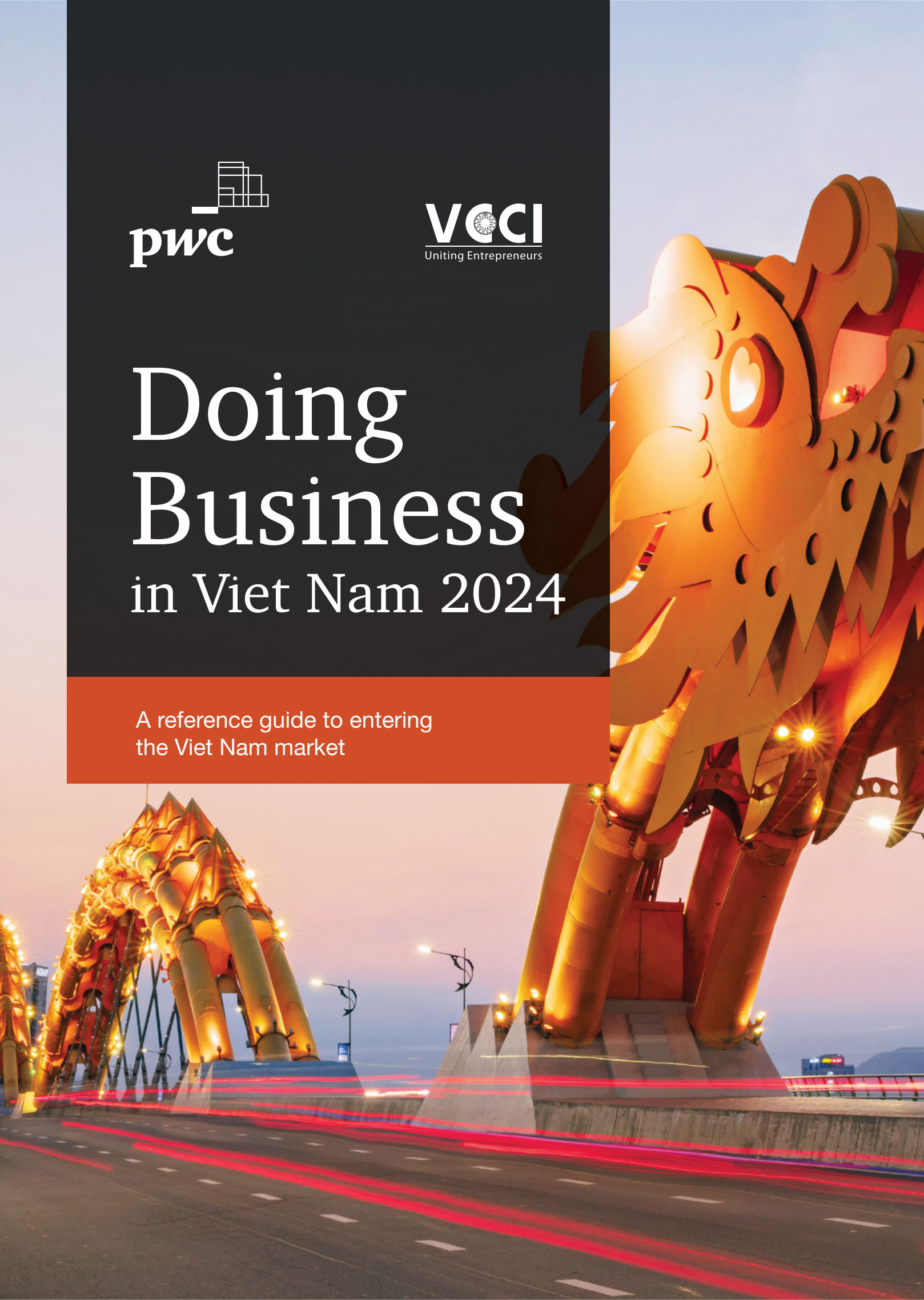




Doing Business in Viet Nam 2024

A reference guide to entering
the Viet Nam market



Instructions

This PDF has interactive elements.

We have included interactive elements into this PDF to make your reading experience better.

For best viewing experience, please open the PDF in **Adobe Acrobat Reader** in single page format.

You can move from section to section, watch a video, search for a keyword, add a bookmark or even annotate this PDF.

This page serves as a guide to how you can activate some of these functions.

Please familiarise yourself with these useful buttons:



Instructions page



Table of Contents page

Content

1

04 Foreword

07 About Viet Nam

08 Overview

09 Key economic indicators: GDP, Trade, FDI

2

12 Why invest in Viet Nam?

13 Resilient economic growth and attractive market potential

14 Growing integration into global value chains (GVCs)

15 The integration journey milestones

16 Elevating Viet Nam's Bilateral relations

17 Embracing high-value growth and sustainable development

18 Viet Nam's ambitions for high-value and sustainable goals

19 Thriving sectors on the rise

21 Improving legal framework to support the business environment

3

22 How to do business in Viet Nam?

23 Viet Nam's businesses and legal framework

31 FAQs for investing in Viet Nam

33 Taxation

46 Accounting and Auditing

4

54 About us

55 PwC Vietnam

60 VCCI

64 Contacts

This Guide includes information obtained or derived from a variety of publicly available sources. PwC has not sought to establish the reliability of these sources or verified such information.

The information contained in this document is of a general nature only. It is not meant to be comprehensive and does not constitute financial, legal, tax or other professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. Whilst every care has been taken in preparing this document, PwC makes no guarantee, representation or warranty (expressed or implied) as to its accuracy or completeness, and under no circumstances will PwC be liable for any loss caused by reliance on any opinion or statement made in this document. Except as specifically indicated, the expressions or opinions are those of PwC only and are subject to change without notice.

This document shall not be copied, reproduced, transmitted or further distributed by any recipient. The materials contained in this document were assembled in January 2024 and were based on the laws enforceable and information available at the time.



Foreword



Instructions
page



Table of
Contents
page

Viet Nam - Looking forward



H.E. Pham Minh Chinh
Prime Minister of Viet Nam

Upholding international solidarity and joining hands in promoting the development and prosperity of humanity

Viet Nam has been acting in high responsibility since COP26 in Glasgow. When the world continues to witness more challenges than opportunities, Viet Nam still strives to uphold its obligation towards the world and its population through the comprehensive implementation of the following efforts:

First, developing relevant plans and arranging for their implementation. These include:

1. Climate change strategy;
2. Green growth strategy;
3. 8th Power Development Plan, with renewable energy accounting for a greater share in Viet Nam's energy mix;
4. Development of the renewable energy industry and a renewable energy ecosystem (entailing human resources, resources, planning, and relevant facilities...).

Second,

1. Implementing Viet Nam's Nationally Determined Contributions (NDC);
2. Establishing the Secretariat and launching the RMP for the implementation of the JETP;
3. Adopting and implementing the Plan to allocate 1 million hectares for the cultivation of high-quality low-emission rice, particularly in terms of methane emission.

Third, building relevant institutions, including the drafting of the Oil and Gas Law, and improvement of the Land Law and Electricity Law in ways that enable and support the development of renewable energy. Viet Nam is also developing and finalizing the Decree on direct power purchase, so as to address renewable power projects and outstanding issues facing the people and businesses in the energy transition process.

Time waits for no one. Challenges are becoming more and more complex and unpredictable. Therefore, let us uphold greater unity, put in greater efforts, and work more effectively for the development and prosperity of mankind, the health of this planet, and happiness for all around the globe.

Quoted speech of the Prime Minister at the World Climate Action Summit (December 2023).

Viet Nam - Striding towards a brighter economic future



Pham Tan Cong

Chairman and President
Vietnam Chamber of Commerce
and Industry



Dinh Thi Quynh Van

Chairwoman
PwC Vietnam

Welcome to the 12th edition of the Doing Business in Viet Nam guide, your annual guide through the nation's economic landscape, co-authored by PwC Vietnam and Vietnam Chamber of Commerce and Industry (VCCI). As we step into 2024, Viet Nam's resolve to carve a sustainable economic path is unwavering.

In the face of global uncertainties sparked by global conflicts and supply chain disruptions, Viet Nam is in a prime position to strengthen its economy, amplify manufacturing, and expedite digital transformation. This commitment echoes the country's vision of reaching developed economy status by 2045, and achieving Net Zero carbon by 2050.

Backed by robust policies and ongoing reforms, the government has been proactive with its support, backing businesses, attracting investment, and spearheading a greener, digitally advanced economy.

Viet Nam's journey towards resilience and competitiveness is built on raising skills levels and fostering a culture of continuous learning. By empowering its workforce through targeted training, robust reskilling initiatives, and embracing technological advances, Viet Nam can not only modernize its industries, but also propel itself towards heightened productivity and innovation in a rapidly evolving digital landscape.

This journey has seen Viet Nam going from one of the world's poorest nations to a lower-middle-income developing country in 2010 and after years of successive and robust growth, Viet Nam is on the cusp of becoming an upper-middle-income country. Overcoming past uncertainties and disruptions, Viet Nam's resilience stands as a testament to its unwavering spirit, a powerful engine hurtling towards the future. At the final stop on this transformative journey, Viet Nam should emerge as a developed, high-income country in 2045. With numerous opportunities ahead, we welcome you to board this ride with us.



Instructions
page



Table of
Contents
page



About Viet Nam



Instructions
page



Table of
Contents
page

Overview

Viet Nam is conveniently located in the centre of Southeast Asia and is bordered by China to the north, and Laos and Cambodia to the west.

The total area of Viet Nam is over 330,900 square kilometres and its geography includes mountains and plains. Viet Nam's population is spread throughout the country.

The total population of Viet Nam by the end of 2023 was estimated at over 100.3 million people. Viet Nam represents a huge pool of both potential customers and employees for many investors. Hanoi, in the north, is the capital of Viet Nam, and Ho Chi Minh City, in the south, is the largest commercial city. Da Nang, in central Viet Nam, is the third largest city and an important seaport.

63

municipalities and provinces

330,900+

square kilometres

Hanoi

capital city

Da Nang

third largest city, important seaport

Ho Chi Minh

largest city



100.3 million

Approximate population

Source: GSO



35th

Largest economy
in the world

Source: IMF



23rd

Largest exporter
in the world

Source: World Bank



USD 4,284

average annual income

Source: GSO



USD 468 Billion

accumulated Foreign Direct
Investment (FDI) from 139 countries

Source: MPI



Instructions
page



Table of
Contents
page

Key economic indicators in 2023



5.05%

National GDP growth
in 2023

GDP growth by sectors

6.82%

Services

3.83%

Agriculture, Forestry and Fishing

3.74%

Industry and Construction

Provincial level Gross Regional Domestic Product (GRDP)

Top 5 provinces by GRDP (USD)

HCMC
68.1 billion

Hanoi
54.6 billion

Binh Duong
20.4 billion

Dong Nai
19.1 billion

Hai Phong
17.5 billion

Top 5 provinces by GRDP growth

Bac Giang
13.45%

Hau Giang
12.27%

Quang Ninh
11.03%

Khanh Hoa
10.35%

Hai Phong
10.34%

Instructions
page

Table of
Contents
page

Key economic indicators in 2023

Trade balance (USD Billion)



Key economic indicators in 2023

Foreign Investment



Top five provinces for FDI investment (USD Billion)

HCMC
5.85

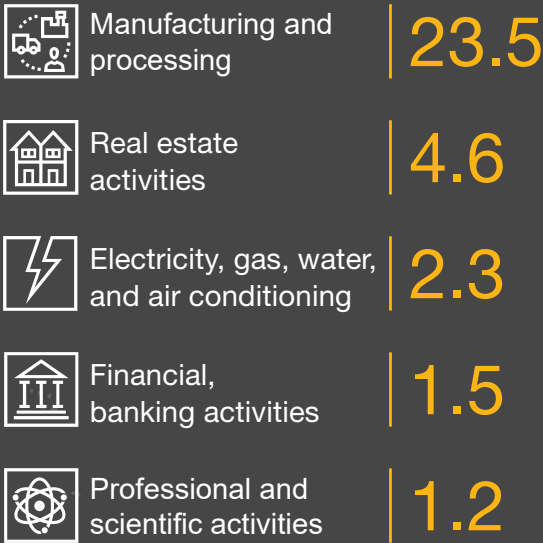
Hai Phong
3.26

Quang Ninh
3.11

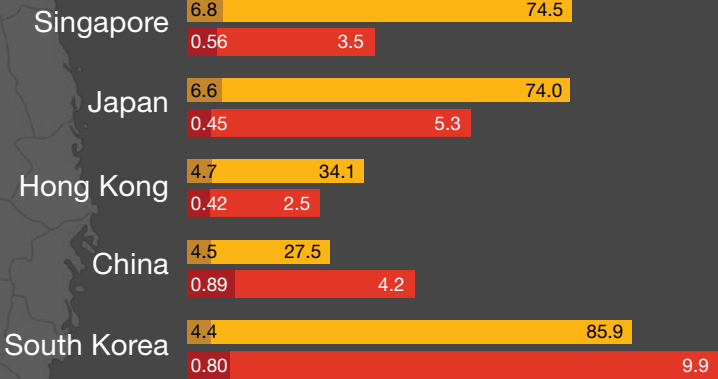
Bac Giang
3.01

Thai Binh
2.79

Top five key FDI sectors in 2023 by total registered capital (USD billion)



Top 5 FDI sources in 2023 and Total accumulated



- Total registered capital accumulated to 2023 (USD Billion)
- Total registered capital in 2023 (USD Billion)
- Number of Projects accumulated to 2023 (Thousand)
- Number of Projects in 2023 (Thousands)


Instructions
page


Table of
Contents
page

A scenic view of the Golden Hand Bridge in Vietnam at sunset. The bridge, shaped like two giant hands holding each other, spans a lush green valley. In the background, a city skyline is visible across a body of water under a dramatic, orange-hued sky.

Why invest in

Viet Nam?

Resilient economic growth and attractive market potential

Perseverance in 2023

In 2023, Viet Nam's socio-economic conditions were influenced by global economic uncertainty, leading to a decline in GDP growth (5.05%) compared to the previous year (8.02%).

However, Viet Nam's GDP growth still surpassed the global average (3%) and that for Asia Pacific (4.4%), thanks to its strong fundamentals and continuing government efforts to stabilize the domestic economy. Despite the impact on Viet Nam's export sectors of decreased global demand, the unemployment rate remained low at 2.28%. Inflation was controlled primarily by managing the cost of services, particularly transportation, and stood at 3.25%.

Rebound in 2024

Viet Nam's economy is projected to rebound in 2024, supported by ongoing efforts to improve the business environment and competitiveness, thus fueling growth. Based on the [OECD Product Market Regulation \("PMR"\) indicators](#), Viet Nam's regulatory policies are more open compared to regional peers such as Indonesia and China, as well as relative to other emerging market economies such as South Africa, Brazil, and Argentina.

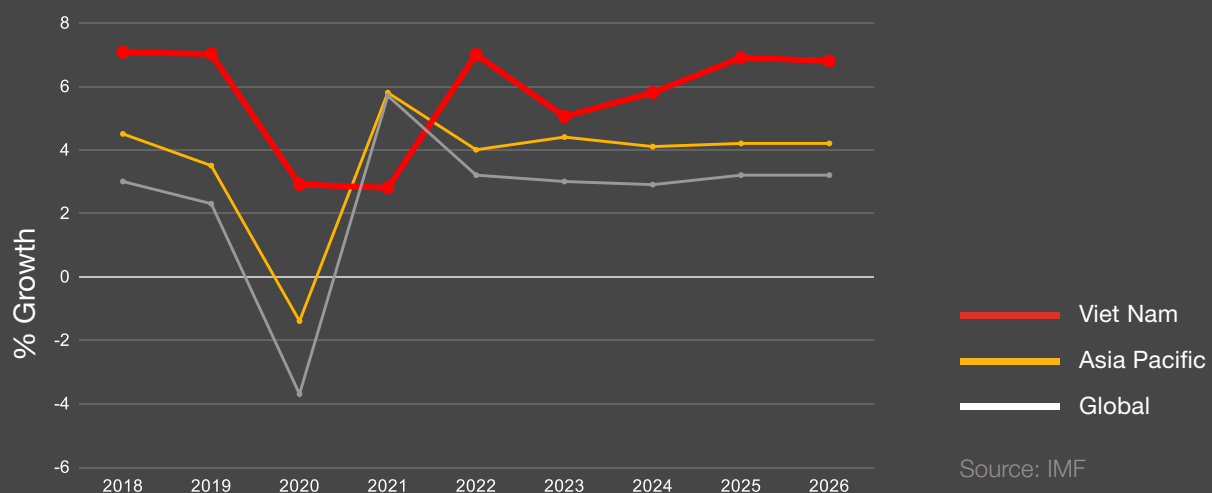
5.8%

Viet Nam's projected
GDP growth in 2024

Source: IMF data

Viet Nam offers a sizable market, with a population of about 100 million, and a growing middle class with increasing levels of disposable income. This creates attractive investment opportunities in consumer markets, as well as in various sectors such as education, healthcare, leisure, and more. These sectors have played a crucial role in driving the country's economic growth to date.

Viet Nam is expected to outperform regional peers despite the gloomy global outlook.





Growing integration into global value chains (GVCs)

Viet Nam is actively enhancing its integration into GVCs, offering numerous advantages for domestic exporters as well as foreign investors. Participating in several free trade agreements has been key push factor enhancing Viet Nam's integration into the global economy.

Viet Nam is strategically located within APAC, allowing investors to exploit advantages within both supply and procurement (China, ASEAN, India) as well as export markets, by nature of friendly FTAs (APAC, US, EU). Viet Nam remains a cost-competitive destination for investors, a market which is open and enthusiastic about foreign locators and global integration, and a burgeoning consumer class, characterized by growing disposable incomes.

However, Viet Nam faces challenges moving forward including scarcity in high-demand technical fields, the need to enhance technological capabilities and promote innovation for sustained GVC participation, and the ongoing development of infrastructure, logistics, and supply chain networks. The government must continue to address regulatory and administrative complexities to remain an attractive destination for foreign investment when compared with China, India, and regional markets.

Nevertheless, the fundamentals of Viet Nam's economy and market landscape remain attractive, resulting in positive outcomes in 2023, including a trade surplus of USD 28 billion and a year-on-year increase of 32.1% in total registered capital, reaching USD 36.6 billion.



Read more:

Global supply chains: The race to rebalance



Instructions
page



Table of
Contents
page

The integration journey milestones

Viet Nam is firmly on the path of global economic integration, with a total of **16 Free Trade Agreements (“FTAs”)** already signed.

2020

RCEP and UKVFTA signed

2022

Launched Indo-Pacific Economic Framework for Prosperity (IPEF)

2023

Viet Nam - Israel (VIFTA) signed

2019

EVFTA signed

2018

CPTPP signed

2017

ASEAN - Hong Kong, China (AHKFTA)

2011

Viet Nam - Chile (VCFTA)

2015

Viet Nam - Eurasian Economic Union (VN-EAEU FTA);
Viet Nam - South Korea (VKFTA);
Establishment of the ASEAN Economic Community (AEC)

2009

ASEAN - Australia/
New Zealand (AANZFTA)

2008

Viet Nam - Japan (VJEPA)
ASEAN - Japan (AJCEP)

2007

WTO accession

2005

ASEAN - South Korea (AKFTA)

1995

ASEAN membership and normalisation of US – Viet Nam relations

1998

APEC membership

2002

ASEAN - China (ACFTA)

2003

ASEAN - India (AIFTA) signed

1993

Partnership with World Bank, IMF, etc.

1986

Doi Moi (Renovation)

1967

ASEAN - AEC

3 more FTAs on negotiation, including:

- Viet Nam - EFTA countries (Switzerland, Norway, Iceland, and Liechtenstein),
- ASEAN-Canada,
- Viet Nam - UAE.



Instructions page



Table of Contents page

Elevating Viet Nam's Bilateral relations

Viet Nam's bilateral relations extend beyond Free Trade Agreements (FTAs) to encompass partnerships that foster deeper trade and economic cooperation. This has positioned Viet Nam as a valuable player in the global supply chain, offering increased investment opportunities and strategic ties to global economies.

In 2023, Viet Nam further strengthened its ties with international partners by establishing Comprehensive Strategic Partnerships with the United States and Japan, while also deepening cooperation with China. Currently, Viet Nam has established 18 Strategic Partnerships with countries worldwide, with six of them (China, US, Russia, South Korea, Japan, India) being Comprehensive Strategic Partnerships. These partnerships aim to deepen cooperation and trust to the highest level.





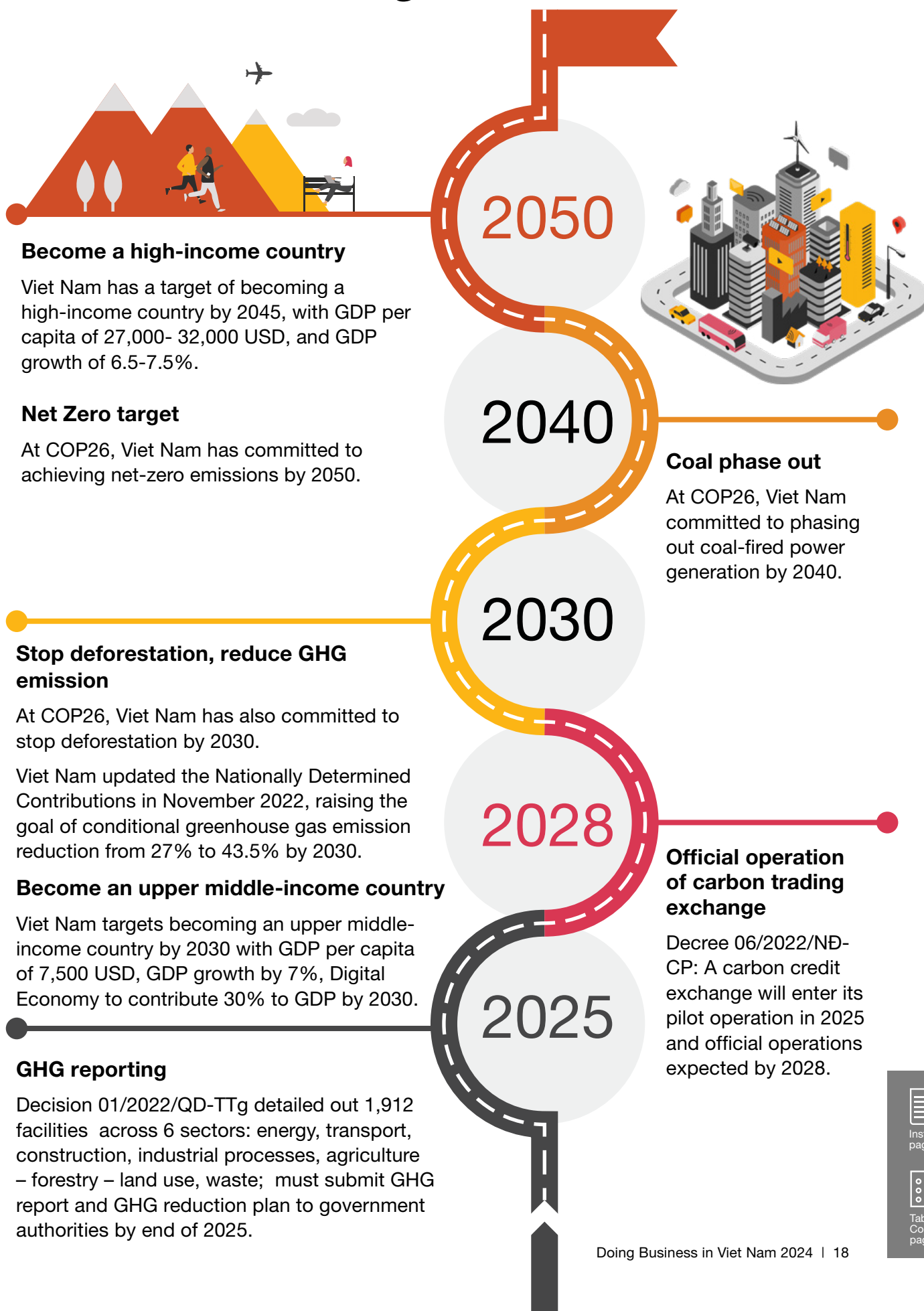
Embracing high-value growth and sustainable development

Viet Nam is firmly committed to achieving high-value growth and sustainable development, driven by a recognition that climate change poses a significant threat to the country's economy and progress. Viet Nam is already witnessing the adverse effects of climate change, including rising sea levels, more severe and frequent storms, and droughts.

The government has set dual long-term goals: becoming a high-income country as well as committing to a target of net zero by 2050. This commitment is accompanied by national strategies, policies, and plans to foster high-value growth and green investment. At the same time, the country is actively collaborating with international organisations to meet global sustainability goals and find support for the green growth transition. Recently, there is a growing focus on technological innovation, renewable energy and eco-friendly infrastructure projects. This unique combination of economic growth and sustainable development positions Viet Nam as an appealing destination for foreign investors seeking to make a positive impact while also achieving great returns.

While Viet Nam needs to sustain its GDP growth, the country faces constraints in terms of both labor and capital, and will require substantial improvements to its domestic innovation capabilities to achieve productivity-driven gains.

Viet Nam's ambitions for high-value and sustainable goals





Thriving sectors on the rise

Green infrastructure and green finance

Based on PwC's [Green Infrastructure Finance Propensity Index](#), Viet Nam has shown significant potential in terms of green financing opportunities, with a remarkable score of +32%. This indicates that the value of green projects in Viet Nam surpasses its relatively modest GDP, and that the country outperforms its position compared to global heavyweights, where low-risk investments often yield low returns for investors.

The country has seen the emergence of dynamic primary and secondary markets for both local and overseas investors. Government reforms have played a crucial role in opening up opportunities for large-scale solar and wind projects, both offshore and in hilly onshore areas, leading to an increase in green financing opportunities.

Viet Nam's Eighth National Power Development Plan ("PDP VIII"), which was approved in late May 2023, sets out an ambitious vision for transitioning to renewable energy by 2030, with a long-term vision extending to 2050. This plan emphasizes the need for strategic investments in power generation and transmission infrastructure. To achieve these ambitious targets, an estimated investment of nearly \$700 billion USD will be required over the next three decades for the development of new and retrofitted power generation facilities, as well as the enhancement of grid infrastructure.



Read more:

Viet Nam's Eighth National Power Development Plan (PDP VIII)

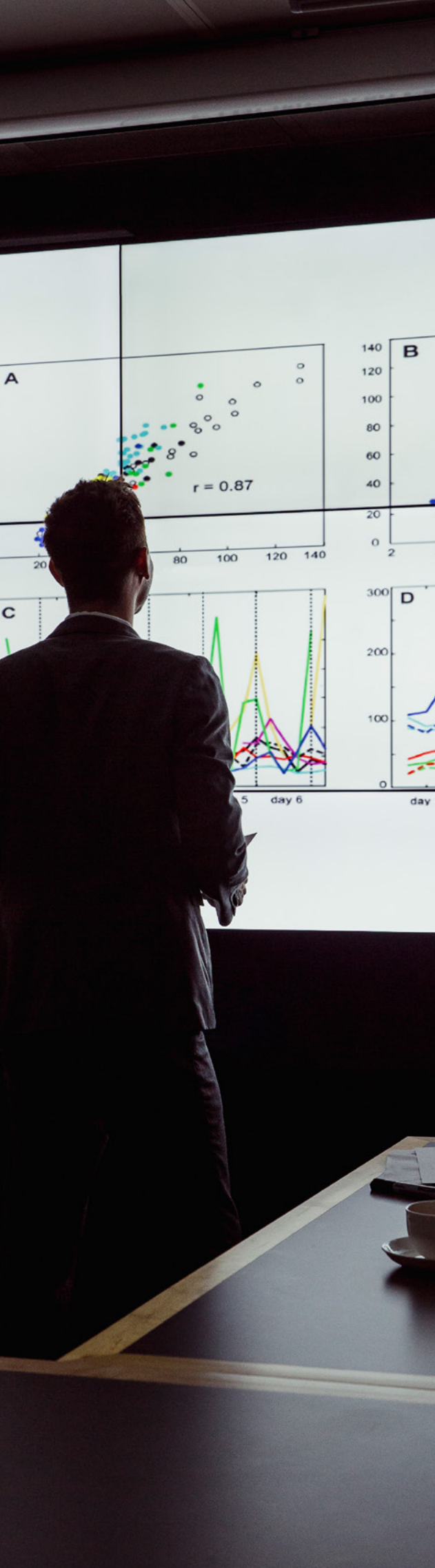
Insights and key considerations for investors



Instructions
page



Table of
Contents
page



Thriving sectors on the rise

Technology and Digital Innovation

As a country with a high smartphone penetration rate of 72%, and where the number of internet users is expected to reach 70 million by 2025, Viet Nam's digital economy is projected to grow at a [14% CAGR to reach USD 57 billion by 2025](#). Key opportunities arising from the growth of Viet Nam's digital economy include the expansion of e-commerce and digital payments, the development of online media, and the emergence of new technologies such as artificial intelligence and blockchain. Digitalisation targets for both 2025 and 2030 confirm both the public and private sectors' commitments to digital innovation.

Viet Nam is also well-positioned to attract more foreign investment in the high-tech industry by offering more incentives and amending requirements for high-tech businesses. Notably, the semiconductor industry has witnessed significant investment from foreign hardware companies like Intel, Hana Micron, Marvell, Amkor, and NVIDIA. Local companies such as Viettel and FPT are also actively building capabilities in the semiconductor industry.

The government is also backing research and development ("RandD") efforts and advances in cutting-edge IT systems, as well as the manufacture of ICT products. These efforts will be particularly important as Viet Nam deepens its involvement in the realms of IoT and 5G communications, which will require cutting edge technologies and knowledge.

These factors put together has allowed Viet Nam's technology sector has experienced remarkable growth and positions it as a rising player in the global tech landscape and supply chains.



Instructions
page



Table of
Contents
page

Improving legal framework to support the business environment

In 2023, Viet Nam has passed a series of laws/amended laws that will improve and clarify market conditions for investors and businesses as well as help in pursuing the development of new and greener economy, including:



Housing Law

Clarifying regulation on land use, housing safety and allocation and incentives for development of social housing.



Real Estate Business Law

Clarifying and simplifying regulation on real estate transactions, including on public disclosure, capital requirements and foreign investments.



Water Resources Law

Developing a clear regulatory framework for management of water resources and ensuring clean and safe water supply.



Prices Law

Updating regulations regarding price declaration for certain goods/services and criteria of goods/services prices of which are determined by the State



E-Transactions Law

Updating the legal framework for digital transaction to promote the development of Viet Nam's digital economy.



Bidding Law

Creating a complete and consistent legal framework on bidding, procurement and use of State capital



Telecommunications Law

Developing the regulatory framework to align with the new development of telecom infrastructure serving digital transformation



Personal Data Protection Decree

Providing guidelines on personal data protection of Vietnamese citizens in Viet Nam.



Scan here for PwC's Legal newsbrief



Instructions page



Table of Contents page

An aerial photograph of a city, likely Hanoi, Vietnam, taken from a high vantage point. The sky is a mix of orange, pink, and purple, indicating sunset. A river flows through the city, and a bridge is visible on the right. The city is densely packed with buildings of various colors and heights. The text "How to do business in Viet Nam?" is overlaid in white on an orange rectangular background.

How to do business in Viet Nam?



Instructions
page



Table of
Contents
page



Viet Nam's businesses and legal framework

A foreign entity may establish its presence in Viet Nam as a limited-liability company with one or more members, a joint-stock company, a partnership, a branch, a representative office or a business cooperation contract.

Foreign investors may also buy an interest in an existing domestic enterprise, subject in some cases to ownership limitations that vary depending on the industry sector.

The choice of investment vehicle will depend on factors such as the number of investors, the industry, and the size of the project and whether there is any intention to list.



Instructions
page



Table of
Contents
page

Legal and regulatory regime

Political structure

Viet Nam is a socialist country operating under the single-party leadership of the Communist Party.

A nationwide congress ('National Congress') of the Communist Party of Viet Nam is held every five years to determine the country's orientation and strategies and adopt its key policies for socio-economic development. The National Congress elects the Central Committee, which in turn elects the Politburo. As the only party in the political arena, the role and influence of the Communist Party is unique.

Viet Nam's legal powers are centralised in one supreme body, and then delegated to lower bodies located in Viet Nam's 63 municipalities and provinces.

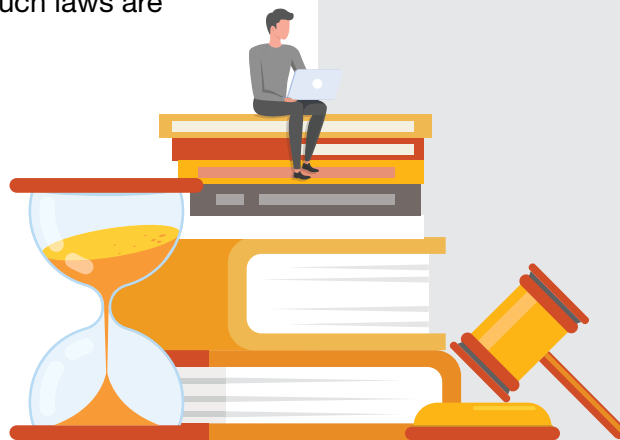
The National Assembly is the only body with the power to amend the Constitution and pass laws but the implementation and administration of such laws are decentralised.

One of the Government's priorities is to enhance the legal system, which will result in a more business friendly regulatory environment.

For example, in 2021 some laws came into effect, such as the Law on Investment (LOI), the Law on Enterprises (LOE), and the Law on Public Private Partnership Investment.

These Laws were passed by the National Assembly in 2020 and were set to go into effect in January 2021. These laws govern the establishment, operation and investment activities of companies in Viet Nam.

To implement the LOI and LOE, the Government has issued a number of decrees such as Decree 01/2021 guiding the enterprise registrations, Decree 31/2021 guiding certain articles of the LOI, and Decree 29/2021 guiding the appraisal of nationally significant investment projects.



National Assembly



Laws

Government



Decrees

Ministries



Circulars

Various other authorities



A plethora of other legal instruments/ guidelines

Instructions page

Table of Contents page

Intellectual property (“IP”)

As a member of the World Trade Organization (“WTO”), Viet Nam must conform to the WTO’s requirements on IP. The Law on Intellectual Property Rights (“IPR”) was passed in 2005, which was amended and supplemented in 2009, 2019 and 2022. According to the Law on IPR, three major IP rights are protected in Viet Nam:

Copyright
and related
rights

Industrial
property
rights

Rights
in plant
varieties

Viet Nam’s participation in both the EU-Viet Nam Free Trade Agreement (“EVFTA”) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (“CPTPP”) Agreement requires Viet Nam to meet high standards of IPR protection.

Business etiquette and culture

Many Vietnamese people are more comfortable using their native language rather than English. However, many English speakers can be found in Viet Nam, especially in the larger cities.

Presenting business cards is an important ritual in the Vietnamese business world. Cards are exchanged at the beginning of a meeting using both hands. Translating written materials into Vietnamese shows respect for Vietnamese colleagues and business partners.

Face to face business meetings are important in Viet Nam and an appropriate level of respect must be shown according to rank and seniority.

Foreign exchange controls

The Vietnamese Dong is not freely convertible and cannot be remitted overseas. The Government has been implementing measures to gradually reduce the country’s dependency on the US dollar.

All buying, selling, lending and transferring of foreign currency must be made through banks and other financial institutions authorised by the State Bank of Viet Nam. As a general rule, all monetary transactions in Viet Nam must be undertaken in Vietnamese Dong. Payments, contracts, quotations, etc. within Viet Nam must generally be in Vietnamese Dong.

The outflow of foreign currency by transfer is only authorised for certain transactions such as payments for imports of goods and services from abroad, repayment of loans and the payment of interest accrued thereon, transfers of profits and dividends and for transfer of technology or royalties.

Foreign investors and foreigners working in Viet Nam are permitted to transfer abroad profits and income earned in Viet Nam, and any remaining invested capital upon the liquidation of an investment project.

Forms of business

1 Limited-liability company

A limited-liability company is a legal entity established by its “members” (i.e. owners) through capital contributions to the company. The capital contribution of each member is treated as equity (charter capital). The members of a limited-liability company are liable for the financial obligations of the company to the extent of their charter capital contributions.

The management structure of a limited-liability company would normally consist of the “members’ council”, the chairman of the members’ council and the (general) director.

A limited-liability company established by foreign investors may take either of the following forms:

A 100% foreign-owned enterprise (where all members are foreign investors).

A foreign-invested joint-venture enterprise between foreign investors and at least one domestic investor.

2 Joint-stock company

A joint-stock company is a limited liability legal entity established through a subscription for shares in the company.

Under Vietnamese law, this is the only type of company that can issue shares. The charter capital of a joint-stock company is divided into shares and each founding shareholder holds shares corresponding to the amount of capital that the shareholder has contributed to the company.

A joint-stock company is required to have at least three shareholders. There is no limit on the maximum number of shareholders in such companies.

The governance of a joint-stock company includes the general meeting of shareholders, the board of management, the chairman of the board of management, the general director and a board of supervisors (not compulsory if the joint stock company has less than 11 shareholders, or if a corporate shareholder holds less than 50% of the shares of the joint-stock company).

A joint-stock company may either be 100% foreign-owned or may take the form of a joint venture between both foreign and domestic investors.



Scan here for PwC's Legal newsbrief


Instructions
page


Table of
Contents
page

Forms of business

3 Branch

This is not a common form of foreign direct investment and is only permitted in a few sectors (e.g. banking and foreign law firms).

A branch is not an independent legal entity. Branches of foreign companies are different from representative offices in that a branch is permitted to conduct commercial activities in Viet Nam.

4 Partnership

A partnership is a very rare form of investment. It may be established between two individual general partners. The general partner has unlimited liability for the operations of the partnership.

5 Business cooperation contract (“BCC”)

A BCC is a cooperation agreement between foreign investors and at least one Vietnamese partner in order to carry out specific business activities.

This form of investment does not constitute the creation of a new legal entity. The investors in a BCC generally share the revenues and/or products arising from a BCC and have unlimited liability for the debts of the BCC.

6 Representative office

Foreign companies with business relations or investment projects in Viet Nam may apply to open representative offices. A representative office may not conduct commercial or revenue-generating activities (i.e. the execution of contracts, receipt of income, sale or purchase of goods, or provision of services).

A representative office is only permitted to carry out the following activities:

- Act as a liaison office
- Conduct market research
- Promote its head office's business and investment opportunities

This is a common form of registered legal presence in Viet Nam, particularly for those in the first stage of a market entry strategy.



Forms of business

7 Public and private partnership contract (“PPP”)

A PPP contract is an investment form carried out based on a contract between the government authorities and project companies for infrastructure projects and public services.

PPP contracts include:

Build - Operate - Transfer	Build - Transfer - Operate
Build - Own - Operate	Build - Transfer - Lease
Build - Lease - Transfer	Operate - Manage

Both public and private investors are encouraged to participate in PPP contracts. The rights and obligations of the foreign investor will be regulated by the signed PPP contracts and the applicable regulations governing such contracts.

Investment sectors for PPP contracts include:



Transportation



Power grid, power plant (except hydroelectric plants and some other cases)



Irrigation, clean water supply, drainage, wastewater treatment, waste treatment



Health care, education and training



IT infrastructure



Scan here for PwC's Legal newsbrief

Instructions
page

Table of
Contents
page

Setting Up a Business

Limited-liability company/ Joint-stock company

The provincial department of planning and investment

(For projects located outside of industrial zones, export processing zones, high-tech zones and economic zones)

The provincial industrial zone management authority or economic zone management authority

(For projects located inside industrial zones, export processing zones, high-tech zones and economic zones)



15 days*

Investment
Registration
Certificate



Step 1

Enterprise
Registration
Certificate

3 working days*

The provincial
department of
planning and
investment



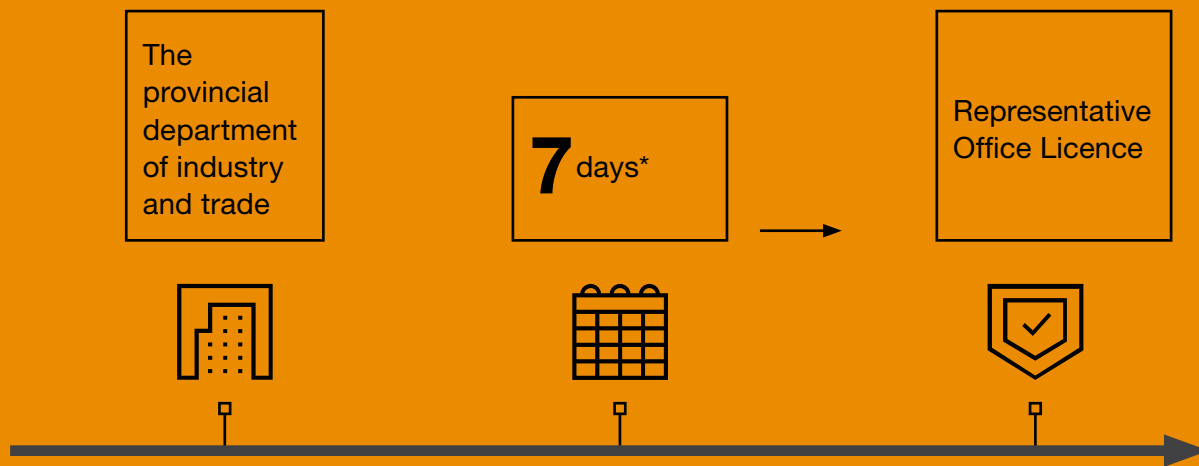
Step 2

Note: Investment in “conditional” sector activities is subject to more cumbersome licensing procedures. These may require an approval in principle, or the licence application to be reviewed also at the central government ministry level in Hanoi.

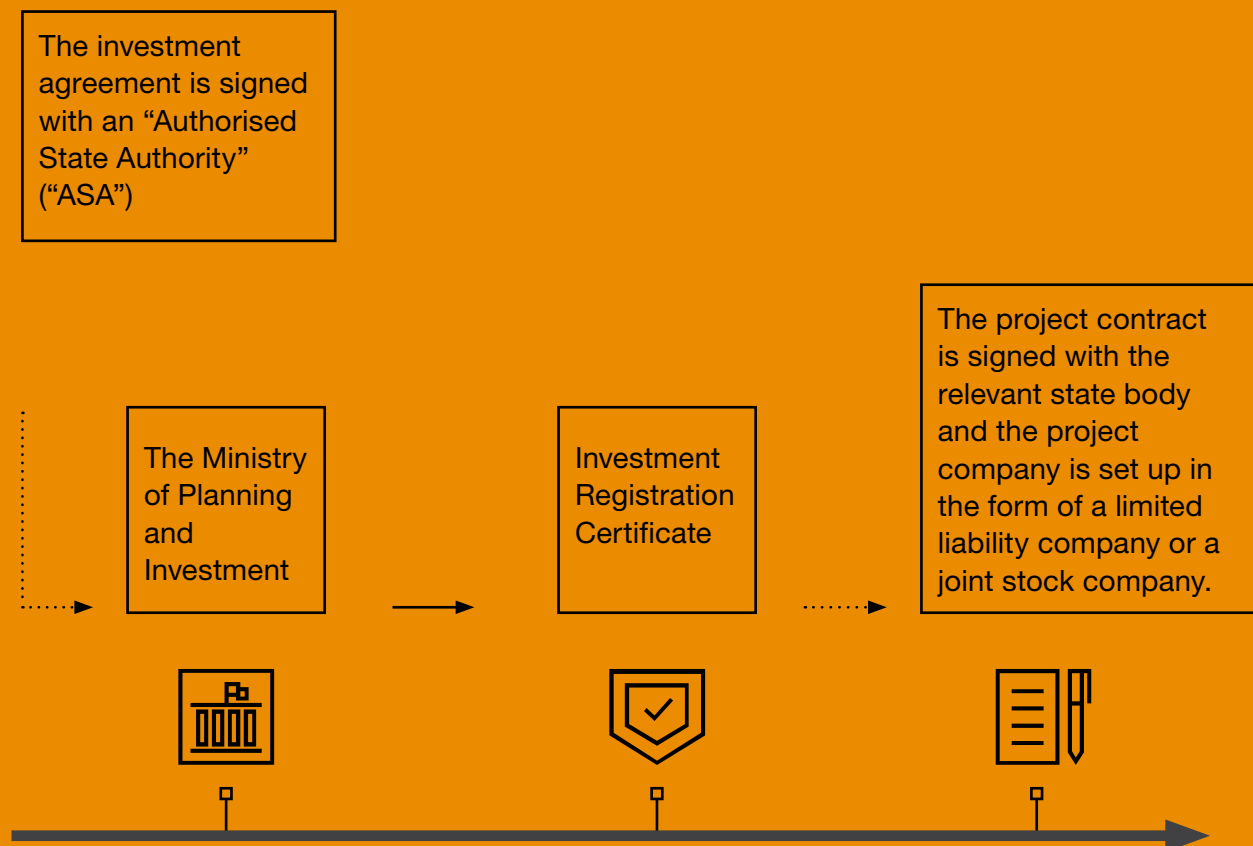
* In practice, it usually takes longer

Setting up a business

Representative office



Public-Private Partnership (PPP) project (such as BOT/BTO/BT project)



* In practice, it usually takes longer



FAQs for Investing in Viet Nam



Instructions
page



Table of
Contents
page

FAQs (samples)

- What are the demographics of Viet Nam?
- Which business areas are the Vietnamese Government encouraging foreign investors to engage in?
- How lucrative is Viet Nam compared to rest of Southeast Asian economies?
- How does Viet Nam rank in international rankings for ease of doing business?
- What is the legal institution in Viet Nam and what is the highest-level representative body of the people?
- Which international agreements that Viet Nam is committed to?

Viet Nam in general



Think about...

- Market assessment
- Background check
- References from current investors

- Size and growth of the addressable market? What's driving demand?
- What go-to-market strategy to quickly set-up and build my business in Viet Nam?
- Is my business sufficiently differentiated? How much should I localise?
- How does local Viet Nam legal and regulatory regime impact my identified industry?
- What do supply chains / distribution channels look like?
- Who would be suitable business partners for my business?
- How does the local Viet Nam legal and regulatory regime impact my identified industry?

Market entry strategy



- MandA strategy
- Legal and regulatory review
- Strategy (Market entry, Background check etc)
- Working capital management
- Purchase price allocation
- Business valuation

- Has my plan considered the local tax and legal implications?
- Do I need advice on local accounting standards / requirements?
- What HR laws/regulations do I need to take into account?
- Is my HR plan sufficient to establish core competencies and skills? Do I need plans for talent localisation?

Market entry plan



- Tax structuring advice
- Negotiation support and SPA review
- Working capital management
- Business integration (Operational, Human Resource, Technology, Risk advisory etc)
- Regulatory compliance (Legal, Tax, Accounting)



Taxation



Instructions
page



Table of
Contents
page

General overview

Most business activities and investments in Viet Nam will be affected by the following taxes:

- Corporate income tax;
- Various withholding taxes;
- Capital gains tax;
- Value added tax;
- Import duties;
- Personal income tax on Vietnamese and expatriate employees; and
- Social insurance, unemployment insurance and health insurance contributions.

All these taxes are imposed at the national level.

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.
- Land rental fee.



Scan here for PwC's
Pocket Tax Book 2024

Tax rates

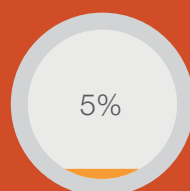
Corporate Income Tax (“CIT”)



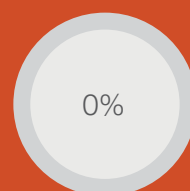
Value added tax (“VAT”)



Standard



For essential goods and services



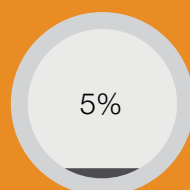
For exported goods/services

Foreign contractor taxes (Excluding VAT)

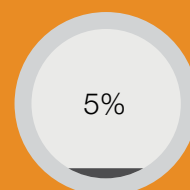
Levied on certain payments to foreign parties, rates depend on the nature of activities, e.g



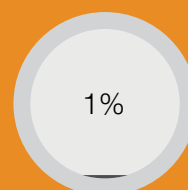
Royalties



General services



Interest



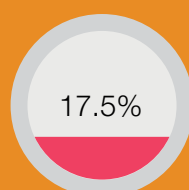
Goods

Personal Income Tax (“PIT”)

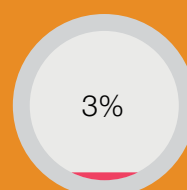
- PIT rates depend on residency status and nature of income.
- Tax residents are taxed on their world-wide taxable income, tax non-residents are taxed on their Viet Nam sourced income only.
- Employment income: for residents, progressive tax rates from 5 to 35% apply, for non-residents, a flat rate of 20% applies on the Viet Nam sourced income.
- Non-employment income: tax rates vary from 0.1% to 10%.

Social insurance (“SI”), Health insurance (“HI”) and Unemployment insurance (“UI”)

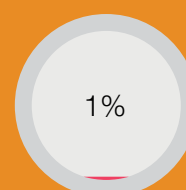
Employer



SI

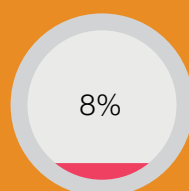


HI

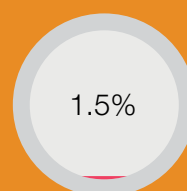


UI

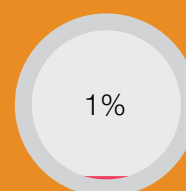
Employee



SI



HI



UI

Tax Incentives

- 10% preferential CIT rate for 15 years; and
- 4 years of tax exemption plus subsequent 9 years of 50% reduction

Based on	Applicable for
Sector	Certain encouraged sectors, including high technology, environmental protection, scientific research, infrastructural development, software production and renewable energy.
Location	Certain qualifying economic and high- tech zones, and especially difficult socio-economic areas.
Other	Qualified large scale manufacturing projects, investment project in manufacturing supportive industrial products prioritised for development (including those started operation before 2015), high-tech enterprises (*) and agricultural enterprises applying high-tech.

- 17% preferential CIT rate for 10 years; and
- 2 years of tax exemption plus subsequent 4 years of 50% reduction

Based on	Applicable for
Sector	Certain encouraged sectors, including manufacturing of high quality steel, equipment for agricultural activities; development of traditional crafts.
Location	Difficult socio-economic areas.

Tax incentives have played an important role in attracting investment into Viet Nam.

Recent years have seen a shift in the tax incentive focus with more high-value activities being incentivised.

- 10% preferential CIT rate for entire life and
- 4 years of tax exemption plus subsequent 5 to 9 years of 50% reduction

Based on	Applicable for
Sector and Location	Certain public sector fields such as education, healthcare, culture, sports and located in regions with especially difficult or difficult socio-economic conditions.

- Lifetime 20% preferential CIT rate (17% from 1 January 2016 onwards)

Based on	Applicable for
Location	Qualified people's credit funds, cooperative banks and micro- finance institutions.

- 2 years of tax exemption plus subsequent
- 4 years of 50% reduction

Based on	Applicable for
Location	New investment project in qualified industrial zones.

(*) [Please refer to this link for the latest criteria for high-tech enterprises.](#)

Corporate income tax (“CIT”)

The tax year end in Viet Nam is generally

31 December

but financial year ends at 31 March, 30 June, or 30 September are also possible.

Tax rates

The standard CIT rate is

20%

Companies operating in the oil and gas industry are subject to CIT rates ranging

from **25% to 50%**

Companies engaging in prospecting, exploration and exploitation of mineral resources are subject to CIT rates of

32% or 50%



Calculation of taxable profits

Taxable profit is calculated as the difference between total revenue, whether domestic or foreign sourced, and deductible expenses, plus other assessable income.

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

Non-deductible expenses

Expenses are tax deductible if they actually incur and relate to the generation of revenue, are properly supported by suitable documentation (including bank payment evidence where the invoice value is VND20 million or above) and are not specifically identified as being non-deductible.

Losses

Taxpayers may carry forward tax losses fully and consecutively for a maximum of five years.

Losses arising from certain activities are allowed to offset against each other. Carry back of losses is not permitted. There is no provision for any form of consolidated filing or group loss relief.

Administration

Companies are required to make quarterly provisional CIT payments based on estimates. The provisional CIT payments made in the 4 quarters must not account for less than 80% of the final CIT liability for the year.

Final CIT returns are filed annually. The outstanding tax payable must be paid at the same time.

The annual CIT return must be filed and submitted not later than

the last day of the 3rd month after the fiscal year end.



Profit remittance

Foreign investors are permitted to remit their profits annually at the end of the financial year or upon termination of the investment in Viet Nam. Foreign investors are not permitted to remit profits if the investee company has accumulated losses.

Tax incentives

Preferential CIT rates apply from the commencement of generating revenue from the incentivised activities. The duration of application of the preferential tax rate can be extended in certain cases.

The tax holidays take the form of an exemption from CIT for a certain period beginning immediately after the enterprise first makes profits from the incentivised activities, followed by a period where tax is charged at 50% of the applicable rate.

Where an enterprise has not derived taxable profits within 3 years of the commencement of generating revenue from the incentivised activities, the tax holiday/tax reduction will start from the fourth year of operation.



Capital gains tax (“CGT”)

Gains derived from the sale of a Viet Nam company are in many cases subject to 20% CIT. This is generally referred to as CGT although it is not a separate tax.



Please refer to our 2024 Pocket Tax Book for more details on determination of CGT liability, filing obligation

Transfer pricing (“TP”)

On 5 November 2020, the Government issued Decree 132/2020/ND-CP (“Decree 132”), setting out new rules on transfer pricing in Viet Nam. Decree 132 took effect from 20 December 2020 and applies for the financial year 2020 onwards. Decree 132 is broadly based on concepts and principles from the Transfer Pricing Guidelines of the Organisation for Economic Co-operation and Development (OECD) and Base Erosion and Profit Shifting (BEPS) Action Plan. Viet Nam’s transfer pricing rules also apply to domestic related party transactions.

Related party definition

The ownership threshold required to be a ‘related party’ under Decree 132 is still 25%. Under Decree 132, a new related party definition (Item I, Point 2, Article 5 of Decree 132) was introduced. An enterprise and certain individuals are considered related parties if they have the following transactions in a tax period:

the individual transfers or receives at least 25% of the enterprise; or

the individual borrows or lends an amount equal to at least 10% of the contributed capital of the enterprise.

TP methodologies

The acceptable methodologies for determining arm’s length pricing are analogous to those espoused by the OECD in the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, i.e. comparable uncontrolled price, resale price, cost plus, profit split and comparable profits methods.

Tightening of the acceptable arm’s length range under Decree 132

The acceptable arm’s length range is narrowed to span the 35th percentile to the 75th percentile (tightened from the 25th to the 75th percentile range under Decree 20). As such, the lower quartile of the threshold is raised by 10%.

Expansion of the scope for selection of comparables

Under Decree 132, taxpayers must first look for comparables in the same local market or region, and then broaden to other countries in the region which have similar industry circumstances and economic development level.

TP declaration forms

Compliance requirements include an annual declaration of related party transactions and TP methodologies used, and a taxpayer confirmation of the arm's length value of their transactions (or otherwise the making of voluntary adjustments).

The TP declaration forms must be submitted together with the annual CIT return within 90 days from the fiscal year end date.

TP documentation

Companies which have related party transactions must also prepare and maintain contemporaneous three-tiered TP documentation including master file, local file and country-by-country report. The three-tiered TP documentation has to be prepared before the submission date of the annual tax return. A taxpayer may be exempt from preparing TP documentation if certain conditions are met.

30% of EBITDA cap on total interest expenses

Under Decree 132, the cap on tax deductibility of interest increases from 20% to 30% of EBITDA. The cap applies to net interest expense (i.e., after offsetting with interest income from loans and deposits). Non-deductible interest expenses can be carried forward to the subsequent five years. Certain types of financing are excluded from the cap, including interest on official development assistance (ODA) loans, various preferential loans made by the government, and loans made for implementing national programs and state social benefit policies.

The provisions relating to the change in interest calculation and the deductibility cap apply retrospectively to 2017 and 2018 with certain conditions.

Intercompany service charges

Decree 132 still provides various criteria for the tax deductibility of intercompany service charges, which are similar to those regulated under the previous regulations (i.e. Decree 20). Notably, a taxpayer needs to demonstrate that the services provide commercial, financial and economic value, and provide evidence of the reasonableness of the service charge calculation method.

A tax deduction will not be allowed for intercompany service charges where the direct benefit or additional value to the taxpayer cannot be determined, such as duplicated services, shareholder costs.

TP audits

There has been a marked increase in the number of TP audits performed in recent years, with these adopting an increasingly sophisticated approach, often challenging the validity of comparables cited in the TP documentation. Most general tax audits will now include a review of the taxpayer's transfer pricing position.

Advance Pricing Agreement ("APA")
On 18 June 2021, the Ministry of Finance issued Circular 45/2021/TT-BTC, setting out new rules on Advance Pricing Agreements in Viet Nam. Circular 45 takes effect from 3 August 2021, and replaces the existing APA Circular 201 issued in 2013. Taxpayers have the option to enter into unilateral, bilateral or multilateral APAs with the tax authorities. The General Department of Taxation has been in negotiations with the competent authorities of various overseas jurisdictions to conclude the first bilateral APAs for several taxpayers.

Foreign contractor tax (“FCT”)

Scope of application

FCT is applied to foreign organisations and individuals undertaking business or earning income sourced from Viet Nam on the basis of agreements with Vietnamese parties (including foreign owned companies).

FCT is not a separate tax, and comprises a combination of Value Added Tax (“VAT”) and CIT, or Personal Income Tax (“PIT”) for income of foreign individuals.

Payments subject to FCT include interest, royalties, service fees, leases rentals, insurance premiums, transportation fees, income from transfers of securities, and from goods supplied within Viet Nam or associated with services rendered in Viet Nam. The applicable tax rates vary depending on the payment method and the nature of the transactions. Certain distribution arrangements where foreign entities are directly or indirectly involved in the distribution of goods or provision of services in Viet Nam are also subject to FCT.

FCT exemption is provided for certain cases, such as pure supply of goods, services performed and consumed outside Viet Nam and various other services performed wholly outside Viet Nam.

There are three methods for FCT payment and declaration:

Deduction
method

Direct
method

Hybrid
method

Double taxation agreements

The CIT element of FCT may be affected by a relevant Double Taxation Agreements (DTA) provided that certain conditions are met.

Viet Nam has signed around 80 DTAs and there are a number of others at various stages of negotiation.

Vietnam signed the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (“the MLI”), becoming the 99th jurisdiction to join the MLI. The MLI entered into force on 1 September 2023 for Vietnam. As a result, potentially the existing DTAs could be altered. Taxpayers should be aware of these potential changes to DTAs and the impact this may have on their plans for structuring their investments and transactions to claim treaty benefits in Vietnam.

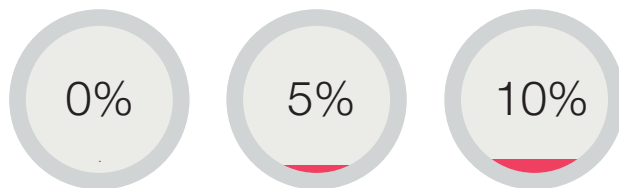
Value added tax (“VAT”)

VAT applies to goods and services used for production, trading and consumption in Viet Nam. In addition, VAT applies on the dutiable value of imported goods. For imported services, VAT is levied via the FCT mechanism.

There are two VAT calculation methods:



There are three VAT rates:



VAT exemption is provided for certain goods and services. VAT refunds are only granted in certain cases. In other cases where a taxpayer's input VAT for a period exceeds its output VAT, it will have to carry the excess forward to offset future output VAT.

Invoicing

There are two types of e-invoices:

E-invoices with verification code

“High tax risk companies” are required to use e-invoices with verification codes from the tax authorities for 12 months.

E-invoices without verification code

Companies allowed to use e-invoices without verification codes from the tax authorities will be those in certain economic sectors

From

1 July 2022

e-invoices will be compulsory
for all enterprises



Scan here for PwC's
Pocket Tax Book 2024 and
read more about e-invoices

Special sales tax (“SST”)

SST is a form of excise tax that applies to the production or import of certain goods and the provision of certain services.

The taxable price of domestically produced goods sold by a manufacturer/ imported goods sold by an importer is the selling price exclusive of SST and environment protection fee.

Where the selling price is not considered to be in line with the ordinary market price, the tax authorities may seek to deem the tax. The taxable price of imported goods upon importation is the dutiable price plus import duties.

Where manufactured or imported goods are subsequently sold by a trading entity to entities which are not third parties, an anti-avoidance provision may impose a minimum taxable price in certain cases.

The SST amount paid on material imported or purchased from domestic suppliers is creditable provided certain conditions are met.



Scan here for PwC's
Pocket Tax Book 2024

Import and export duties

Rates

Import and export duty rates are subject to frequent changes. Import duty rates are classified into 3 categories:

Ordinary rates	Preferential rates	Special preferential rates
-------------------	-----------------------	----------------------------------

To be eligible for preferential rates (in some specific cases) or special preferential rates, the imported goods must be accompanied by an appropriate Certificate of Origin.

Calculation

In principle, Viet Nam follows the WTO Valuation Agreement with certain variations. The dutiable value of imported goods is typically based on the transaction value. Where the transaction value is not applied, alternative methodologies for the determination of the customs value will be used.

Exemptions and refunds

Import duty exemptions are provided for:

- Materials imported for manufacturing of finished goods for export;
- Machinery and equipment imported to form fixed assets of projects which are classified as in encouraged sectors/locations;
- Other goods imported for specific purposes

Import duty refunds are also possible for various cases.

Export duties

Export duties are charged only on a few items, basically natural resources with rates ranging from 0% to 40%.

Personal income tax (“PIT”)

Tax residency

Individuals earning income from Viet Nam are subject to PIT, depending on their residency status. Residents are those individuals meeting one of the following criteria:

- Residing in Viet Nam for 183 days or more in a tax year;
- Having a permanent residence in Viet Nam (including a registered residence which is recorded on the permanent/temporary residence card, or a rented house in Viet Nam with a lease term of 183 days or more in a tax year in case of foreigners) and unable to prove tax residence in another country.

Tax rates

Tax residents are subject to Vietnamese PIT on their worldwide taxable income. Employment income is taxed on a progressive tax rates basis ranging from 5% to 35%. Other income is taxed at a variety of different rates.

Tax non-residents are subject to PIT at a flat tax rate of 20% on their Viet Nam related employment income, and at various other rates on their non-employment income. However, this will need to be considered in light of the provisions of any DTA that might apply.

In respect of tax residents who have overseas income, PIT paid in a foreign country on the foreign income is creditable.

Social, Health and Unemployment insurance contributions

Unemployment insurance (“UI”) contributions are applicable to Vietnamese individuals only.

Health insurance (“HI”) contributions are required for Vietnamese and foreign individuals that are employed under Viet Nam labour contracts for at least 3 months.

Social Insurance (“SI”) contributions are payable by both Vietnamese individuals with labour contracts and foreign individuals working in Viet Nam, holding a work permit, employed under a Vietnam labour contract with an indefinite term or a definite term of 1 year or more.

Certain foreign employees internally transferred within a group and employees who have reached the statutory retirement age are not subject to compulsory SI contributions.



Scan here for PwC's
Pocket Tax Book 2024




Instructions
page


Table of
Contents
page

Global Minimum Tax (Pillar II)

Under the BEPS Pillar 2 model issued by the OECD, each in-scope multinational enterprise should pay a minimum effective tax rate of 15% on profits in each of the jurisdictions where they operate.

On 29 November, the National Assembly officially approved the Resolution 107/2023/QH15 on Global Minimum Tax policy in Viet Nam, which took effect on 1 January 2024

The resolution follows the guidance issued by the OECD under the Pillar 2 model rules and proposes two main rules:

Qualified
Domestic
Minimum Top-Up
Tax ("QDMTT")
and

Income Inclusion
Rules ("IIR")

Both rules are intended to protect Viet Nam's tax revenue in the context of Pillar 2 global implementation.



[Scan here for
PwC's Newsbriefs](#)

COVID-19 Pandemic Update 2023

Following the previous years' COVID-19 initiatives, similar measures were released in 2023 to help address difficulties faced by both business and individuals impacted by post-Covid 19.

Some notable tax measures include:

2% VAT reduction for goods and services which are currently subject to 10% VAT (with certain exceptions) for the period from 1 July to 31 December 2023 (with a potential extension to mid 2024)

Extension of the deadline for payment of CIT, PIT, VAT, SST and land rental in 2023.

50% reduction of the registration fee for automobiles manufactured or assembled locally from 1 July to 31 December 2023.

A 30% reduction of land rent for 2023 for businesses and individuals that lease land directly from the State in the form of annual land rent payment.



Accounting and Auditing



Instructions
page



Table of
Contents
page

Accounting framework

Vietnamese accounting standards

From 2001 to 2005 the MoF issued 26 Vietnamese Accounting Standards based on the old versions of the respective International Accounting Standards with certain adaptations to fit Viet Nam's circumstances. In comparison to International Financial Reporting Standards ("IFRS"), up to now, accounting standards related to financial instruments, impairment of assets, fair value, etc. have not been issued yet.

One of the areas that the MoF has focused on is promoting IFRS adoption in Viet Nam. On 16 March 2020, the MoF issued Decision No. 345/QĐ-BTC approving the scheme for application of IFRS in Viet Nam. The IFRS implementation roadmap has three stages:

Stage 1

IFRS preparation
(from 2020 to 2021);

Stage 2

IFRS pilot implementation
(from 2022 to 2025);

Stage 3

IFRS compulsory
implementation (from 2025).

IFRS is expected to bring benefits to businesses including better transparency and comparability in financial reporting which should better facilitate the provision of financial information to relevant stakeholders and attract more foreign investment.

Accounting law and applicable implementation guidance

In Viet Nam, the Accounting Law is the highest accounting regulation issued by the National Assembly. Accounting issues are further guided and governed by various decisions, decrees, circulars, official letters and Vietnamese Accounting Standards.

The Vietnamese accounting framework consists of Vietnamese Accounting Standards, Vietnamese Accounting System and various guidance applicable for accounting (collectively referred to as "VAS"). The Vietnamese Accounting System is a common accounting source to be referred to in accounting practice, which provides a standard chart of accounts, financial statements template, accounting books and voucher templates, as well as detailed guidance on accounting double entries for specific transactions. Accordingly, the Vietnamese Accounting System is mainly rules-based rather than principles-based.

There are industry-specific accounting guidelines for credit institutions, insurance companies, securities companies, fund management, investment funds, and oil and gas operators. The accounting guidelines for credit institutions are issued by the State Bank of Viet Nam, others are issued by the MoF.

12 months

is a common duration of the accounting period

Accounting records are generally required to be maintained in Vietnamese Dong (“VND”)

Accounting records

Framework

Vietnamese Accounting System, Vietnamese Accounting Standards and applicable regulations.

Language

Accounting records are required to be maintained in the Vietnamese language, but this can be combined with a commonly used foreign language.

Accounting period

Financial year is 12 months in length. The first accounting period of the newly established entities must not exceed 15 months from the Enterprise registration certificate date. Similarly, the last accounting period must not be longer than 15 months.

Currency

The currency used in accounting is Vietnamese Dong (“VND”). Entities that receive and make payments mainly in foreign currencies can select that foreign currency to be used as their accounting currency and to prepare financial statements provided that they meet all the stipulated requirements. However, for statutory reporting, entities using another currency as their accounting currency must convert their financial statements prepared in that currency into VND pursuant to certain prescribed regulations.

Accounting documents

Accounting documents can be stored either in hard copies or electronic files. Entities that use electronic documents are not required to print them out for storage purposes. If the relevant authorities request copies for testing, inspection, monitoring and auditing, these entities have to print out electronic accounting documents and have them signed by their legal representatives or chief accountants.

Seal

Companies are permitted to decide the form, quantity and contents of their official seals. The management, use and storage of an entity’s seal must comply with its charter.

Retention

Five years for documents used for management or operation of the company; ten years for documents directly used to record accounting books and prepare financial statements, accounting books and annual financial statements.

Lack of accounting records is a basis for assessing non-compliance with VAS. The tax authorities can treat non-compliance with VAS as a basis for tax reassessment and imposition of penalties, including withdrawal of CIT incentives, disallowance of expenses and denial of input VAT credits/refunds.

Moving to International Financial Reporting Standards (“IFRS”)

One of the areas that the MoF has focused on is promoting IFRS adoption in Viet Nam. On 16 March 2020, the MoF issued Decision No. 345/QD-BTC approving the scheme for application of IFRS in Viet Nam. The roadmap divides the IFRS implementation into 3 stages:

Stage 1

IFRS preparation (from 2020 to 2021)

The MoF makes necessary preparations for the roadmap implementation in order to support businesses adopting IFRS from 2022 onwards. These preparations include: publishing a Vietnamese translation of IFRS standards, training, building guidelines for IFRS implementation, etc.

Stage 2

IFRS pilot implementation (from 2022 to 2025)

Those entities that have the need and resources may inform the MoF of voluntary adoption to prepare consolidated financial statements, including parent companies of state-owned groups, listed entities that are parents within a group of entities and large unlisted public entities and other parent companies. FDI companies may adopt IFRS for their separate financial statements on a voluntary basis, provided that they supply all required information and transparent reports to the authorities about their contributions to the State budget.

Stage 3

IFRS implementation (after 2025 onwards)

IFRS will be compulsory for consolidated financial statements of all SOEs, listed entities and large unlisted public entities.

Other businesses that operate as parent companies may prepare IFRS consolidated financial statements on a voluntary basis. All remaining businesses may adopt IFRS for their separate financial statements on a voluntary basis, provided that they supply all required information and transparent reports to the authorities about their contributions to the State budget. IFRS is expected to bring benefits to businesses including better information transparency and comparability in financial reporting which would then translate into easily providing useful financial information to relevant stakeholders and attracting foreign capital flows.

Whilst there is no official announcement by the MoF, it is expected that there is a delay in implementing the IFRS roadmap under Decision No. 345/QD-BTC.



Scan here for
[PwC's Newsbriefs](#)

Expected amendments to the Accounting Law and corporate accounting system

The Ministry of Finance is currently collecting comments on amending the Viet Nam Accounting Law to accommodate the digital transformation process, especially additional regulations to suit the electronic environment.

Also, the Ministry of Finance is planning to issue a new Circular to supplement the current corporate accounting system Circular 200/2014/TT-BTC (“Cir 200”). The draft circular amending and supplementing various articles of Cir 200 to narrow the gap with the International Financial Reporting Standards and to adapt to new types of transactions. The changes are expected to support economic development, especially attracting foreign investment in the Viet Nam market.

Other changes

In addition, the accounting system of specific businesses such as insurance, banking, securities, etc. is also in the process of being revised. This adjustment also aims to accommodate the new economy with the adoption of international accounting principles.



[Scan here for
PwC's Newsbriefs](#)



Instructions
page



Table of
Contents
page

Financial reporting

The basic set of financial statements prepared under VAS comprises the following:

- Balance sheet
- Income statement
- Cash flow statement
- Notes to the financial statements, including a disclosure on changes in equity

An entity is required to appoint a chief accountant who must satisfy the criteria and conditions stipulated by the Accounting Law and guiding regulations. The annual financial statements must be approved by the chief accountant and legal representative and a copy of the financial statements must be submitted to local authorities within 90 days of the end of the financial year. Additionally, listed entities and public interest entities must prepare and submit interim financial statements.

Audit requirements

Internal audit

Decree No. 05/2019/ND-CP provides a legal framework for the establishment and implementation of an internal audit function, as well as the roles and responsibilities of the internal audit function and other stakeholders. The objective of the decree is for entities to adopt international best practices in internal audit, enhancing the transparency of information in the marketplace and the efficiency and effectiveness of corporate governance. On 25 January 2021, the MoF also issued Circular No. 8/2021/TT-BTC on Vietnamese internal audit standards and principles of professional ethics for internal audit, which became effective from 1 April 2021. This circular provides more detailed guidance on the operation and basis for evaluating the performance of internal audit as well as the necessary professional ethics.

Target groups of the decree:



Entities including: listed entities; entities with more than 50% of their charter capital held by the State, which are parent companies operating in a parent-subsidary business model; and State entities which are parent companies operating in a parent-subsidary business model.



Organisations and individuals conducting internal audit activities.



State-owned public service units satisfying certain requirements.
Other governmental agencies required by the decree.



Other governmental agencies required by the decree.

47

Vietnamese Standards on Auditing

Audit requirements

The MoF issued 47 Vietnamese Standards on Auditing (“VSA”) based on International Standards on Auditing (“ISA”) and which are fairly comparable to ISA at the date of issuance. The MoF is in the process to issue new VSA or amend existing VSA to be comparable to the prevailing ISA standards. In addition, Viet Nam self-developed a VSA No. 1000 on the audit of Investment Completion Audit.

The annual financial statements of the following companies must be audited by an independent auditing company operating in Viet Nam:

- Foreign-invested entities;
- Credit institutions; financial organizations, insurance companies, reinsurance companies, insurance brokerage companies, branches of foreign non-life insurance companies;
- Public interest entities, issuers and securities trading organizations; companies which are 20% or more owned by listed entities, issuers and securities trading organizations; and
- State-owned companies; companies implementing important national projects, group-A projects using state funds.

The deadline for submitting audited annual financial statements can vary from type of business to business, but generally be completed within 90 days of the end of the financial year and reviewed interim financial statements must be completed within 45 days of the end of the first six months of the financial year. These financial statements should be filed with the applicable licensing body, the MoF, local tax authorities, Department of Statistics, and other relevant authorities.

Audit contracts should be signed with independent auditing companies no later than 30 days before the end of the company's financial year.

In accordance with the general auditor rotation requirements, signing auditors are required to be rotated off after three consecutive years. Apart from this requirement for the signing auditors, practising auditors for public interest entities are required to be rotated after four consecutive years. Audit firms for credit institutions are required to be rotated after five consecutive years.



About Us



Instructions
page



Table of
Contents
page

PwC Vietnam

At PwC Vietnam, our purpose is to build trust in society and solve important problems.

We're a member of the PwC network of firms, which operates in **151 countries** around the world and employs over **364,232 people**.

Our people throughout the network are committed to delivering the highest standards of quality in relation to the assurance, advisory, tax and legal services we deliver.

1994

is when PwC Vietnam established offices in Hanoi and Ho Chi Minh City

1000+

Local and expatriate staff in Viet Nam

Our team of more than 1,000 local and expatriate staff have a thorough understanding of the economy in which they work and have an in-depth knowledge of Viet Nam's policies and procedures covering areas such as investment, legal, taxation and regulatory matters, accounting, and mergers and acquisitions.

We have built strong relationships with key ministries, financial institutions, state- owned enterprises, private companies, commercial organisations and the ODA (Official Development Assistance) community in Viet Nam.



Instructions page



Table of Contents page



Marked our 30th year

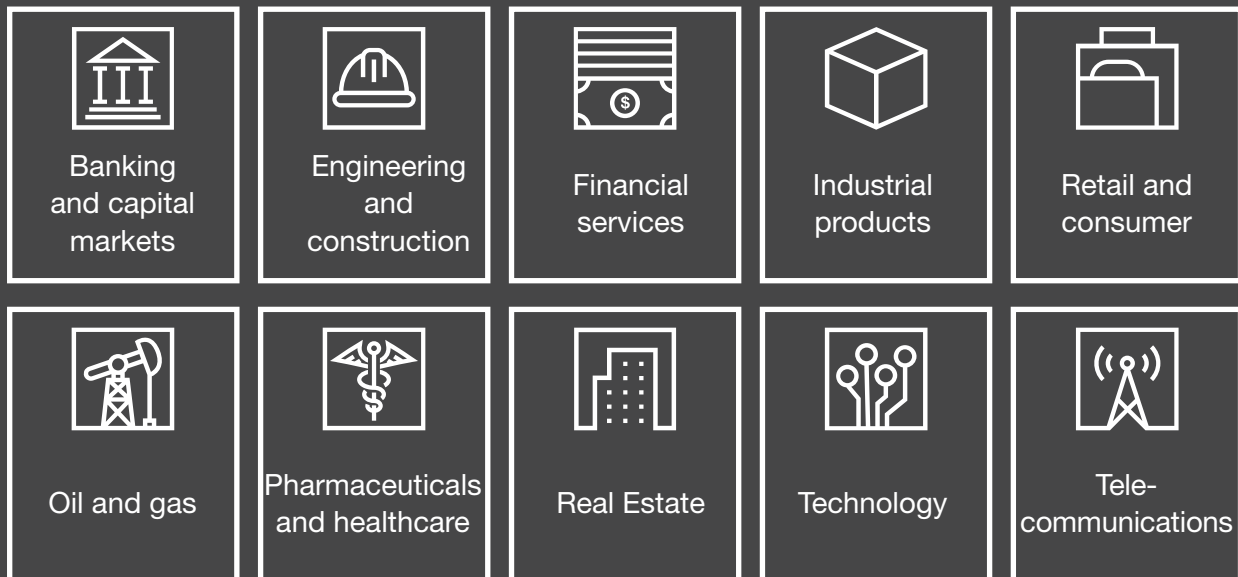
growing with Viet Nam

Entering Viet Nam in 1994, PwC Vietnam established offices in Hanoi and Ho Chi Minh City.

Over the past 30 years of operations, PwC Vietnam has committed to driving sustainable growth within our company and the wider business community. With the strong industry knowledge that our clients require at a local level, we bring a breadth of skills and depth of resources to our clients wherever they do business, throughout Asia and across the world.

Industry insights

Our teams are organised by business area to provide focused support on issues specific to any given industry. We have expertise in the following industries, amongst others:



Our services

PwC Vietnam provides clients with high-quality and industry-focused services, by developing and cultivating strong interpersonal relationships in order to truly understand your business and your needs. We can draw upon rich specialist resources from our regional and global network, combined with deep experience of the Vietnamese market. Our multi-disciplinary practice allows us to provide an unrivalled level of support to our clients.

Discover the benefits we can bring to you – whatever the size of your organisation – in the following areas:



Audit and Assurance

- Audit of Financial Statements
- Review of Financial Information
- Custom Business Procedures
- Risk Assurance
- Internal Audit Service
- Business controls advisory
- IT Risks Assurance
- Performance Assurance
- Business Resilience
- Corporate governance
- ESG Reporting
- Capital Markets Services

Legal

- Market entry
- General corporate and commercial services
- Mergers and Acquisition
- Real estate
- Intellectual property and technology transfer
- Employment and human resources
- Banking and financial services

Consulting

- Strategy
- Cost and Performance Management
- Risk and Governance
- Forensic Services
- Information Technology
- People and Organization
- Operations and Supply Chain Management
- Finance Function Effectiveness
- Banking
- Data Analytic

Deals

- Transaction Services
- Corporate Finance
- Valuation
- Deals Strategy
- Capital Projects and Infrastructure
- Business Restructuring Services
- Working capital management

Tax

- Transfer pricing
- Tax dispute resolutions
- Corporate income tax compliance and reporting
- Personal tax and payroll services
- Restructuring and value chain transformation
- Acquisitions, disposals and reorganisations
- Doing business and investing in Viet Nam - Inbound services
- Customs and international trade
- Withholding taxes – foreign contractors
- Global Mobility Services
- Tax Technology

Specific groups of clients

We also provide tailored support to specific groups of clients with service packages such as:

- Private Business Services
- European Business Services
- Japanese Business Services
- Korean Business Services
- Chinese and Taiwanese Business Services

For the full suite of PwC Vietnam's services, visit our website <https://www.pwc.com/vn>



Instructions page

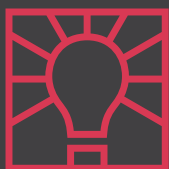


Table of Contents page

Our values

At PwC, our purpose is to build trust in society and solve important problems. We take pride in creating differentiated value through a network of technology-enabled innovators, who are committed to delivering client services from strategy through execution and improve the transparency, trust, and integrity of business practices.

Our five core values below help us achieve our purpose and deliver high-impact support to our clients.



Reimagine
the possible



Make a
difference



Act with
integrity



Care



Work
together



Scan here for
PwC's Newsbriefs


Instructions
page


Table of
Contents
page



Vietnam Chamber of Commerce and Industry (VCCI)

Founded in 1963 in Hanoi, the Vietnam Chamber of Commerce and Industry (VCCI) is a nationwide organisation that brings together and represents the business community, employers and business associations in Viet Nam. It is devoted to accelerating the socio-economic development of the country and promoting commercial, economic, scientific and technological cooperation between Viet Nam and other economies in the world.

VCCI is an independent, non-governmental, non-profit organisation, which has the status of a legal entity and operates with financial autonomy.





Through its activities both in Viet Nam and abroad, VCCI has been actively contributing to the renovation of the country, improvement of the business environment, development of mutually beneficial public-private partnerships, stimulation of economic growth and Viet Nam's integration in the regional and international economy.

VCCI has established close cooperative relations with nearly 200 international partnership organisations to support enterprises in reaching out to the global market. VCCI is an active member of the International Chamber of Commerce (ICC), the Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI) and international and regional employer federations.

VCCI has its headquarter in Hanoi and nine branches and representative offices stationed in key economic areas of the country.

Our Key Activities



Provincial Competitiveness Index (PCI)

is a joint project of VCCI and the United States Agency for International Development (USAID), which started in 2005 to survey, research and reflect businesses' opinions on an annual basis in order to rank the economic governance quality of provincial authorities in creating a favourable business environment.

Website: www.pcivietnam.vn



Center for WTO and International Trade (CWIT)

is one of the biggest information sources on international trade issues for businesses in Viet Nam as well as an important focal point for businesses to take advocacy actions relating to WTO, FTAs and other trade commitments of Viet Nam.

Website: wtocenter.vn

Small and Medium Enterprises Promotion Centre (SME PC)

performs the micro and SMEs development policy consultation function, supports on enhancing overall capacity for SMEs, strengthens business linkages and promotes SMEs participate in the Global Value Chain, supports digital transformation for SMEs.

Bilateral Business Forums

are organized each year, both domestically and globally on the occasion of high-level official visits between Viet Nam and other countries. Bilateral business councils, including Viet Nam - EU Business Council, Viet Nam - Australia Business Council, Viet Nam - Korea Business Forum, Viet Nam - India Business Forum, Viet Nam - Belarus Business Council, Viet Nam - Latin America Business Council, Viet Nam - Singapore Business Council among others, have effectively facilitated the connections between Viet Nam and business communities abroad.

VCCI promotes cooperation between Viet Nam and important and strategic partners.

Website: www.vietbiz.info



Instructions page



Table of Contents page



Government - Business Dialogues

are hosted annually with the Prime Minister and high-ranking officials from Ministries. They serve as a high-level communication channel between the business communities and the Vietnamese Government on various topics regarding the improvement of the business environment. Among them, VCCI is the co-chair of Viet Nam Business Forum (VBF) Management Board, representing the private sector and has been one of the most effective ongoing policy dialogue channels since 1997.

Website: www.vbf.org.vn



Bureau for employers' activities

protects the interests of employers in Viet Nam and promotes the development of activities relating to labour relations in Viet Nam.

Website: www.beavccivietnam.com.vn



Viet Nam Business Annual Report

is an important publication for policymakers, businesses and people seeking to learn about business development in Viet Nam since 2006.

Website: www.vienptdn-vcci.vn



Policy advocacy activities

to build and disseminate laws and policies related to the business environment is one of VCCI's key missions and VCCI by law must be consulted as representative of the private sector on legal drafts affecting businesses. As the Vice Chair of the Advisory Council for Administrative Procedure Reform of the Prime Minister, VCCI's many proposals have been received to improve the business environment. VCCI has developed the portal drafting and commenting on business-related laws and regulations.

Website: www.vibonline.com.vn

and many more...



Instructions
page



Table of
Contents
page



Contact Us

PwC Vietnam offices

Ho Chi Minh City office

8th Floor, Saigon Tower
29 Le Duan Street, District 1
Ho Chi Minh City, Viet Nam
T: +84 28 3823 0796

Hanoi office

16th Floor, Keangnam Landmark 72
Pham Hung Road
Nam Tu Liem District
Hanoi, Viet Nam
T: +84 24 3946 2246
Website: www.pwc.com/vn

Vietnam Chamber of Commerce and Industry

Hanoi Headquarter

9 Dao Duy Anh Street, Dong Da District,
Hanoi, Viet Nam
T: +84 24 35742022
F: +84 24 35742020
Email: vcci@vcci.com.vn
Website: www.vcci.com.vn

Ho Chi Minh City Branch

171 Vo Thi Sau Street, Ward 7, District 3,
Ho Chi Minh, Viet Nam
Tel: +84 28 3932 6598
Fax: +84 28 3932 5472
Email: info@vcci-hcm.org.vn
Website: www.vcci-hcm.org.vn



Instructions
page



Table of
Contents
page



Vietnam Chamber of Commerce and Industry

Northern Coastal Branch (Hải Phòng)

10 Dinh Tien Hoang Street,
Hai Phong City
T: +84 2253 842 894
F: +84 2253 842243 / 3804666
Website: <http://vccihp.com.vn>

Thanh Hoa - Ninh Binh Branch

91 Nguyen Chi Thanh Street,
Dong Tho Ward , Thanh Hoa City.
T: +84 2373 754 640
F: +84 2373 754 641
Website: <http://vccithanhhoa.vn>

Nghe An - Ha Tinh - Quang Binh Branch

VCCI Tower Nghe An, 01 Le Nin Avenue,
Vinh City, Nghe An
T: +84 238. 3844 012
F: +84 238. 3842 026
Email: vccibacmientrung@gmail.com
Website: <http://vccinghean.com.vn>

Central – Highlands Branch (Đà Nẵng)

26 Ho Nguyen Trung Street,
Hoa Cuong Nam Ward , Hai Chau District,
Danang City
T: +84 236-3835654
F: +84 236-3822930
Email: vccidanang@vccidanang.vn
Website: <http://www.vccidanang.com.vn>

Ba Ria - Vung Tau Branch

VCCI Building, 155 Nguyen Thai Hoc Street,
Ward 7, Vung Tau City
T: +84 254 3852710
F: +84 254 3859 651
Website: <https://vccivungtau.vn>

Mekong Delta Branch (Cần Thơ)

12 Hoa Binh Street,
An Cu Ward, Ninh Kieu District, Can tho City
T: +84 292 3824918
F: +84 292 3824169
Email: vpvccicantho@vccimekong.com.vn
Website: <http://www.vccimekong.com/vi>

Khanh Hoa Representative Office

Suite A5, 2 Le Hong Phong,
Nha Trang, Khanh Hoa
T: +84 258 3878 063
F: +84 258.3878057
Email: dangthunguyetvcci@gmail.com

Binh Thuan Representative Office

351 Vo Van Kiet, Phu Thuy Ward,
Phan Thiet City, Binh Thuan Province
T: +84 252 3816072
F: +84 252 3859651

Key contacts (PwC Vietnam)

Mai Viet Hung Tran

General Director

T: +84 28 3823 0796

E: mai.hung.tran@pwc.com

Dinh Thi Quynh Van

Chairwoman

T: +84 24 3946 2246

E: dinh.quynh.van@pwc.com

Nguyen Phi Lan

Assurance Services Leader

Tel: +84 24 3946 2246

E: nguyen.phi.lan@pwc.com

Nguyen Thanh Trung

Tax and Legal Services Leader

T: +84 28 3823 0796

E: nguyen.thanh.trung@pwc.com

Johnathan Ooi

Deals and Consulting Services
Leader

T: +84 28 3823 0796

E: johnathan.sl.ooi@pwc.com

Phan Thi Thuy Duong

Partner, Legal Services

T: +84 28 3823 0796

E: phan.thi.thuy.duong@pwc.com

Greater China and Taiwan Business Service

Allan Toh

Partner

Assurance Services

T: +84 902 382 077

E: allan.t.toh@pwc.com

Chen Yii Chian (Jerry Chen)

Partner

Assurance Services

T: +84 767 898 816

E: jerry.chen@pwc.com

Japan Business Service

Shimpei Imai

Director

Tax and Legal Services

T: +84 24 3946 2246, Ext. 1508

E: shimpei.imai@pwc.com

Korean Business Service

Park Junhyung

Senior Manager

Korean Business Services

Tel: +84 28 3823 0796 Ext.4611

E: park.junhyung@pwc.com

Woo Jungkyun

Senior Manager

Korean Business Services

Tel: +84 24 3946 2246 Ext.1011

E: jung.kyun.woo@pwc.com

European Business Service

Xavier Potier

Risk Assurance Services Leader

Tel: +84 28 3823 0796

E: xavier.potier@pwc.com



Get regular updates
on industry knowledge
and reports

Thank you



This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

©2024 PwC (Viet Nam) Limited. All rights reserved. PwC refers to the Viet Nam member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.