

Step By Step For How To Make An Investment In Vietnam

Investments in Vietnam are a good choice for foreign investors. Located at the heart of Southeast Asia, having young, educated and low-cost workforce, natural assets and advantages, combined with favourable government policies and laws, Vietnam is widely considered to be an attractive investment destination.

Foreign investors can do their **business in Vietnam** through several ways, including establishing a new enterprise, **investing in domestic Vietnamese enterprises**, and setting up a branch or representative office. To decide on the structure of the investment, foreign investors should consider such factors as: the scope and nature of their investment and business activities, foreign ownership restrictions (if any) in the relevant investment sectors, and tax implications.

1. Establishing a new enterprise

Establishing a new enterprise may be suitable if you want a direct presence in Vietnam. In this case, you can choose to establish a limited liability company (“LLC”), a joint stock company (“JSC”) or a partnership company. Investors must register an investment project. Once the investment project is approved, there will be an **Investment registration certificate**, which includes the key details, the objective, the duration and the investment capital of the project. The investors must then apply for an Enterprise registration certificate. After that, a new enterprise will be set up to implement the investment project.

Investment in Vietnam is chosen by investors by acquiring all or part of an existing enterprise. This can be done by purchasing capital contribution portions from existing members in LLC, contributing new capital into LLC, purchasing existing shares from shareholders of JSC, or subscribing for new shares in JSC. Such acquisition shall depend on: the sector in which the target company operates, the form of the target company, and the foreign ownership ratio in the target company after acquiring.

2. Establishing a branch or representative office

Another choice for **investment in Vietnam** is to establish a branch or representative office. They are not independent legal entities and are only allowed to engage in some specific business activities. The branch is **licensed to do business directly in Vietnam**. However, the types of business that may open branches are limited. Foreign companies that have done business in certain fields for more than five years may set up branches in Vietnam in accordance with Vietnam’s WTO commitments and other treaties. Representative offices, on the other hand, are only allowed to do

market researches, “soft marketing” and liaison with the head office abroad. Representative offices are not allowed to conduct profit-making activities in Vietnam.

Depending on the type of **investment in Vietnam** as mentioned above, you will take appropriate steps with the local authorities. In some cases, the in-principle approval by National Assembly, the Prime Minister or the relevant local People’s Committee may be required.

*If you are having difficulty with **investment in Vietnam**, please contact us: P & Associates is a **professional law firm established in Vietnam** and currently has nearly 100 members working at three offices in Ho Chi Minh City, Hanoi and Da Nang. P & Associates are also considered to be one of **the leading law firms specialising in law on business in Vietnam**, which has a number of notable practice fields in the legal market such as **Labour and Employment, Banking Law, Taxes, Purchases, Selling and Merging, Litigation, IPO advisory services** and **Intellectual Property**. We are confident to provide clients with legal services optimally and effectively.*