

Setting up a Foreign Owned Company in Vietnam

With a fast-growing economy and large population, Vietnam is becoming an attractive option for foreign investors. However, foreign investors have faced constant challenges in starting a business in Vietnam with conflicting laws, administrative difficulties, language barriers and delays in registration/approval processes.

In recent years, the government has made considerable effort with the introduction of the new Law of Investment and the new Law on Enterprise to streamline and simplify the procedures in establishing a foreign

company in Vietnam. As such, being well-aware and well-equipped early on with the information and documents required for the establishment of a foreign company in Vietnam can help a foreign investor to make an informed decision on its entry into Vietnam and to minimise any unexpected delays.

ZICO Law Vietnam sets out below the step-by-step procedure to set up a foreign company in Vietnam and each step's actual timeline based on our experiences.



Establishment

Department of Planning and Investment ("DPI")

Statutory timeline: 15 working days upon receiving a valid and complete application dossier.

In practice: About 1-2 months and is subject to the restrictions/conditions applicable to the business being conducted.

We will provide our checklist for the documents required for the application within 1-2 working days upon engagement. Please note that corporate documents of the investor (i.e. incorporation certificate, constitution (or memorandum and articles of association), audited financial statements for the past 3 years) would need to be notarized and legalized in the country where such documents were issued. Thereafter, the legalized documents would need to be translated into Vietnamese. The entire process from notarization to translation may take 2-3 weeks.

The investor would also need a local address at this stage.

Upon receiving full and complete supporting documents pursuant to the checklist, we will prepare the draft application dossier within 3-4 working days for the investor's review.

DPI

Statutory timeline: 3 working days upon receiving a valid and complete application dossier

In practice: About 1-2 weeks.

At this stage, please note that the investor would have to decide:

- (a) The management structure of the company;
- (b) The organization of the company; and
- (c) The legal representative.

Note: The law requires that the legal representative (or one of the legal representative in the case of multiple legal representatives) must reside in Vietnam.



Post - Establishment

Timing and procedures depend on the relevant commercial bank

On the national enterprise registration information portal

Municipal Police Department

In practice: 1 day



Local Tax Department

In practice: 2-3 days

We will be able to introduce a tax advisor for this purpose, if required

Depends on the specific licenses required for conducting the business

Notes:

- We have set out the statutory timeline above but in practice, it may take longer.
- The authorities have sole discretion to request for further information or documents which may also prolong the timeline.
- The timeline will also be subject to the business lines being registered by the Company.
- The company may also be required to obtain any other approval and/or notification to other government authority(ies) depending on its business activities.