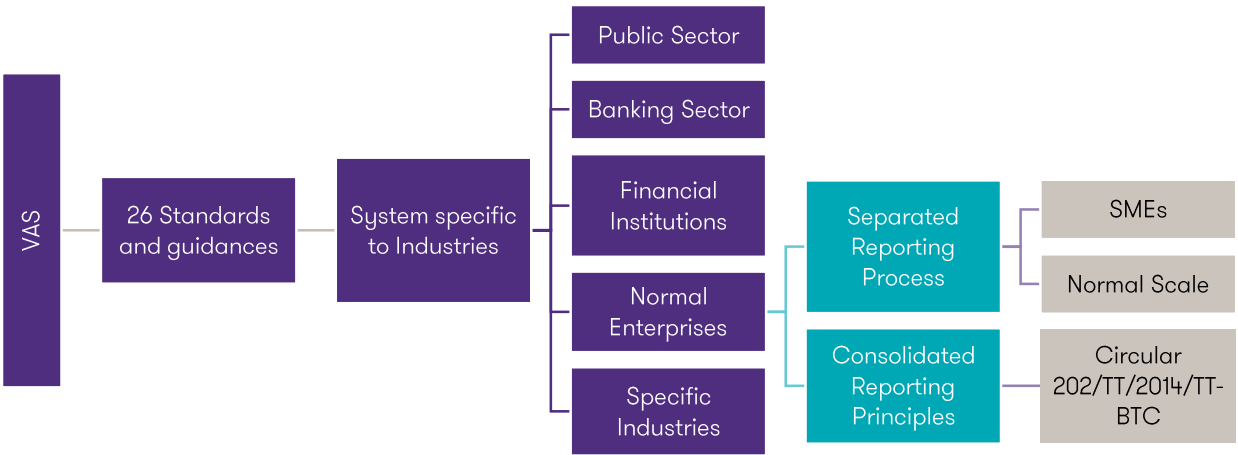
Framework:

- Law on Accounting and guidances
- Vietnamese Accounting Standards and System

Accounting regulations



Vietnamese Accounting Standards and System (“VAS”)

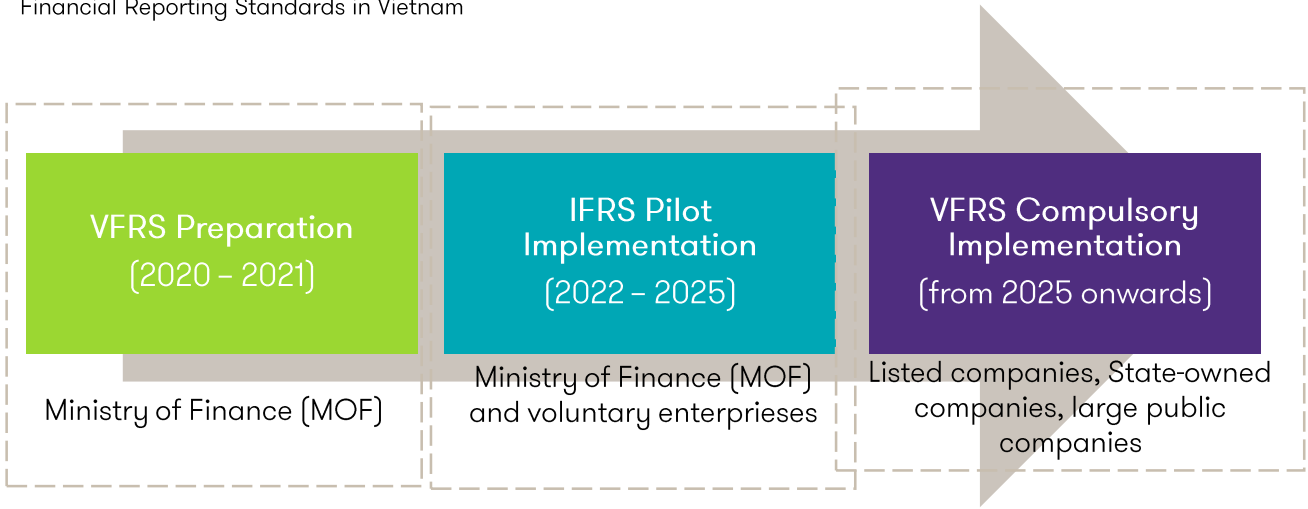


Main characteristics of VAS:

- The Vietnamese Accounting Standards for normal enterprises were issued from 2000 to 2005. They have been adopted from and primarily based on the International Accounting Standards (“IAS”) and International Financial Reporting Standards as promulgated by the International Accounting Standards Board (“IASB”) prevailing at the time of issuance.
- Key differences between IFRS and VAS include terminology, applied valuation methods or disclosure requirements due to the continuing changes and amendments to IFRS.
- Accountants usually refer to the detailed guidance of Vietnamese Accounting System instead of Vietnamese Accounting Standards which clearly guides for the standardised financial statements, accounting treatments, accounts mapping, accounting ledgers/vouchers, etc.

Vietnamese Financial Reporting Standards (“IFRS”) process

On 16 March 2020, the Ministry of Finance issued Decision No. 345/QĐ-BTC which approved the proposal to apply Financial Reporting Standards in Vietnam





Vietnam to adopt IFRS

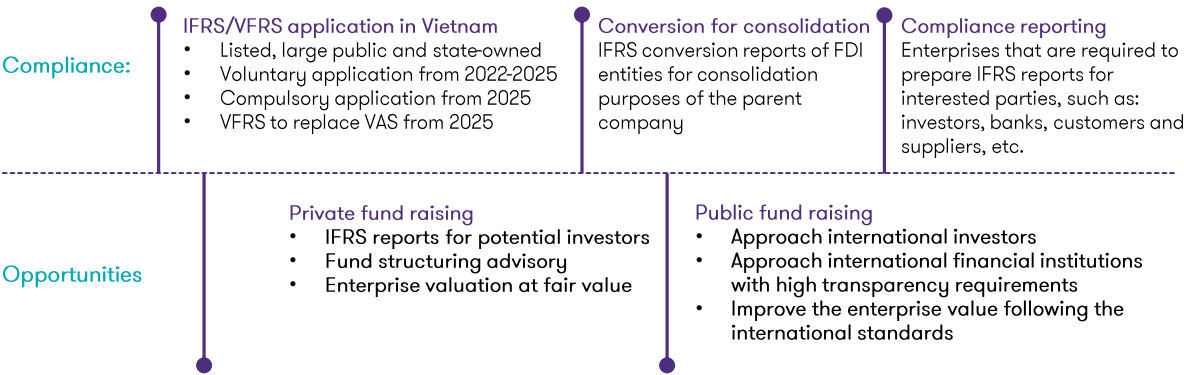
VFRS is Vietnamese Financial Reporting Standard, which has been developed based on the requirements of IFRS and tentatively to replace the current VAS from 2025. The implementation is divided in 2 phases:

- Phase I – Voluntary application period from 2022 to 2025: Entities with demand and sufficient resources would apply IFRS in preparation of consolidated financial statements such as: parent company of large scale state-owned group, listed or non-listed parent company, and large public parent company. Foreign Direct Investment entities would also apply IFRS in preparation of their statutory (separate) financial statements if they have demands and sufficient resources
- Phase II - Compulsory application (after 2025): Based on the implementation results of Phase I, the Ministry of Finance will evaluate and decide whether to apply IFRS compulsorily.

From 2025 onwards, the adoption of VFRS will be required for all entities, except for those already adopting IFRS or VAS for microenterprises (as per Circular 132/2018/TT-BTC). There will be specific guidance(s) from the MOF on the accounting practice for micro-enterprises that have neither the need nor sufficient resources to adopt IFRS and VFRS.

The (voluntary) implementation of IFRS has several benefits for entities, as IFRS is one of the most popular accounting systems in the world (applied in over 140 countries and jurisdictions) which is encouraged to be applied by financial management authorities in developed countries. The application of IFRS is expected to strengthen the transparency and comparativeness of financial information among countries. Furthermore, IFRS also aims to support enterprises, customers, and suppliers to approach capital market more effectively, efficiently and economically.

By applying IFRS for reporting, enterprises in Vietnam might have the following benefits:



Key audit requirements

Compulsory annual audit

Public interest entities: are required to submit “reviewed” semi-annual financial statements and “audited” annual financial statements. There were 40 audit firms in the list of firms who are approved and authorised by the MOF in 2021.



Listed companies



State-owned enterprises



Banks



Securities companies



Financial institutions



Insurance firms

Foreign direct investment enterprises are required to have their annual financial statements audited. There were 207 audit firms in the list of firms that were approved and authorised by the MOF in 2021.

Any other entities involved in special circumstances such as mergers and acquisitions, changes in ownership, terminations, and bankruptcy must be audited.

Audit contract deadline

Audit contracts should be signed with the independent auditors no later than 30 days before the end of the entity’s financial year in accordance with the Decree 105/2004/ND-CP dated 30 March 2004 and the Law on Independent Auditing with effect from 1 January 2012.

Audit report deadline

Audited annual financial statements must be completed and submitted/filed with the applicable licensing body: The Department of Finance in province and city under the jurisdiction of the central government where such enterprise’s head office is located, the local tax authority, and department of statistics by the last day of the third month after the end of the fiscal year. For enterprises located in an Export Processing Zone or Industrial Zone, financial statements will be filed with Export Processing Zone or Industrial Zone Management Board, as required.

Public interest entities are required to submit and publish their half-year reviewed financial statements and year-end audited financial statements within 45 days and 90 days, respectively, from the balance sheet date.

Audit report and rotation

Certain entities such as banks, non-banking credit institutions, and branches of foreign banks have to rotate or replace their audit firm with another audit firm after five consecutive years. There is no similar requirement for rotation of audit firms and auditors for other business entities.

For public interest entities (“PIE”), the involvement of all senior personnel (engagement partner, engagement quality control reviewer or other audit partner) shall not be more than four (4) consecutive years.

An Audit opinion is required to sign off by two CPA holders including 1 legal representative of the audit firm and 1 auditor.

Sign-off CPA holders are required to rotate after 3 consecutive years with 1 cooling year.

Internal audit

Compulsory internal audit is required for some specific cases such as listed companies, State-owned companies, securities companies, etc.





Taxation

Most business activities and investments in Vietnam are likely to be subject to the following taxes:

- Corporate Income Tax (Annual filing);
- Value Added Tax (Monthly or quarterly filing);
- Personal income Tax (Monthly or quarterly filing and year end finalisation);
- Foreign Contractor Withholding Tax (Monthly filing or when incurred)

There are various other taxes that may affect certain specific activities, including:

- Special sales tax;
- Natural resources tax;
- Property taxes;
- Export duties;
- Environment protection tax.



Corporate Income Tax



Value Added Tax



Personal income Tax



Foreign Contractor Withholding Tax



Others (Special sales tax; Natural resources tax; Property taxes; Export duties; Environment protection tax)

Corporate Income Tax (“CIT”)

Incentive rate

(subject to application and approval at the time of licensing)

0%

10%

15%

17%

Standard rate

20%

CIT rate

Currently, the CIT standard rate is 20%. Certain industries are liable to a higher tax rate:

- Companies operating in the oil and gas industry are subject to rates ranging from 32% to 50%, depending on the location and specific project.
- Any companies engaging in prospecting, exploration and exploitation of mineral resources are subject to CIT rates of 40% or 50% depending on location.

CIT may be reduced under investment incentive schemes.

Tax incentives

Preferential CIT rates:

- 10% and 17% (effective from 01 Jan 2016) for 15 years and 10 years, respectively
- Certain socialised sectors (e.g. education, health) enjoy a 10% rate for the entire life of the project.

Tax holidays

- Complete exemption from CIT for a certain period generally beginning after the enterprise first makes profits
- Followed by a period where tax is charged at 50% of the applicable rate:
 - 4 years of tax exemption and 9 subsequent years of 50% reduction,
 - 4 years of tax exemption and 5 subsequent years of 50% reduction,
 - 2 years of tax exemption and 4 subsequent years of 50% reduction.

Based on

Location

Qualifying economic and high-tech zones, certain industrial zones and areas with difficult socio-economic conditions



Sector

Education, healthcare, sport/culture, high technology, environmental protection, scientific research, infrastructural development, renewable energy and software manufacturing



Scale of investment

Large manufacturing projects meeting requirements of investment capital, minimum revenue, minimum headcount





Deductible vs Non-deductible expenses

Deductible expenses

Expenses are deductible if they meet the following requirements:

- Relevant to business activities;
- Supported by sufficient legitimate documents (invoices, non-cash payment evidence for transactions from VND20 million and above, etc); and
- Not specifically identified as being non-deductible.

Non-deductible expenses

- Depreciation of fixed assets which is not in accordance with the prevailing regulations;
- Employee remuneration expenses which are not actually paid, or are not stated in a labour contract or collective labour agreement;
- Staff welfare (including certain benefits provided to family members of staff) exceeding an annual cap of one month's average salary;
- Reserves for research and development not in accordance with the prevailing regulations;
- Provisions for severance allowance and payments of severance allowance in excess of the prescribed amount per the Labour Code;
- Overhead expenses allocated to a PE, in Vietnam, by the foreign company's head office exceeding the amount under a prescribed revenue-based allocation formula;
- Interest on loans corresponding to the portion of charter capital not yet contributed;
- Interest on loans from non-economic and non-credit organizations exceeding 1.5 times the interest rate set by the State Bank of Vietnam
- Certain net interest expenses exceeding the cap of 30% of EBITDA;
- Provisions for stock devaluation, bad debts, financial investment losses, product warranties or construction work which are not in accordance with the prevailing regulations;

- Unrealised foreign exchange losses due to the year-end revaluation of foreign currency items other than accounts payable;
- Donations except certain donations for education, health care, natural disaster or building charitable homes;
- Administrative penalties, fines, late payment interest;
- Contributions to voluntary pension funds, life insurance premiums, the purchase of voluntary pension, and life insurance premiums for employees exceeding VND3 million per month per person (effective from 1 February 2018);
- Certain expenses directly related to the issuance, purchase or sale of shares;
- Creditable input value added tax, corporate income tax and personal income tax (in the case of gross income).

Taxable Income

Taxable income is defined as the difference between total revenue and deductible expenditures, plus other assessable income.

Business Units are required to prepare an annual CIT return which includes a section for making adjustments to accounting profit to arrive at taxable profit.

Losses

Businesses that incur losses after tax finalization are entitled to carry forward those losses to be offset against the assessable income of future years for a maximum of 05 consecutive years.

Losses on incentivised activities can be offset against profits from non-incentivised activities, and vice versa.

Losses from the transfer of real estate and the transfer of investment projects can be offset against profits from other business activities.

Taxpayers are not allowed to carry backward losses.

Administration

CIT filing is on an annual basis.

The provisional tax payment is on a quarterly basis, based on estimates, and on an annual basis based on the finalization.

The quarterly CIT shall be paid no later than the last day of the 1st month of the following quarter. The timeline for both filing the annual CIT finalization returns and paying taxes is no later than the last day of the 3rd month from the end of the fiscal year.

The provisional tax paid amount of the first 3 quarters of the relevant tax year could not be less than 75% of annual tax payable amount per year-end CIT finalization return. Otherwise, the shortfall is subject to interest for late tax payment counting from the following day after the deadline of 3rd quarter CIT payment to the actual payment date. This regulation applies from the tax year of 2021 onwards.

The standard tax year is the calendar year. For enterprises that apply a fiscal year different from the calendar year, the tax period shall be determined according to the applied fiscal year. An enterprise may change the tax year period but the period chosen cannot exceed 12 months and it is required to notify the tax authorities prior to implementation.

Firms must pay tax in the province where their head office is located. If an enterprise has a “dependent accounting production establishment” in another province or city, then the amount of CIT assessable and payable will be determined in accordance with a ratio of expenses incurred by each manufacturing establishment over the total expenditure of the company.

Dividend Income

Dividends paid to corporate shareholders are generally exempted from CIT, if the paying firm has fulfilled its CIT obligations before payment.

Thin capitalisation rules

At present, there are no thin capitalisation rules. However, certain restrictions to this effect can be found in the regulations on foreign loans and corporate income tax (permitted borrowing capacity and excessive interest rates).

Profit Repatriation

In Vietnam, Foreign investors are allowed to repatriate their profits either on an annual basis or on termination of the investment, provided that they have profits, based on the audited financial statements.

Foreign investors or their investee companies upon the foreign investors’ authorization are required to notify the local tax authorities of the plan to repatriate profits at least 7 working days prior to the scheduled repatriation.



Summary of Incentives Tax Tariff

CIT rate	Description	Applicable period	CIT Exemption	CIT Reduction
10%	(1) Income from new investment projects in the areas of with specially difficult socio-economic conditions , economic zones, and high tech zones	Up to 15 years	4 years	9 years
	(2) Income from new investment projects in: <ul style="list-style-type: none">• Scientific research and technology development; investment in the development of specially crucial infrastructure works as prescribed and software production• Manufacturing composite materials, light construction materials, precious and rare materials; manufacturing reproduction energy, clean energy, energy from destroying waste; developing bio-technology• Environmental protection	For the newly invested projects in items (2), the applicable period might be extended for an additional 15 years maximum, subject to the Government’s decision		
	(3) Income of high tech enterprises, agricultural enterprises applying high technology	15 years	4 years	9 years
	(4) Income from newly-established investment projects in the sector of production (except for project producing goods subject to special sales tax, mineral exploitation projects) have investment capital scale at the minimum of VND6 trillion and being disbursed in under 3 years from the date of investment certificate, and <ul style="list-style-type: none">• Having total minimum revenue of VND10 trillion/year no later than 3 years from the first year of generating revenue; or• Employing more than 3,000 fulltime employees no later than 3 years from the first year of generating revenue			
10%	Income of enterprises from social activities in the sectors of education and training, vocational training, culture, medical health, sports, the environment, and judicial assessment	Entire project life	4 years	5 years or 9 years applying for the areas with specially difficult/ difficult socio-economic conditions
15%	Incomes of enterprises from farming, husbandry, processing of agriculture and aquaculture products in areas with normal socio-economic conditions	Entire project life		
20%	Income from newly-invested projects based in areas with difficult socio-economic conditions Income from newly-invested projects in manufacture of high-quality steel; production of energy saving products; manufacture of machinery and equipment serving for agriculture, forestry, fish breeding, salt production; manufacture of irrigation equipment; production and refining of feed for cattle, poultry and aquatic resources; development of traditional trades and occupations	10 years (CIT rate of 17% from 01/01/2016)	2 years	4 years

Tax Incentives applicable for R&D and mega projects

On 06 October 2021, the Government issued Decision 29/2021/QĐ-TTg on special investment incentives for R&D and mega projects in special preferential sectors. The detailed incentives schemes could be summarised as below:

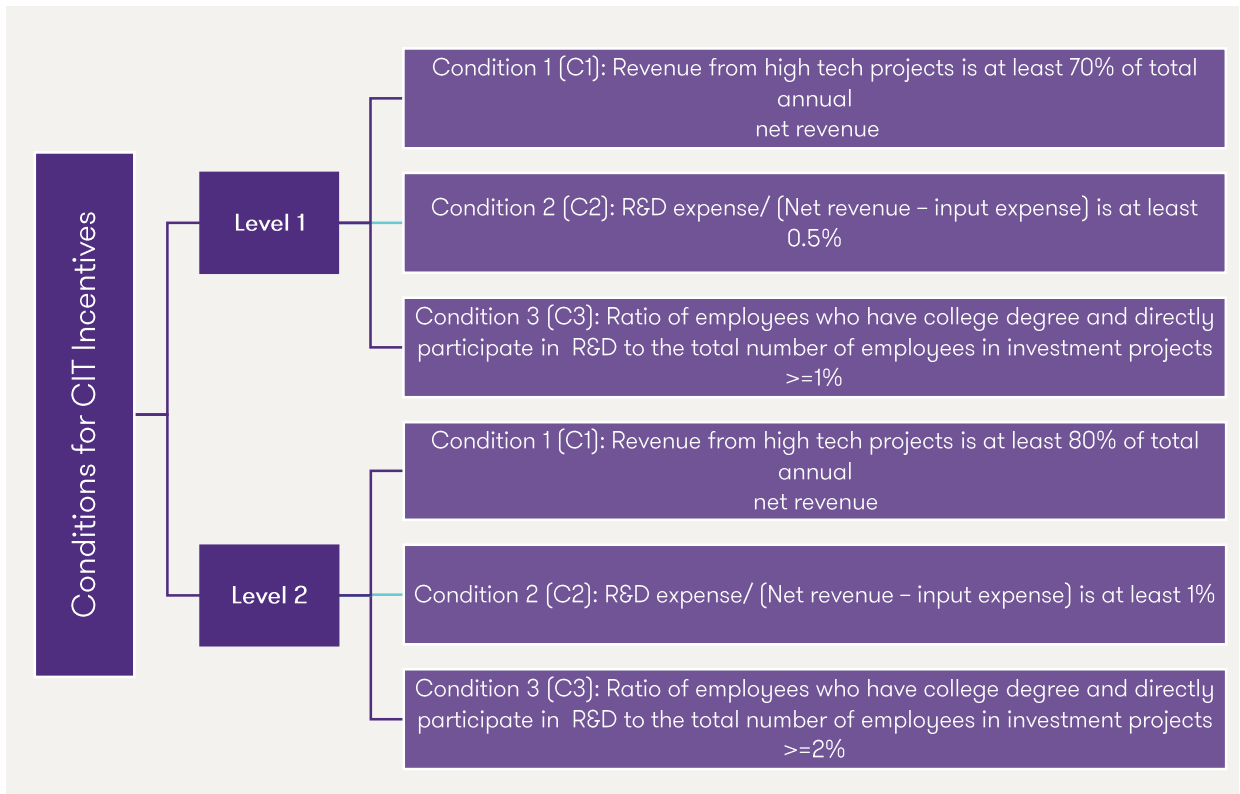
Applicable projects	Conditions on eligibility of special investment incentives
Group A	Newly-established innovation center, research and development center that meet the following conditions: i. A total investment capital of at least VND3 trillion ii. At least VND1 trillion of capital disbursed within three years from the issuance date of the Investment Registration Certificate or the approval of investment
Group B	Mega investment projects specializing in special preferential sectors that meet the following conditions: i. A total investment capital of at least VND30 trillion ii. At least VND10 trillion of capital disbursed within three years from the issuance date of the Investment Registration Certificate or the approval date of investment

Under the guidance of the Decision, the special incentives would be applicable to both new and expansion investment project. Below is the summary of CIT incentives scheme which is applied to eligible projects.

CIT rate	Conditions on eligibility of special investment incentives	Applicable period	CIT Exemption	CIT Reduction
9%	Applied to profits generating from Group B projects	30 years	5 years	10 years
7%	Applied to profits generating from the projects that fall into the following categories <ul style="list-style-type: none">Group A projectsGroup B projects that meet one of the following criteria: i. Being assessed as a level 1 high tech project ii. Having Vietnamese enterprises engaging in the value chain at level 1 iii. Having added value (i.e. the total cost of products minus the expenses paid to overseas such as imported materials, machinery, royalty fees, etc) accounting for over 30% to 40% of the total cost of products iv. Satisfying the condition of technology transfer of level 1	33 years	6 years	12 years
5%	Applied to profits generating from the projects that fall into the following categories <ul style="list-style-type: none">Innovation centers established under a Decision of the Prime MinisterGroup B projects that meet one of the following criteria: i. Being assessed as a level 1 high tech project ii. Having Vietnamese enterprises engaging in the value chain at level 2 iii. Having added value accounting for over 40% of the total costs of products; or iv. Satisfying the condition of technology transfer of level 2	37 years	6 years	13 years

Corporate Income Tax Incentives applicable for R&D and mega projects (Cont'd)

The level 1 or level 2 high tech projects are stipulated as follows:



Corporate Income Tax Incentives applicable for Supporting Industry products (Cont'd)

In addition, on 4 June 2021, the government already issued Decree No. 57/2021/ND-CP (“Decree 57”) to supplement Decree No. 218/2013/ND-CP on CIT incentives for projects manufacturing Supporting Industry products. Decree 57 came into force from 04 June 2021 and is applied retroactively.

Preferential policies related to the Supporting Industry have been issued and took effect from 1 January 2015. Preferential policies in this sector, in addition to CIT incentives at the highest level (tax exemption for 4 years, reduction of 50% of tax payable for the following 9 years and a preferential tax rate of 10% within 15 years).

For enterprises that have been or are enjoying CIT incentives under other conditions (besides the conditions on Supporting Industries), the “remaining incentive period” is determined by the CIT incentive period under the conditions of the projects manufacturing Supporting Industry products, minus the number of years where they have already enjoyed tax exemption, tax reduction or preferential tax rate under other incentive conditions.



Transfer Pricing (“TP”)

TP Regulations apply if:

- One party participates directly or indirectly in the management, control or equity of the other, or puts investment in the other;
- Two or more parties participate directly or indirectly in the common management, control, or via the capital investment to or from other parties.





The Vietnamese TP regime is established in accordance with the Transfer Pricing guidelines and the Base Erosion and Profit Shifting (BEPS) action plan issued by Organization for Economic Co-operation and Development (OECD). Further several interpretations and improvisations from the local lawmakers were applied and enforced under **Decree 132/2020/ND-CP**, which resulted in a divergence of the local TP regulations in comparison with the original guidelines. This made it impossible for entities applying general OECD guidelines in their home jurisdiction to adapt the local regulations without professional advice.



In terms of compliance documents, Vietnamese taxpayers who enter into related party/controlled transactions are subject to declaration by preparation of annual TP Disclosure Forms and TP Documentation reports with consistent information to be declared and filed in both materials.

- While TP Disclosure Forms are required to be prepared and submitted together with the annual Corporate Income Tax return, the TP Documentation reports could be stored at the taxpayer's premise and submitted to the tax authority for examination and/or review purpose only upon request. Submission deadlines for TP Documentation reports have been mandated to be in line with Inspection Law in case of tax audit and 30 working days upon receiving request for review purposes.
- At the same time, the Vietnamese TP regulations also provide a threshold for TP filing simplification, in which small and medium taxpayers who do not breach the said threshold conditions will be exempted from the preparation of TP Documentation report for the respective tax years.
- Last but not least, Circular 45/2021/TT-BTC (Circular 45) has recently issued on 18 June 2021 in order to provide guidance toward the application of Advance Pricing Agreement (APA) mechanism. The Circular 45 has replaced Circular 201/2013/TT-BTC and shall take effective from 3 August 2021 onwards. Circular 45 has provided several clarifications regarding APA matters in terms of declaration, processing, and authorization procedures as well as shortened the APA duration to 3 years from the maximal 5-year period mandated under the preceding regulations.

Value Added Tax (“VAT”)

 Not subject to VAT	 0%	 5%	 10%
Certain agricultural products, supply of fertilizer/ feed for livestock/ seafood and other animals, transfer of land use rights, financial derivatives and credit services, various securities activities, etc.	Exported goods/ services, including goods/ services sold to overseas/ non-tariff areas and consumed outside Vietnam/ in the non-tariff areas, goods processed for export or in-country export (subject to conditions), etc.	Essential goods and services, such as clean water, teaching aids, books, medicine and medical equipment, various agricultural products and services, technical/ scientific services, social housing, etc.	Standard VAT rate

VAT rates

VAT rate: 0%

This rate applies to export goods/services including goods/services sold to overseas/non-tariff areas and consumed outside Vietnam/in the non-tariff areas, goods processed for export or in-country export (subject to conditions), goods sold to duty free shops, certain export services, construction and installation carried out for export processing enterprises, aviation, marine and international transportation services.

VAT rate: 5%

This rate applies generally to areas of the economy concerned with the provision of essential goods and services. These include: clean water; teaching aids; books; unprocessed foodstuffs; medicine and medical equipment; various agricultural products and services; technical/ scientific services; rubber latex; sugar and its by-products; certain cultural, artistic, sport services/products and social housing.

VAT exemption

Under this treatment, no output VAT shall be charged and the input VAT shall be uncreditable, but considered as deductible expenses for CIT purposes, comprising the following:

- Certain agricultural products;
- Fertilizer, feed for livestock, poultry, seafood and other animals
- Goods/services provided by individuals having an annual revenue of VND 100 million or below;
- Imported or leased drilling rigs, airplanes and ships of a type which cannot be produced in Vietnam;
- Transfer of land use rights (subject to limitations);

- Financial derivatives and credit services (including credit card issuance, finance leasing and factoring); sales of VATable mortgaged assets by a borrower under the lender’s authorization, in order to settle a guaranteed loan and provision of credit information.
- Various securities activities including fund management;
- Capital assignment;
- Foreign currency trading;
- Debt factoring;
- Certain insurance services (including life insurance, health insurance, agricultural insurance and reinsurance);
- Medical services;
- Teaching and training;
- Printing and publishing of newspapers, magazines and certain types of books;
- Public passenger transport;
- Transfer of technology, software and software services except exported software which is entitled to 0% rate;
- Gold imported in pieces which have not been processed into jewelry;
- Export unprocessed mineral products such as crude oil, rock, sand, rare soil, rare stones, etc., or processed into other products, in which the total value of such natural resources and minerals plus the energy cost is equal to at least 51% of production costs
- Imports of machinery, equipment and materials which cannot be produced in Vietnam for direct use in science research and technology development activities;
- Equipment, machinery, spare parts, specialized means of transport and necessary materials which cannot be produced in Vietnam for prospecting, exploration and development of oil and gas fields;
- Goods imported in the following cases: international nonrefundable aid, including from official development aid, foreign donations to government bodies and to individuals (subject to limitations).

No VAT declaration and payment

- Compensation, bonuses and subsidies, except those provided in exchange for marketing/promotional services;
- Transfers of emission rights and other financial revenues;
- Certain services are rendered by a foreign organization which does not have a PE in Vietnam, where the services are rendered outside of Vietnam, including repairs to means of transport, machinery or equipment, advertising, marketing, promotion of investment and trade overseas; brokerage activities for the sales of goods and services overseas, training, certain international telecommunication services;
- Sales of assets by non-business organizations or individuals who are not registered for VAT;
- Transfer of investment projects;
- Sales of agricultural products that have not been processed into other products or which have just been through preliminary processing;
- Capital contributions in kind;
- Certain asset transfers between a parent company and its subsidiaries or between subsidiaries of the same parent company;
- Collections of compensation/indemnities by insurance companies from third parties;
- Collections on behalf of other parties which are not involved in the provision of goods/services (e.g. if company A purchases goods/services from company B, but pays to company C and subsequently company C pays to company B, then the payment from company C to company B is not subject to VAT);
- Commissions earned by (i) agents selling services, including postal, telecommunications, lottery, airlines/bus/ ship/train tickets, at prices determined by principals; and (ii) agents for international transportation, airlines and shipping services entitled to 0% VAT; and (iii) insurance agents;
- Commissions from the sales of exempt goods/services.

VAT calculation methods

Credit method

This method applies to business establishments maintaining full books of account, invoices and documents in accordance with the relevant regulations, including: (i) Business establishments with annual revenue subject to VAT of VND1 billion or more, and (ii) Certain cases voluntarily registering for VAT declaration under the deduction method.

$$\text{VAT payable} = \text{Output VAT} - \text{Input VAT}$$

Input VAT is creditable if it meets the requirements of:

- Relevant to business activities;
- Having sufficient legitimate invoices and vouchers;
- Settlement via forms of non-cash payment for transaction more than VND20 million; and
- Paying through a bank account

Direct method

This method applies to:

- Business establishments with annual revenue subject to VAT of less than VND1 billion;
- Individuals and business households;
- Business establishments which do not maintain proper books of account and foreign organizations or individuals carrying out business activities in forms not regulated in the Law on Investment; and
- Business establishments engaging in trading in gold, silver and precious stones.

$$\text{VAT payable} = \text{Revenue} \times \text{Deemed VAT rate}$$

The deemed VAT rate for direct VAT calculation varies depending on the business activities, as below:

- 1% this ratio is for the business of “distribution, supply of goods”
- 3% this ratio is for “the production, transportation, service associated with goods, construction exclusive of the materials
- 5% this ratio is for “service, construction exclusive of material”
- 2% this ratio is for other business activities.

VAT administration

All organisations and individuals producing VAT liable goods and supplies must register for VAT. In addition, branches must also register separately and declare VAT on their own transactions.

The Business Units shall file and pay their VAT returns on a monthly basis, by the 20th day of the subsequent month, or on a quarterly basis by the last day of the 1st month of the subsequent quarter (for companies with prior year annual revenue of VND 50 billion or less).

Invoices and payment vouchers

Currently, Vietnamese entities may use pre-printed invoices, self-printed invoices or electronic invoices to declare their VAT liability. There are stipulated items that must be included and strictly reflected on the invoice.

Since 24 December 2014, the General Department of Taxation has regulated that invoices, contracts, payment vouchers and the related documents must be consistent and the payment vouchers must state clearly the payment for the reference contract. Otherwise, it shall not be creditable for VAT purposes.

According to Decree 123/2020/ND-CP dated 19 October 2020 prescribing electronic invoices for the sale of goods and provision of services, e-invoices will now be mandatory for businesses from 1 July 2022.

There are two types of e-invoices as follows:

- E-invoices without a verification code from the tax authorities are acceptable for enterprises in certain industries, such as electricity, petroleum, telecommunication, transportation, financial services, insurance, medical, e-commerce, supermarkets, trading, etc., and other companies that meet certain conditions regarding technology infrastructure.
- E-invoices with a verification code from the tax authorities are applicable for enterprises other than the above and the individuals/enterprises in the high tax risk category.

VAT refund

From 01 July 2016, VAT refunds will no longer be allowed, except in the following cases:

- For exporters, where excess input creditable VAT exceeds VND300 million, a refund may be granted on a monthly/ quarterly basis; however, the amount of input VAT relating to export sales to be refunded must not exceed 10% of export revenue.
- Newly established entities in the pre-operation investment phase may claim VAT refunds on a yearly basis or where the accumulated VAT credits exceed VND300 million.

However, for investment projects, VAT refunds shall not be granted in the following cases:

- the chartered capital has not been fully contributed as registered;
- conditional investment projects do not meet the conditions under the Investment Law;
- investment projects exploiting natural resources licensed after 01 July 2016, or manufacturing projects in which the cost of natural resources and energy expenses account for 51% or more of the total cost of the product.

VAT reduction

Decree 15/2020/ND-CP has been released on 28 January 2022 and provides the guidance on the 2% VAT reduction. Decree 15 came into effect from 01 February 2022 and will be effective to 31 December 2022. Below are some salient points of Decree 15 on VAT reduction.

- Basically, The 2% VAT reduction will be applied to goods and services which are currently subject to 10% VAT. Decree 15 provides appendices of goods and services which are not entitled to 2% VAT reduction. The appendices also listed detailed product codes and HS codes.
- The 2% VAT reduction would be consistently applied for all stages including importation, manufacturing, processing and trading, except for coal exploitation.
- The enterprises are required to issue separate VAT invoices for goods/services being eligible for 2% VAT reduction.



Personal Income Tax (“PIT”)



Residency status

Tax resident

- Physical presence in Vietnam \geq 183 days in calendar year or consecutive 12 months; or
- Having “regular residence” in Vietnam.

Non-tax resident

Do not meet the conditions for being tax resident.

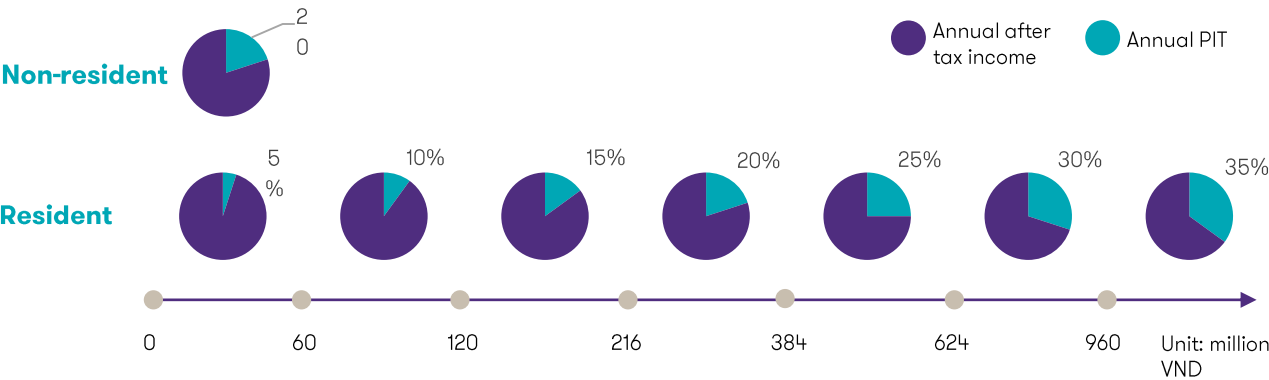


Tax residents are taxed on world-wide income, whereas non-tax residents are taxed on Vietnam-sourced income.



Depends on the nature of income and tax residency

Employment income



Business income



0.5%

Goods distribution / Supply



5%

Asset lease, insurance brokerage, lottery brokerage, multi-level marketing brokerage



2%

Service, construction exclusive of building material



1.5%

Manufacturing, transportation, service associated with goods, construction inclusive of building material



1%

Other business activities

Deductions for Tax residents



Tax relief

- Personal relief: VND11 million/month
- Family relief: VND4.4 million/ month/ qualified tax dependent



Compulsory insurance contribution

Social Insurance (SI), Health Insurance (HI) and Unemployment Insurance (UI)^(*)

(*) From 1 December 2018, in addition to HI, the expatriate under employment contract is entitled to SI contribution

Taxable income and Non-Taxable income

Taxable Income

Taxable income generally comprises 10 main types of income: employment income, business income, income from capital investments, income from capital transfers, income from real property transfers, winnings or prizes, royalties, income from franchises, income from inheritances and receipts of gifts.

Non-Taxable Income

Employment Income

- One-off regional transfer allowances for: (i) foreigners moving to reside in Vietnam, (ii) Vietnamese holding other country's nationality working in Vietnam, and (iii) Vietnamese working overseas;
- Once per year home leave round trip airfare for expatriates and Vietnamese working overseas;
- Employee training fees paid to training centres;
- School fees up to high school in Vietnam/overseas for children of expatriates/Vietnamese working overseas;
- Mid-shift meals (subject to a cap if the meals are paid in cash);
- Taxable housing benefit including utilities: being the lower of the actual rental paid and 15 per cent of the employee's gross taxable income (excluding taxable housing);
- Part of night shift or overtime salary payable that is higher than the day shift or normal working hours salary stipulated by the Labour Code;
- Compensation for labour accidents; and
- Income of Vietnamese vessel crew members working for foreign shipping companies or Vietnamese international transportation companies.

To apply the PIT exemption to the above, there are a range of conditions and restrictions.

Non-Employment Income

- Interest earned on deposits with credit institutions/banks and on life insurance policies;
- Retirement pensions paid under the Social Insurance law (or the foreign equivalent);
- Income from the transfer of properties between various direct family members;
- Inheritances/gifts between various direct family members;
- Monthly retirement pensions paid under voluntary insurance schemes;
- Income from life insurance policies;
- Foreign currency remitted by overseas Vietnamese;
- Scholarships;
- Compensation payments from life and non-life insurance contracts.



PIT administration

Individual tax code

Any individual present in Vietnam who has taxable income must obtain an individual tax code. The taxpayers who have taxable employment income must submit the tax registration file to their employer; the employer will subsequently submit this to the local tax office. Every individual with taxable non-employment income, must submit their tax registration file directly to the district tax office.

PIT declaration and payment

For employment income

Employers must deduct and withhold employees' PIT and submit/ pay it to the tax authority, alongside the relevant social insurance contributions on a monthly basis, with a timeline no later than the 20th of the following month or on a quarterly basis by the last day of the 1st month following the reporting quarter. The total PIT withheld must be finalized no later than the last day of the 3rd month after the end of the western calendar year.

Individuals who are subject to PIT direct filling are required to carry out PIT finalization no later than the last day of the 4th month after the end of the calendar year.

Expatriate employees are also required to carry out a PIT finalisation on the termination of their Vietnamese assignments within 45 days from the termination date. Tax refunds due to excess tax payments are only available to those who have a tax code and a Vietnamese bank account.

For non-employment income

The individual is required to declare and pay PIT in relation to each type of taxable non-employment income. The PIT regulations require income to be declared and tax paid on a regular basis, often each time income is received.

PIT credit

For tax residents who have overseas income, any PIT paid in a foreign country is creditable against tax paid in Vietnam subject to a certain percentage and tax administration procedures.

PIT year

The Vietnamese tax year is the calendar year. However, in the calendar year of first arrival, if the taxpayer resides for less than 183 days in one calendar year, his/her first tax year is the 12-month period from the date of arrival. The subsequent tax year is the calendar year.



Brief of PIT rates and bands

No.	Type of taxable incomes	PIT rate	
		Resident	Non-resident
1	Employment income	Progressive rate as above (*)	20%
2	Business income		
	Goods distribution/ supply	0,5%	
	Service, construction exclusive of building material	2%	
	Particularly: Asset lease, insurance brokerage, lottery brokerage, multi-level marketing brokerage	5%	
	Manufacturing, transportation, service associated with goods, construction inclusive of building material	1,5%	
	Other business activities	1%	
3	Capital investment	5%	
4	Capital assignment	20% on net gains	0.1% on sales proceeds
5	Transfer of securities	0.1% on gross sale proceeds	
6	Real property transfer	2% on gross sale proceeds	
7	Royalties/ Technology transfer/ Franchising	5% on amount over VND10 million	
8	Winnings/ Prizes/ Inheritance/ Gifts	10% on amount over VND10 million	

Employment Income

Non-tax residents are subject to PIT at a flat tax rate of 20% on Vietnam-sourced employment income whereas tax residents are subject to PIT under the below progressive tax rates on worldwide employment income irrespective of where the income is paid.

Annual employment income for resident		
From (million VND)	To (million VND)	PIT rate (%)
0	60	5
60	120	10
120	216	15
216	384	20
384	624	25
624	960	30
960+	-	35



Capital Gains Tax

Vietnam does not operate a separate Capital Gains Tax ("CGT") regime.

For local corporate sellers, any gains derived from the transfer of capital/securities to another Vietnamese entity are regarded as other income and accordingly subject to CIT at the current standard rate of 20%.

For foreign sellers (e.g. individuals being tax resident in Vietnam and corporations), the tax treatment on capital gains earned by a foreign seller is different depending on the corporate form of the target. In particular, the transfer of contributed capital in a Vietnamese limited liability company is subject to CGT at 20% on the gain whereas the transfer of securities (bonds, shares of public joint stock companies) is subject to CGT on a deemed basis at 0.1% of the sale price.

However, an individual investor who is a non-tax resident in Vietnam and earns income from the transfer of capital/ securities in a Vietnamese LLC/JSC is subject to PIT at a rate of 0.1% on the sales proceeds.

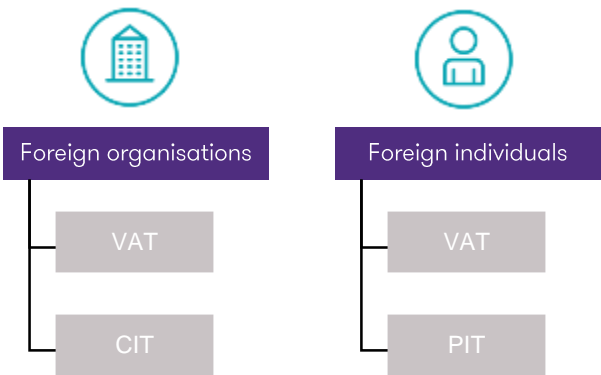
The taxable gains are determined as the excess of the transfer price less the purchase price of transferred capital/ securities less the deductible transfer expenses.



Foreign Contractor Tax (“FCT”)

FCT imposed on foreign business individuals and foreign organisations earning Vietnam-sourced income (hereinafter referred to as “foreign contractor” or “FC”), except: (i) “pure supply of goods” under INCOTERMS., i.e. where title passed at or before the border gate of Vietnam and there are no associated services performed in Vietnam, (ii) services performed and consumed outside Vietnam.

The FCT is not a separate tax. FCT comprises VAT and CIT or PIT.



FCT Payment Methods

Deduction method

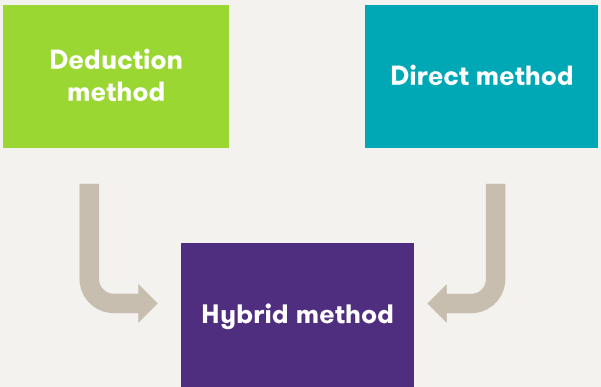
This method allows the FC declaring: (i) VAT under the approach of crediting the input VAT against the output VAT, and (ii) CIT based on the declaration of revenue and expense similar to the local enterprises’ application. Of note, FC is required to meet some criteria, including FC’s adoption of the Vietnamese Accounting System.

Direct method

Under this method, FCT is the mechanism to withhold taxes. The FC’s VAT and CIT will be withheld by the Vietnamese customers at prescribed rates from the payments made to the FC. Various FCT rates are regulated under the nature of activities performed (please kindly see our below table briefing the FCT rates for each activities).

Hybrid method

This method is a mixed-up between the deduction method and direct method, i.e. allows the FC declares VAT based on the creditable approach and CIT at direct method.



FCT rates

Deemed CIT and VAT rates under the direct method in common cases as below:

Ratio for FCT (%)			
	Type of business activities	Deemed VAT-FCT rate (%)	Deemed CIT-FCT rate (%)x
1. Trades:	i. Distribution, supply of goods; ii.Distribution, supply of goods associated with services rendered in Vietnam (including the form of spot export and import); iii.Supplying goods under INCOTERMS where the seller bears risk relating to goods in Vietnam.	1/Exempt	1
2. Services:	Services	5	5
	Restaurant/ hotel/ casino management services	5	10
	Service associated with goods supply (if contract doesn't separate the value of goods and service)	3	2
3. Insurance:	Insurance	5 /Exempt	5
	Re-insurance abroad, commission of the re-insurance transfer	Exempt	0.1
4. Leasing:	Leasing machinery and equipment	5	5
	Leasing aircraft, airplane engines/ spare parts, vessels (for aircraft and vessel cannot be produced in Vietnam)	Exempt	2
5. Banking:	Derivative financial services	Exempt	2
	Loan interest	Exempt	5
6. Capital Investment:	Transferring securities/ deposit certificates	Exempt	0.1
7. Oil and Gas:	Supply of goods and/or services for oil & gas exploration and development	10/5/ exempt	5
	Leasing drilling rigs	Exempt	5
8. Construction:	Construction, installation including supply of materials, machinery, equipment	3	2
	Construction, installation excluding supply of materials, machinery, equipment	5	2
9. Transportation:	Transport (including the transport by seaway, by airway)	3/0	2
10. Royalty:	Royalty/ Licence fee (*):Software licenses, transfer of technology, transfer of intellectual property rights are VAT exempt	Exempt (*)	10
11. Others:	Other production	3	2
	Other Business activities	2	2

Taxation on cross-border e-commerce and digital transactions in Vietnam

Tax mechanism on foreign e-commerce business

Circular 80/2021/TT-BTC dated 29 September 2021 effective as of 01/01/2022 provides a mechanism for a tax declaration for foreign companies doing business in Vietnam.

Foreign companies having such business activities will be granted a tax code and would be required to make an online tax declaration using a portal of the General Department of Taxation (“GDT”) on a quarterly basis to settle tax online. In case such foreign companies do not apply for tax code registration as well as declare and pay tax in Vietnam, relevant Vietnamese entities would be under the following obligation:

- (i) Vietnamese companies are required to withhold and declare tax on behalf of foreign companies (this mechanism is similar to that of foreign contractor tax)
- (ii) If the Vietnamese customers are individuals, the Vietnamese commercial intermediary banks or payment service providers involved in the transaction are required to withhold, declare, and pay taxes on a monthly basis. GDT will provide the names and websites of such offshore suppliers to the banks and/or payment intermediaries for tax withholding.
- (iii) If the Vietnamese customers use payment methods where the banks and intermediary payment service providers cannot withhold tax, the banks or the payment service providers are required to report payments made to the offshore suppliers to Vietnamese tax authorities on a monthly basis.



Applicable tax rates

Foreign companies shall be subject to Vietnamese VAT and CIT on a deemed percentage of the revenue earned by such offshore suppliers. The rate of VAT and CIT would variously depend on the nature of goods or services provided by the foreign companies.

The VAT and CIT rates are provided under Decree 209/2013/ND-CP and Decree 218/2013/ND-CP, respectively.

Revenue derived in Vietnam for tax assessment purposes will be based on payment information (credit card or bank account information), residency status (i.e., billing, delivery or home address) and access information (e.g., mobile phone country code, IP address, and landline address or similar information).

Avoidance of Double Taxation Agreement (“DTA”)

Vietnam has entered into DTAs with approximately **80 countries.**

The CIT/PIT portion of the withholding tax may be eliminated/reduced under a DTA if foreign contractors/individuals do not create a PE/ tax residency status in Vietnam.

The qualified foreign contractors/ individuals will need to submit the DTA application to the tax authority in order to enjoy the tax exemption/ reduction in Vietnam. Following the submission of the DTA application by the foreign contractors, the tax authority is required to issue a decision as to whether the foreign contractors are qualified for tax reduction/exemption under the applicable DTA.

Although the DTAs follow Organization Economic Co-operation and Development (“OECD”) and United Nations (“UN”) models with similar provisions, there are some treaties with more beneficial conditions as compared to others.

Other Taxation

Import Duty

Generally, all goods crossing Vietnamese borders are subject to import duties. In particular:

- Goods imported through Vietnamese border gates or border by road, river, seaport, airport, international railway, international post and other locations for customs procedures clearance
- Goods transferred from the local market to non-tax areas or vice versa
- Other goods traded or exchanged that are considered as imports.

The following goods are not subject to import duties:

- Goods transited and transported by mode of border gate trans-shipment through Vietnam's border gates or borders under the customs law
- Humanitarian aid goods
- Goods imported from abroad into non-tariff zones and only used therein
- Goods brought from one non-tariff zone to another

Import duty rates are classified into 3 categories: ordinary rates, preferential rates, and special preferential rates.

Preferential tax rates are applicable to imports originating from countries, groups of countries or territories that grant most-favoured-nation treatment in trade relations with Vietnam. Taxpayers declare the origin of goods themselves and are held responsible for declarations regarding the origin of goods.

Particularly-preferential tax rates are individually specified for each item covered by decisions released by the Minister of Finance.

Ordinary tax rates are applicable to imports originating from countries, groups of countries or territories that do not grant most-favoured-nation treatment or special import tax preferences to Vietnam. The ordinary tax rate is equal to 150% of the preferential tax rate.

Apart from being subject to import tax, in certain situations Vietnam also imposes an anti-dumping tax, anti-subsidy tax and an anti-discrimination tax or safeguard tax, in accordance with existing rules.

Import and export duty rates are subject to frequent changes and it is always prudent to check the latest position.

Export Duty

Export duties are charged on a limited number of items, generally natural resources such as sand, chalk, marble, granite, ore, crude oil, forest products, and scrap metal. Export duty rates range from 1% to 40%.

Special Sales Tax (“SST”)

A Special sales tax is a form of excise tax levied on the production or import of certain goods and the provision of certain services:

- Goods generally subject to SST includes cigarettes, cigars and other products processed from tobacco; spirits and beer; certain passenger vehicles; two-wheel motor vehicles with a cylinder capacity above 125cm³; aircraft and yachts for specific civil purposes; various types of petrol; air-conditioners with a capacity of 90,000 BTU or less and cards.
- Businesses subject to SST includes dancehalls, massage lounges, karaoke parlours, casinos, slot machines and other similar types of machines, betting businesses, golf and lotteries.

Manufacturers of SST liable goods which are purchased or imported. SST liable raw materials are permitted to credit the SST amount paid on raw materials imported or purchased from local suppliers against the SST amount payable upon selling goods.

The SST taxable price of domestically manufactured goods is the selling price excluding the environment protection fee. The SST taxable price at the import stage is the import dutiable price plus import duty. The SST payable is computed by the taxable price multiply with the SST rate.

Environmental protection tax

An environmental tax is an indirect tax, collected on products and goods that, when used, are deemed to cause negative environmental impacts. The tax is levied on the production or importation of certain goods, based on the absolute tax rate. Export products are exempt from environmental protection taxes.

To support the airlines impacted by Covid-19 pandemic, the government has reduced environmental tax levied on jet fuel from 01 January 2021 to 31 December 2021.

Property tax

A property tax in Vietnam is levied in the form of three taxes: land-use fee, land rental and non-agricultural land-use tax.

- The land-use fee applies to organizations, which are allocated land by the state to develop infrastructure for sale or for lease and who are subject to the payment of a land-use fee. The duration of land usage under this category should be “long term stable use”.
- Land rental is the amount an investor pays to lease (or rent) land in Vietnam. The amount varies depending on a number of factors including the location, infrastructure and the industrial sector in which the business is operating. Payment of the lease can be for a long-fixed period of time or annually.
- The non-agricultural land-use tax applies to residential land in rural/urban areas and non-agricultural land used for business purposes. The calculation of tax liability is based on the land area, price of land and tax rate.

In addition, owners of houses and apartments have to pay land tax under the law on non-agricultural land use tax. The tax is charged on the specific land area used based on the prescribed price per square meter and progressive tax rates ranging from 0.03% to 0.15%.

Natural Resources Tax (“NRT”)

NRT is also known as production royalty tax. All organisations and individuals engaged in the exploitation or the mining of natural resources in compliance with the laws of Vietnam, irrespective of their industry, scope and operational form, are liable to register, declare and pay royalties.

Taxable resources means all natural resources existing on the land, islands, internal waters, sea territory, exclusive economic zones (including maritime areas common to both Vietnam and a neighbouring country) and the continental shelf under the sovereignty of the Socialist Republic of Vietnam, including: metallic mineral resources; non-metallic mineral resources including soil, stone, sand, gravel, coal, gemstones, mineral water and natural thermal water; oil; gas or natural gas; natural forest products; natural marine products; natural water including surface water, ground water and other natural resources under the law on natural resources.

The taxable value of a resource is the selling price of each item or unit of resource at the place of mining in accordance with the principle of market price. The royalty rates vary from 1 % to 40% , whilst petroleum, natural gas and coal gas are taxed at progressive tax rates depending on the daily average production output.

Anti-avoidance measures

While Vietnam does not have any specific anti-avoidance rules, the tax authorities have the power to carry out tax inspections of any taxpayer. Tax inspections can be conducted on a regular basis but no more than once a year. Tax inspection duration must not exceed thirty days from the date of notification of the tax inspection decision. However these may be extended for an additional period not exceeding thirty days.

A taxpayer who pays tax later than the deadline is to pay the full tax amount plus a fine equal to 0.03% per day for late payment of the tax amount. Taxpayers who make incorrect declarations, thereby reducing tax payable or increasing refundable tax amounts, will have to pay the full amount of the undeclared tax or return the excess refund. Additionally, these taxpayers will also have to pay a fine equal to 20% of the under-declared or excess refunded tax amounts, together with a fine for late payment of the tax.

A taxpayer that commits an act of tax evasion or tax fraud is liable to pay the full amount of tax according to the regulations and a fine will be imposed of between one and three times the evaded tax amount. The general statute of limitations for imposing taxes is 10 years and for penalties is 5 years.





Labour

Employment contracts

The terms and conditions of an employment contracts can be freely negotiated between employers and employees, as long as they are not less favourable than the basic provisions prescribed under the Vietnam Labour Code and other laws.

An employment contract shall be concluded in one of the following types:

- Indefinite-term employment contract
- Definite-term employment contract - the duration of which is defined by the two parties but does not exceed 36 months from the date of its conclusion.

Locally hired foreigners will, in practice, always have a maximum of 24 months contracts which cannot exceed the duration of work permit, due to work permit regulations.

Probation period

The length of a probationary period is dependent on the required skills and qualifications for the position and it can vary from 6 to 180 days. The wage for an employee during the probation period must be agreed upon in writing and cannot be less than 85% of the full-time salary for the position.

Payroll

In Vietnam, the payroll cycle is monthly and is most commonly paid at the end of the month, or as agreed within the employment contract.

A 13th-month is not mandatory in Vietnam, but most employers provide a 13th month bonus as a annual bonus. It is common to pay this bonus at the end of the year or during the Tet holiday.

Salaries paid to Vietnamese employees must be paid in Vietnamese Dong (VND). Foreign employees are permitted to receive salaries, bonuses and allowances in a foreign currency.

Forms of employment contract



Written labour contracts including electronic form



Verbal labour contracts are applicable for some cases with less than 1 month term



Indefinite-term labour contract



Definite-term labour contract

Types of employment contract

Normal working hours, overtime and leave

Normal working hours

Under the Vietnam Labour Code, normal working hours should not exceed 8 hours per day or 48 hours per week. The employer has the right to determine the daily or weekly working hours as long as the working hours shall not exceed 10 hours per day and not exceed 48 hours per week where a weekly basis is applied.

Overtime

Employers can request employees to work overtime with the condition that the employer obtains the employee's consent. Employees who work overtime are entitled to an additional wage. Overtime hours cannot exceed 50% of the total hours worked per day. In case of weekly basis working hours, the total normal working hours plus overtime working hours shall not exceed 12 hours in 1 day, and 40 hours in 1 month

The compensation rates over and above the normal hourly pay are:

- Weekdays, daytime: 150% of the regular salary rate
- Weekends, daytime: 200% of the regular salary rate
- Public holidays and paid leave days: 300% of the regular salary rate
- Night work: 30% extra over above rates

Leave

Public Holidays

There are 11 official paid holidays. If any of the public holidays falls on a weekend, employees are entitled to take the next weekday off. Foreign employees are additionally entitled to a day off with pay on traditional public holiday and national day of their country.

Paid Time Off

Paid leave in Vietnam is set in the employment contract at a minimum of 12 days paid leave a year, exclusive of public holidays. This increases by one additional day for every five years of employment.

Sick Leave

All employees are entitled to up to 30 days of paid sick leave per year, increasing to 60 days in exceptional circumstances. Sick leave is paid by the Social Insurance Authority, not by the employer, and applies to both Vietnamese and foreign employees. Employees entitled to sick pay are entitled to 75% of their salary or remuneration on which social insurance premiums were based in the month preceding their leave.

Maternity Leave

Female employees are entitled to 6 months of maternity leave, potentially up to 7 months for complicated/multiple births.

The maternity payment is paid by the Social Insurance Authority at a rate of 100% of the salary of the average salary during the six-month' maternity leave. The female employee can return to work after four months of maternity leave.

Other Leave

Paternity leave is also stipulated to be 5 - 14 working days, depending on the number of children born and the circumstances of the birth. This leave is paid by the Social Insurance Authority.

Parental leave in Vietnam is available for childcare and entitles employees to up to 20 days of parental leave per year until the child reaches the age of 3 and thereafter up to 15 days per year until the child reaches the age of 7. The childcare leave is paid by the Social Insurance Authority.

Bereavement leave: employees are entitled to 1 - 3 days of paid leave for the death of a family member.

Marriage leave: Employees are entitled to up to 3 days in the case of marriage and 1 day for a child's marriage.



8am to 5pm

Business and Banking hour

Minimum wages

In Vietnam, the statutory basic minimum wage and minimum regional wages is set by the government and reviewed annually.

The statutory basic minimum wage is VND1,490,000 per month and applied across the country.

The minimum wage rate from 1 July 2022 are as listed in the chart

Zone	VND/month	VND/hour
Zone 1	4,680,000	22,500
Zone 2	4,160,000	20,000
Zone 3	3,640,000	17,500
Zone 4	3,250,000	15,600

Contributions

There are three types of statutory social security in Vietnam that must be covered by the company for employees working under employment contracts with some other applicable conditions:

- Social insurance (SI);
- Health insurance (HI); and
- Unemployment insurance (UI).

Social insurance covers employee benefits including sick leave, maternity leave, allowances for work-related accidents and occupational diseases, retirement allowance, and mortality allowance.

Health insurance entitles employees to a medical examination and inpatient/outpatient treatments at authorized medical establishments. Unemployment insurance is paid out to employees depending on the period of time during which they contributed.

Both employer and employee are required to pay the statutory insurances. The mandatory contribution rates are as follows:

	SI				HI	UI	Total
	Sickness, maternity fund	Occupational disease and accident fund	Retirement and mortality fund	Total SI			
For local employees							
Employee	-	-	8%	8%	1.50%	1%	10.50%
Employer							
From 1 Jan 22- 30 Jun 22	3%	-	14%	17.00%	3%	-	20.00%
From 1 July 22 - 30 Sep 22	3%	0.50%	14%	17.50%	3%	-	20.50%
From 1 Oct 22 onwards	3%	0.50%	14%	17.50%	3%	1%	21.50%
For foreign employees							
Employee	-	-	8%	8%	1.50%	-	9.50%
Employer							
From 1 Jan 22- 30 Jun 22	3%	-	14%	17.00%	3%	-	20.00%
From 1 July 22 onwards	3%	0.50%	14%	17.50%	3%	-	20.50%

Contributions are determined based on employees' monthly salary as stipulated in the employment contract (capped at 20 times the common minimum wage for social insurance/ health insurance and 20 times the minimum regional wage for unemployment insurance).

The contribution rate to trade union funds is set at 2% of the salary fund for Social Insurance contributions for employees. This fee must be paid into trade union funds once per month. Additionally, if the Company establishes the internal organization trade union, there will be a trade union fee of 1% of the salary fund for social insurance contributions to be contributed by members.

Termination

The termination of a labour is standard in Vietnam and is based on the Labour Code requirements. It can differ depending on the reason of termination and the type of employment contract. This has effects on the legal requirements, notice period, and possible severance payments.

The employer is also responsible for paying the rest of the salary within 14 working days from the date of termination of the employment contract. This period may be extended but it shall not exceed 30 days.

Notice period

Employers are obligated to give prior notice before unilateral termination based on the type of contract:

- 3 working days for the seasonal or project specific contract (contract of less than one year);
- 30 days for a definite employment contract;
- 45 days for an indefinite employment contract.

Severance payments

In Vietnam, the employer is responsible for offering a severance allowance (if applicable) to the employee who has worked on a regular basis for a period of at least 12 months. Each year of work will be worth half a month's salary.

The qualified period of work as the basis for the calculation of severance allowance is by year (full 12 months); in the case of months less than or equal to 6 months, it is equal to a half year, over 6 months is counted as 1 working year. The qualified period of work as the basis for calculation of severance allowance shall be the total period during which the employee actually worked for the employer minus the period over which the employee participated in the unemployment insurance in accordance with unemployment insurance laws and the period for which severance allowance or redundancy allowance has been paid by the employer.

Government support policies during Covid-19 pandemic

During the past years from 2019, Vietnam has suffered from consequences of Covid-19 pandemic like the rest of the World. Thus, the Vietnam government has rolled out many financial support packages in various forms to support employees and employers facing difficulties during the Covid-19 pandemic (i.e. cash support for employees in 2021, reduction in contribution for employer and employees in 2021). Most of the support has been implemented in 2021. From 2022, there are a few policies below, which still in effect to support the recovery of Covid-19:

Insurances support policies

The contribution rate for occupational accident and disease insurance is 0% of the salary fund which is the basis for social insurance contribution (previous rate was 0.5%), applicable from 1 July 2021 to 30 June 2022. The savings from this reduction will be used to support employees for Covid-19 purposes.

The employer is entitled to reduce the contribution rate from 1% to 0% of the monthly salary fund of employees who are subject to unemployment insurance, applicable from 1 October 2021 to 30 September 2022.

Housing allowance support policies

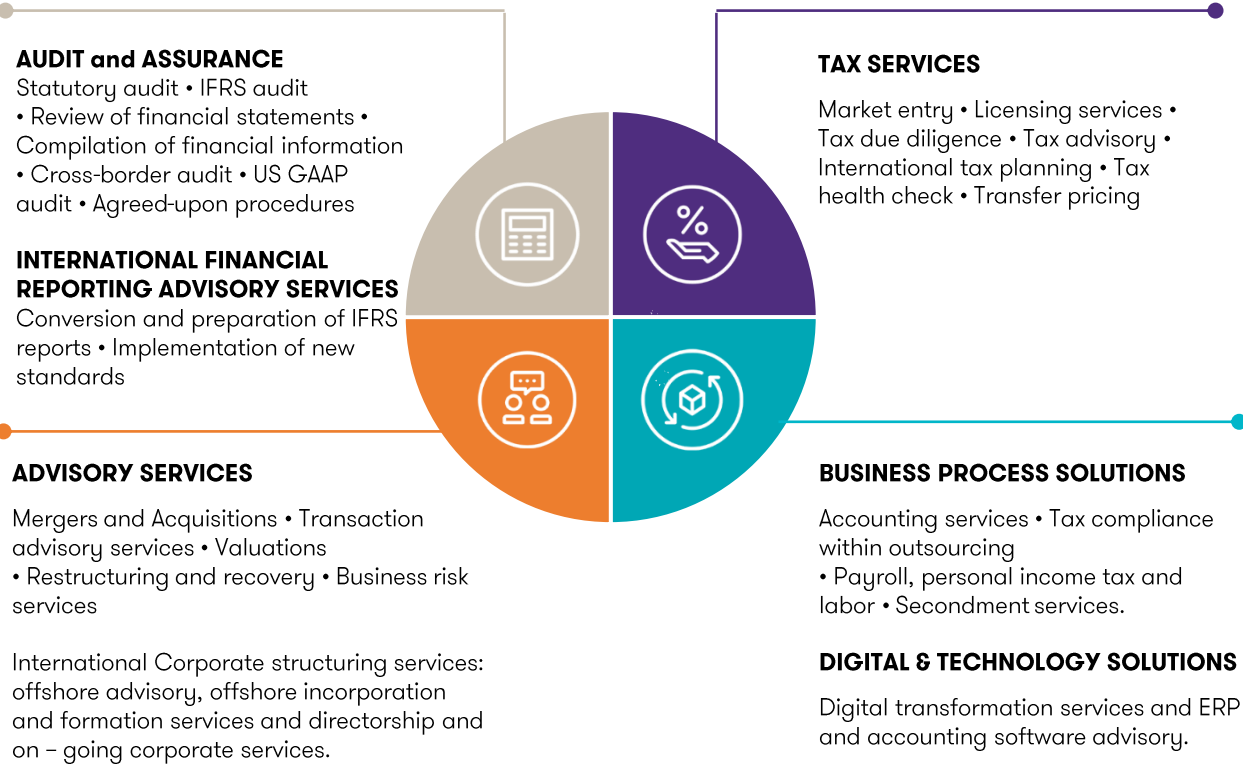
For employees who rent house and work in Industrial zones, export processing zones or key economic zones, they can entitled to one of the following supports:

- VND500,000 per month for employees participating in social insurance and engaging in an indefinite-term contract or a definite-term labor contract of 01 month or more which has been agreed and started before 01 April 2022, whose rental contract fall within the period from 1 February 2022 to 30 June 2022.
- VND1,000,000 per month will be given to employees participating in social insurance and engaging into an indefinite term labor contract or a definite term labor contract of 01 month or more which is effective from 01 April 2022 to 30 June 2022, hwhose house rental contract falls within the period from 1 April to 30 June 2022.
- Supporting term: Maximum of 03 months

Grant Thornton (Vietnam) Limited

Grant Thornton (Vietnam) Limited, a member firm of Grant Thornton International which is one of top global accounting firm, is a long established company in Vietnam since 1993.

Key figures and facts



For additional information about
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Investment Promotion Center – South Vietnam (IPCS) is an agency of the Ministry of Planning and Investment, is under the Foreign Investment Department and was established under Decision No. 792/QĐ-BKHĐT dated June 21, 2021.



Support and coordinate with Diplomatic Missions in implementing investment promotion activities.

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