

DOING BUSINESS

IN VIETNAM



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business

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1 – INTRODUCTION

UHY is an international organisation providing accountancy, business management and consultancy services through financial business centres in over 95 countries throughout the world.

Business partners work together through the network to conduct transnational operations for clients as well as offering specialist knowledge and experience within their own national borders. Global specialists in various industry and market sectors are also available for consultation.

This detailed report providing key issues and information for investors considering business operations in Vietnam has been provided by the office of UHY representatives:

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A detailed firm profile for UHY's representation in Vietnam can be found in Section 8.

Information in the following pages has been updated so that they are effective at the date shown, but inevitably they are both general and subject to change and should be used for guidance only. For specific matters, investors are strongly advised to obtain further information and take professional advice before making any decisions. This publication is current at May 2019.

We look forward to helping you do business in Vietnam.

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2 – BUSINESS ENVIRONMENT

BACKGROUND

The Socialist Republic of Vietnam is the easternmost nation on the Indochinese Peninsula.

With a population of more than 96 million, Vietnam is the 14th most populous country in the world. Legend has it that Vietnam's origin lies in the harmonious union of Lac Long Quan, King of the Sea, and Au Co, Princess of the Mountains. In real life, Vietnam is a development success story.

Political and economic reforms (DoiMoi) launched in 1986 have transformed Vietnam from one of the poorest countries in the world, with per capita income below \$100, to a lower middle income country within a quarter of a century with per capital income of over \$2,000 by the end of 2014. To date, Viet Nam has achieved most and in some cases surpassed a number of the Millennium Development Goals (MDGs), particularly with the goals on poverty reduction, education and gender equality. Since 2001, Vietnamese authorities have committed to economic liberalisation and enacted structural reforms needed to modernise the economy and to produce more competitive, export-driven industries. Political stability and encouraging foreign investment policies help Vietnam's FDI grow steadily.

Foreign Investment Agency figures show that Vietnam's FDI registered capital by the end of 2018 reached USD 35.46 billion, a slight decrease in comparison to the 2017 figure. Of which, the disbursed capital reached USD 19.1 billion.

From a regional perspective, Vietnam is considered to be one of the top destinations within the Association of Southeast Asian Nations (ASEAN) for attracting FDI in the coming year due to the Vietnamese Government's commitment to market oriented reforms

GEOGRAPHY AND PEOPLE

Location	South-eastern Asia, bordering the Gulf of Thailand, Gulf of Tonkin, and South China Sea, alongside China, Laos, and Cambodia
Total area	329,560 square kilometres
Land	325,360 square kilometres
Water	4,200 square kilometres
Coastline	3,444 kilometres (excludes islands)
Climate	Tropical in the south; monsoonal in the north with a hot, rainy season (mid-May to mid-September) and warm, dry season (mid-October to mid-March)
Population	96.963.958 (2018 estimate) ¹
Age structure	0–14 years: 25.2% (2018 census) 15–64 years: 69.3% (2018 census) 65 years and over: 5. 5% (2018 census)
Population growth rate	1. 03% (2018 estimate)
Life Expectancy	76.6(2018 estimate)
Literacy	97.3% (2018 census)

Languages Vietnamese (official), English (increasingly favoured as a second language), some French, Chinese, and Khmer; mountain area languages (Mon-Khmer and Malayo-Polynesian)

¹ Source: Vietnam's General Statistics Office

ECONOMY

Vietnam is a densely-populated developing country which has had to recover from the ravages of war in the last 44 years.

According to Vietnam's General Statistic Office, the GDP growth was 7.08% in 2018 up from 6.81% in 2017 and is projected to be 6.6% in 2019. The external sector continues to be an important engine of growth.. In 2018, export value in US dollar terms reached USD244.7 billion. Vietnam's traditional labour-intensive manufacturing exports such as garments, footwear and furniture, continue to grow at a rapid clip. Recent additions to the export basket such as hi-tech and high-value products (cell phones, computers, electronics, and automobile parts) have also maintained rapid growth, and have now become the largest share of export.

Vietnam successfully completed accession to the WTO in 2006. Since, Vietnam has entered into or completed negotiations of a number of Free Trade Agreements (FTAs) which include both collective FTAs as a member of the ASEAN block with China, Korea, India, Japan and Australia-New Zealand, and bilateral FTAs (such as those with the EU, Japan, Chile and EEU); Trans Pacific Partnership (TPP). Vietnam is still getting more integrated into the world economy.

TABLE 1
Economic statistics

GDP (purchasing power parity) ¹	\$734.35 billion (2018 est.)
GDP – real growth rate ¹	7.08% (2018.)
GDP – per capital, purchasing power parity ²	\$7761 (2018 est.)
Industrial sector ¹	48.6% (2018 est.)
Service sector ¹	42.7% (2018 est.)
Agriculture sector ¹	8.7% (2018 est.)
Labour force ¹	48.7 million (2018 est.)
Unemployment rate ¹	1.99% (2018 est.)
Distribution of family income ²	Gini index: 44 (2016 estimate)
Inflation rate (consumer prices) ¹	3.54% (2018 est.)
Investment (gross fixed) ¹	33.5% of GDP (2018 est.)
Budget ³	Revenues: USD 62.86 billion Expenditures: USD 37.9 billion
Public debt ³	61.00% of GDP (2018)

Current account balance ⁵	USD\$12.544 billion (2018 est.)
Exports ¹	USD\$243.48 billion (2018 est.)
Export partners ⁶	US 24.72%, China 10%, EU 10% (2018 est.)
Imports ¹	USD\$236.69 billion (2018 est.)
Reserves of foreign exchange and gold ²	\$59 billion (2018 est.)
Debt – external ³	49.70% of GDP (2018)
Currency (code)	dong (VND)
Exchange rates ³	dong per US dollar – 22,730(Dec 2018)

¹ Source: Vietnam's General Statistics Office

² Source: World Bank

³ Source: Vietnam's Ministry of Finance

⁴ Source: Vietnam's Ministry of Planning and Investment

⁵ Source: Foreign Investment Agency, Ministry of Planning and Investment

⁶ Source: Ministry of Industry and Trade

LEGAL SYSTEM

Vietnam uses a civil law system which is based on written laws.

The hierarchy of the legal System in Vietnam can be simply classified into three basic layers in term of its governing scope and level:

- 1) The National Assembly issues the constitution, laws, codes and resolutions; the National Standing Committee issues ordinances and resolutions
- 2) Legal instruments are issued by the central executive and justice bodies, including:
 - Decisions and mandates of the state president
 - Decrees and resolutions of the government
 - Decisions and directives of the prime minister
 - Decisions, directives and circulars of ministers and equivalent levels
 - Resolutions of the Supreme Court Judge's Council and other legal instruments of the Supreme Procuracy
- 3) Resolutions of the People Councils and decisions and directives of the People's Committees.

All laws and regulations stem from the constitution and then the civil code. Other important laws concerning foreign investment and trade include:

- Law on Investment in Vietnam
- Law on Enterprise
- Law on Commerce
- Labour Code
- Law on Land
- Law on Corporate Income Tax
- Law on Value Added Tax
- Law on Competition, etc.

Foreign exchange market (foreX) Controls

Vietnam imposes strict control over foreign currency.

Foreign investors who wish to transfer capital in foreign currency into Vietnam must open a specialised foreign currency bank account at a legal bank in Vietnam. Foreign currency remitted into Vietnam by foreign investors must be converted into Vietnamese dong or deposited in a foreign currency bank account.

Payment made by enterprises in foreign currency can be implemented in certain cases as described by the State Bank of Vietnam (SBV), such as:

- Payment for imported goods and services
- Remittances abroad by foreign investors of invested and reinvested capital
- Profits earned from an undertaking in Vietnam
- Principals and interest of off-shore loans and credits, and other legal benefits
- Payment for travel allowances to employees travelling abroad, payment of salaries and other legal income of foreigners.

Personally carried foreign currency is also allowed for a limited amount defined by law for different circumstances.

In all of the above-mentioned cases, the amount of foreign currency is monitored.

Foreign investors who are in need of foreign currency for paying allowed business transactions can buy foreign currency from permitted banks in Vietnam. Offshore loans gained by enterprises are subject to certain conditions as regulated by the SBV. Medium- and long-term loans need to be registered with the SBV.

LAND USE RIGHT AND LAND OWNERSHIP

ACQUISITION OF RIGHTS TO USE REAL PROPERTY

Domestic organisations, households and individuals (including overseas Vietnamese) may choose the allocation of land or lease of land for the purposes of either non-commercial or commercial activities. In Vietnam, land is owned by the people and subject to exclusive administration by the State.

Ownership of land by an individual or organisation is not permitted. Individuals and organisations are however entitled to use land ('land use right'). The land use right is legally obtained by way of allocation by the State or lease from the state or assignment from existing land users.

Ownership of buildings and other assets attached to land is permitted. They may be converted from lease to allocation. However, 100% foreign-owned companies may only lease land to implement investment projects in Vietnam (i.e. for commercial purposes). Foreigners are now permitted to own apartments in Vietnam following a legal reform on land issues.

DURATION

Land may be allocated to domestic organisations, households and individuals (including overseas Vietnamese) for:

- An indefinite term for non-commercial purposes (including residential purposes)
- A definite term (up to 50 years) for non-agricultural production and business purposes.

Leases are only for a definite term and depend on the duration of the proposed investment project.

The term may be fixed up to 70 years in cases where:

- Investment projects involve a large capital outlay but a slow capital recovery rate and investment projects in areas with difficult socioeconomic conditions or especially difficult socioeconomic conditions which require a longer period of land allocation or land lease, or
- A one-off payment of land rent is made for the whole 50-year term of the lease.

It should be noted that upon expiry of the duration of allocation of land or lease of land, the state may grant an extension if the investor so requests. In all circumstances the extended lease term for a foreign-owned company may not exceed the term of the previous duration.

Conditions for granting an extension include:

- The extended duration must be consistent with the project as approved by the licensing authority
- The foreign-owned company has strictly observed the laws on land during its use of such land
- The continued use of such land must be in conformity with the approved land use zoning.

SCOPE OF RIGHTS TO USE REAL PROPERTY

Currently, there are two options for payment of rent for lease of land, namely an annual payment of land rent or a one-off payment of land rent for the whole term of the lease.

The scope of the land use right depends on the form of payment of rent. In the case of a one-off payment, land users are entitled to deal with such land in much the same way as a freehold owner of land would in other countries. This includes assigning, subleasing and mortgaging the land use right for capital contributions. Land users opting for annual payment do not have these rights. In other words, such land is untouchable in terms of the rights to use real property.

STOCK MARKET

The stock market is a new and exciting way to invest in Vietnam.

Vietnam has two stock exchange centres, one in Ho Chi Minh City (HCMC) and the other in Hanoi. Although establishment of these stock exchange centres was decided in 1998, the Ho Chi Minh stock exchange officially began operations in July 2000, earlier than the Hanoi centre, which commenced in March 2005.

As at the time of writing, there were 377 companies listed on the Hanoi Stock exchange and 379 on the Ho Chi Minh stock exchange.

INITIAL PUBLIC OFFERING

Joint stock companies (or shareholding companies) wishing to have initial public offerings (IPO) of stock must satisfy the following conditions:

- 1) They must be a joint stock company having a minimum paid-in capital of VND10 billion
- 2) There must be no accumulated loss in the year of application and the company must be in profit for the year prior to the one of the application for an IPO
- 3) A feasibility study must have been conducted on how proceeds from the issuance of shares will be utilised and this must be approved by a general meeting of shareholders.

Share holding companies in certain sectors such as infrastructure, high technology or banking are subject to additional IPO conditions.

The stock going to IPO must be registered with the State Securities Commission (SSC).

Additional issuance of shares, issuance of warrants and rights, bonds, and securities investment fund units shall be subject to different regulations and conditions.

OVERSEAS LISTING

Vietnamese joint stock companies may offer stocks or bonds in overseas markets. Current laws and regulations are being completed to provide better regimes for overseas listings.

FOREIGN PARTICIPATION

Foreign organisations and individuals purchasing shares on the securities market of Vietnam are generally permitted without any restrictions except for specific sectors such as banking & finance, aviation, transportation in accordance with Vietnam's WTO commitments for services. The buying and selling of securities in foreign currencies is still strictly controlled as described in the 'Foreign Exchange Control' section above.

3 – FOREIGN INVESTMENT

The Fifth Congress of the Vietnamese Communist Party made a turning-point decision in the country's development strategy to build a market-oriented economy under state control.

The Vietnamese Communist Party and state, while attempting to mobilise all domestic resources, pursue the policy of deepening international economic relations to seek new opportunities for the country's economic co-operation and development.

As part of foreign economic relations, foreign direct investment (FDI) was put high on the agenda. As domestic capital-raising possibilities are limited, FDI constitutes an important part of the Vietnamese economy.

The major goal of Vietnam's FDI policy is to attract capital, advanced technology and management skills in order to effectively develop the country's potential, increase savings, improve people's living standard and realise the cause of modernisation and industrialisation.

Foreign investments in Vietnam are realised under the following forms:

- Business co-operation contracts
- Joint-ventures
- 100 % foreign-owned enterprises
- Other forms e.g. Export Processing Zone (EPZ), Build-Operate-Transfer (BOT), Build-Transfer-Operate (BTO) and Build-Transfer (BT).

FIA figures show that Vietnam's FDI capital was US\$24.4 billion in 2016, USD35.9 billion in 2017, and USD35.46 billion in 2018.

Together with these, the disbursement fund increased substantially from US\$15.8 billion in 2016 to US\$17.5 billion in 2017 and went up to US\$19.1 billion in 2018.

Given the decentralisation of FDI activities in accordance with the Investment Law passed in 2005, local governments have done a good job of attracting and accelerating FDI project implementation, resulting in sharp rises of inflows over recent years. This achievement can also be attributed to the combined efforts made by relevant ministries, agencies and localities in investment promotion.

FOREIGN DIRECT INVESTMENT ANALYSIS

Vietnam is a large recipient of foreign direct investment (FDI) in South East Asia.

	2017	2018
Total Inflows into Vietnam	USD 35.88 billion	USD 35.46 billion
Total Outflows from Vietnam	USD 350 million	USD 432.1 million
Regional Rating		

Source: <http://fia.mpi.gov.vn/Home/vi>

KEY FACTS:

- The total FDI inflows into Vietnam in 2018 was USD 35.46 compare with 35.77billion in 2017 – a 1.2% decrease.

TOP INFLOW FDI INVESTORS: INTO VIETNAM, BY COUNTRY

The top three countries investing in Vietnam in 2018 by value (USD billion) compared with a year ago, are:

	2017	2018	\$ USD Billion %(+/-)
Japan	9.11	8.59	-5.71%
Korea	8.49	7.2	-15.19%
Singapore	2.08	2.42	16.3%

Source: <http://fia.mpi.gov.vn/Home/vi>

KEY FACTS:

- Korea's investment in Vietnam decreased by more than 15% compared with the previous year. Japan is the biggest source of FDI, not only by value, but also by the number of FDI projects, accounting for 24.2% of all overseas investment projects in Vietnam.

TOP INFLOW FDI INVESTORS: INTO VIETNAM, BY SECTOR

The current top three sectors benefiting from FDI into Vietnam in 2018 (USD billion)

Manufacturing	USD 16.58
Real Estate	USD 6.6
Retail and Wholesale	USD 1.89

Source: <http://fia.mpi.gov.vn/Home/vi>

KEY FACTS:

- A significant increase by sector is in manufacturing, account for 46.7%.

TOP OUTFLOW FDI INVESTORS: OUT FROM VIETNAM, BY COUNTRY

The top three countries receiving investment from the Vietnam in 2018 by value (USD million).

	\$ million
	2018
Lao	81.5
Australia	55.5
USA	52.9

Source: <http://fia.mpi.gov.vn/Home/vi>

TOP OUTFLOW FDI INVESTORS: OUT FROM VIETNAM, BY SECTOR

The current top three sectors benefiting from FDI out of Vietnam in 2018

Financial and banking	24.4%
Retail and wholesale	19.1%
Agriculture, forestry, fishery	12.1%

Source: <http://fia.mpi.gov.vn/Home/vi>

REASONS FOR INVESTING IN VIETNAM

The advantages of investment in Vietnam are:

- LITERATE & COMPETITIVE WORKFORCE
- ECONOMIC STRENGTH: the GDP growth rate of about 7.08 percent, and the reduced trade deficit and CPI (consumer price index) of under 3.54 percent
- GEOGRAPHIC LOCATION & BIG MARKET: Vietnam has an inland border of 4,550km long, bordering China to the North, Laos and Cambodia to the West, the East Sea to the East
- NATURAL RESOURCE: include Land resource, Water resources, Mineral resources, Forest resources, Nautical resources and Tourism resources.
- OPEN BUSINESS ENVIRONMENT: the Vietnamese Government has been putting the best efforts in creating and promoting a competitive business environment to protect consumers, and to ensure a level playing field for both domestic and international business
- SAFE AND STABLE DESTINATION: with merely no terrorism, ethnic conflicts or racial strife and very low crime rate.
- SUPPORTIVE GOVERNMENT POLICY

Investment is primarily being made in the following industry sectors:

- CONSTRUCTION & ARCHITECTURE
- ELECTRICITY, GAS, STREAM
- INFORMATION & COMMUNICATION
- MANUFACTURING
- MINING & QUARRYING

- WATER SUPPLY, SEWERAGE & WASTE MANAGEMENT

FINANCIAL ASSISTANCE

If you require financial assistance to establish your company in Vietnam, there are several options available:

- Banks can provide loans and overdraft facilities
- Venture capital companies invest directly in companies with a view to receiving a long-term return on investment
- Invoice discounting/factoring companies assist with company cash flow
- Equities and bond markets.

REGULATORY FRAMEWORK

When setting up a business in Vietnam it is important that you are familiar with:

- The tax, national insurance and VAT systems
- The legal system, and what laws and regulations may affect your business
- Health and safety regulations
- Environmental considerations
- Employment procedures
- Licensing
- Immigration (for example, status of staff)
- Intellectual property, including patents, copyright and trademarks.

GOVERNMENT INCENTIVES: FOR FDI INFLOWS INTO VIETNAM

CORPORATION TAX

Vietnam's corporation tax on businesses will be reduced to 22% from January 2014 (or 20% applied for entities with annual revenue below VND20 billion) and 20% from January 2016

TAX TREATIES & ALLOWANCES

Vietnam has a large network of treaties for the relief of double taxation globally. Upon the end of 2018, Vietnam's Government has sign DTA with more than 75 countries and territories. There are already 65 of them took effect.

This provides a simplified tax environment for holding companies of foreign subsidiaries to be based in Vietnam.

TAX ADMINISTRATION

Vietnam is making efforts to implement the reform measures to reduce tax-related administrative procedures to improve the business environment and the ease of doing business in Vietnam.

4 – SETTING UP A BUSINESS

Required documents for registration of a business in Vietnam are specified by the Law on Enterprises 2014 and newly issued decrees.

These regulations are characterised by openness, ease and flexibility.

According to these regulations, the founder of an enterprise has to submit all of the enterprise registration documents as prescribed by the statutory regulations to an authorised business registration body. Enterprise registration comprises both the business registration and tax registration procedures. The business registration body will consider the enterprise registration documents and issue an enterprise registration certificate within five business days. The enterprise registration certificate is now both the business registration certificate and tax registration certificate. If the business registration certificate is refused, the founder of the enterprise will be notified in writing. The notice must specify the reasons and the amendments or additions required.

The time-limit for issuance of a business registration certificate attached to a specific investment project is subject to the law on investment.

SOLE PROPRIETORSHIPS

There are certain restrictions upon the creation of a sole proprietorship (also known as private enterprise).

The founder has to be older than 18 years of age. In order to legally manage or establish a sole proprietorship, the founder has to be mentally capable, without a criminal record (or one that has been erased) and is not a state official or a member of the army. One person can only establish a single sole proprietorship.

The approval of the prime minister of the state is required if the sole proprietorship proposes to conduct business in the following areas:

- 1) Manufacturing and distribution of explosives, poison or toxic chemicals
- 2) Mining of certain precious minerals
- 3) Production and supply of electricity and water on a large scale
- 4) Manufacture of information transmitting facilities, postal and telecommunication services, broadcasting, television and publication
- 5) Ocean shipping and air transportation
- 6) Specialist export and import business
- 7) International tourism.

Required registration documents are:

- 1) A request for business registration in the standard form published by the authorised business registration body
- 2) Copy of the individual's identity card, passport or other lawful personal identification
- 3) Document of an authorised body or organisation certifying the legal capital in respect of enterprises conducting lines of business for which legal capital is required by law
- 4) Practising certificates of the director and other individuals in respect of enterprises conducting lines of business for which a practicing certificate is required by law.

The owners of sole proprietorships have unlimited liability and cannot issue any type of security.

PARTNERSHIPS

Required registration documents for a partnership are similar to those for a private enterprise except for the addition of the draft charter of the company.

A partnership must have at least two unlimited liability partners. Additional limited liability partners could also be in a partnership but are only liable in principle to the extent of their capital contribution.

Partnerships cannot issue any type of security. Unlimited liability partners cannot be owners of a private enterprise or an unlimited liability of another partnership. Activities carried out by an unlimited liability partner beyond the scope of the registered lines of business of the company shall not fall within the company's liability, unless such activities are approved by the other partners.

LIMITED LIABILITY COMPANIES

Required registration documents for a limited liability company are similar to those for a partnership except for the addition of legal documentation for organisation members.

A limited liability company cannot have more than 50 members. All members are liable to the extent of capital they contributed to the company. Members' shares are transferable but have lower liquidity as stock.

Limited liability companies cannot issue shares.

One-member limited liability companies share similar conditions except in the event of withdrawing or assigning chartered capital. One-member limited liability companies are also not able to withdraw profits of the company in cases where the company has not paid in full all debts and other property obligations which become due. In order to carry out such activities, the law requires the company register to be converted into a multiple members limited liability company within 15 days of such an assignment or withdrawal.

JOINT-STOCK COMPANIES

Required registration documents for joint-stock companies are similar to those for limited liabilities except for legal documentation for organisation members, though only for founding shareholders.

Shareholders may be organisations or individuals; there must be at least three shareholders and there is no restriction on the maximum number. (The law prescribes that two or fewer members must choose another type of business entity, thus restricting the ability to issue securities.)

Join-stock companies can issue any type of security. The company must have common shares and may have preferred shares. Voting shares, one type of preferred share, can only be held by founding shareholders or organisations authorised by the government and these are valid for three years from the date of issuance of the business registration certificate. After three years, the shares of founding shareholders will be converted into common shares and all restrictions on common shares will be lifted. Dividends, if paid in cash, must be paid in Vietnamese dong.

As well as the types of business mentioned in the sections above, there are certain options for doing business in Vietnam which are commonly used by foreign investors and the main ones are listed below.

FOREIGN COMPANY BRANCHES

Foreign corporations and foreign traders are entitled to set up a trading branch in Vietnam if having a business registration or certificate of incorporation granted in their country for at least five years.

The business scope of a trading branch is limited to the following:

- Goods locally bought for export– handicrafts; processed/unprocessed agricultural products (except rice and coffee); processed/unprocessed fruits, consumer's industrial commodities, animal and poultry meats and processed foodstuffs
- Goods imported for local sale– machinery and equipment for mining; processing of agricultural products; input materials for production of human treatment drugs and animal drugs; input materials for the production of fertilizers and insecticides.

REPRESENTATIVE OFFICES

Foreign corporations are also entitled to set up one or several representative offices in Vietnam.

A representative office is allowed to conduct the following activities:

- Act as a liaison office to study the business environment
- Look for trade, investment opportunities and partners
- Act on behalf of the head office to negotiate and sign contracts for the supply and purchase of goods and services
- Supervise and accelerate the implementation of contracts assigned by the head office
- Advertise and promote a company's goods and services.

5 – LABOUR

The labour law of Vietnam is governed by the Labour Code of the Socialist Republic of Vietnam.

The Labour Code protects the right to work, the interests and other rights of the worker. At the same time it protects the rights and lawful interests of the employer. The law creates conditions for the establishment of harmonious and stable labour relations, for the fostering of creativeness and talent of intellectual and manual workers, as well as for labour managers to achieve productivity, quality and social progress in labour, production, service and efficiency in the use and management of labour. Thus the law contributes to the industrialisation and modernisation of the country in the cause of bringing prosperity to the people and strength to the nation and building a just and civilised society.

Some of the more important points concerning labour requirements are outlined below.

EMPLOYMENT

LABOUR CONTRACT

A labour contract must be in writing and signed between the employee and the employer's representative, unless the period of employment will be less than three months.

The contract should provide for either a definite term, an indefinite term or for work on a seasonal or limited basis. It is not permissible for a labour contract to designate work as a seasonal or specific job with a duration of less than one year, when the work is of a permanent character lasting more than one year.

A labour contract must be in conformity with Vietnamese laws and collective agreements (if any). It must have clauses relating to:

- The work involved
- Working hours
- Rest periods
- Recreation time
- Wages
- Place of work
- Term of contract
- Occupational safety and hygiene
- Social and medical insurance.

Probationary agreements are often included in contracts. The probationary length varies, according to the nature and complexity of the assigned job.

WORKING TIME

As per the code, working time shall not exceed eight hours in a day and 48 hours in a week.

The employer and employee may agree on extra hours work but the amount of such work shall not exceed four hours in a day and 200 hours in a year, except for certain special cases regulated by the government which allow overtime up to 300 hours in a year.

REST

Vietnam has specific regulations about resting time, such that for each week worked, an employee is entitled to at least one day of rest (24 straight hours); the employer must ensure that the employee can have an average of four days of rest at least in a month, etc.

There are ten mandatory paid holidays. Employees who serve for at least one year shall be entitled to 12 days paid annual leave, where the date and time are arranged by both employer and employee. As the law requires, the number of leave days can be 14–16 if difficult working conditions are involved. Annual leave increases as the seniority of the employee grows.

WAGES

STATUTORY MINIMUMS

Salary rates must conform to collective labour agreements (if applicable) and must not be less than the legally-regulated minimum rates. The monthly minimum wage for domestic enterprises is VND 1,800,000-2,500,000 (about USD 78-108).

There are currently four wage levels applicable to employees working for foreign capital enterprises:

- VND 3,500,000 (about USD 152) in the inner parts of Hanoi and HCMC
- VND 3,100,000 (about USD 134) in the suburbs of Hanoi, HCMC and the inner parts of Ha Long, Hai Phong, Bien Hoa, Vung Tau and Thu Dau Mot
- VND 2,700,000 (about USD 117) – VND 2,400,000 (about USD 104) in the rest of the country.

MANDATORY INSURANCE

An enterprise that employs an employee for more than three months must pay social insurance. The employee is responsible for a contribution of 8% of his/her salary and the employer for 18% of the enterprise's total salary fund to be paid to the social insurance agency.

Health insurance will be paid at the same time as social insurance payment. The employer will pay 3% of the total salary fund and the employee will be responsible for 1.5% of his/her salary for health insurance.

An enterprise that employs an employee for a term of between 12–36 months or an indefinite term must pay unemployment insurance. The employer will pay 1% of the total salary fund and the employee will be responsible for 1% of his/her salary for unemployment insurance.

The employer shall withhold insurance amounts from employees when making salary payments and remit the amounts to the insurance agency.

LABOUR AGREEMENTS

ESTABLISHMENT OF A LABOUR UNION

Foreign-owned enterprises are not permitted to bar the establishment of a labour union in the enterprise. The labour union in an enterprise is a representative unit of all employees in that enterprise and will be established to protect the employees' legitimate rights and to represent all the employees in the settlement of disputes as they arise. The employer is also required to enter into a collective labour agreement with all employees represented by the labour union.

COLLECTIVE LABOUR AGREEMENT

Representatives of both employers and employees in an enterprise are required to negotiate and sign a collective agreement. Normally, the employees' representative is the chairman of the enterprise's trade union. A collective labour agreement must cover all matters such as wages and working conditions for each category of job. A collective labour agreement shall have validity depending on the agreement between the employer and the enterprise's trade union executive committee. A copy of the collective labour agreement must be submitted to the provincial labour department for registration.

The term of the collective labour agreement may be extended from one to three years. This is the main legal framework stating the rights and obligations of the employer and employees to be carried out in the course of business.

LABOUR SAFETY & SANITATION

Labour inspectors play an important role in maintaining an adequate working environment in Vietnam. They inspect regularly and fine companies which do not follow the labour code on safety and sanitation.

The employee must be given a health check during recruitment and periodical health checks according to the prescribed regime. The cost of health checks is borne by the employer.

LABOUR DISPUTES

It should be noted that Vietnamese laws allow employees to strike. Attempts must be made to settle labour disputes through amicable negotiation between the employer and employees. If the dispute cannot be settled through negotiation, the parties may refer the dispute to a conciliation council comprising an equal number of representatives from each side, or an arbitrator from a local labour agency.

If all fails, the dispute can be referred to the local court for final settlement.

6 – TAXATION

The Vietnamese tax laws form the backbone of the taxation system.

The backbone of the taxation system are the tax laws which for instance, include the Law on Corporate Income Tax (amended in 2014), the Law on Personal Income Tax (amended in 2014), the amended Law on Value-Added Tax (amended in 2016), the Law on Special Sales Tax (amended in 2016). These amendments were made in order to create favourable conditions for businesses to attract investments and reduce capital difficulties as well as recover the business's performance.

There are also numerous decrees, circulars and other regulations issued by the government, various ministries and agencies, with a view to providing guidance about the implementation of the laws.

TYPES OF TAXES

Most enterprises including FDIs in Vietnam are subject to the following taxes:

- Corporate income tax
- Personal income tax
- Foreign contractor tax or withholding taxes
- Value added tax
- Import/export tax
- Social insurance, health insurance and unemployment insurance for employees.

There are some other taxes that may affect certain type of specific business activities and sectors such as:

- Natural resources tax
- Environment protection tax.
- Special sales tax
- Property tax

In addition, there are other fees and charges such as registration for change of ownership, land rental etc.

All these taxes are charged at the national level. There are neither local nor province taxes.

CORPORATE INCOME TAX (CIT)

The amended law on CIT was effective as from 15 February 2014.

The standard CIT rate is of 20% (22% for the 2014-2015 period)

Preferential CIT rates are 10%, and 15%.

It should be noted that activities surrounding the surveying, exploring and exploiting of petroleum and gas and other rare and precious natural resources are subject to CIT rates of between 40%–50% depending on the project's location.

DEDUCTIBLE EXPENSES

Generally, an expense will be tax deductible where:

- The expense is incurred by and related to the production and/or business operations of the enterprise
- The expense is accompanied by lawful invoices and vouchers as stipulated by law.
- The expenses do not fall into the list of the regulated non- deductible expenses

Certain businesses such as insurance companies, securities trading and lotteries may be subject to specific guidance on deductible expenses for CIT purposes. Business entities in Vietnam are allowed to set up a tax deductible R & D fund to which they can appropriate up to 10% of annual pro fits before tax. Various conditions apply.

CAPITAL TRANSFER OR TRANSFER OF REAL ESTATE

Enterprises having income derived from the transfer of capital, transfer of securities or transfer of real estate shall pay CIT at a rate of 20%. The assessable income for each type of transfer –capital, securities or real estate –is determined by separate formulas.

INCENTIVES

The incentive tax rates vary according to the business sector of the project and the level of socio-economic difficulties in the location where the project takes place. The highest and lowest of the incentive tax rates are outlined below:

- a) A tax rate of 20% shall be granted to projects, for a period of ten years from the start of production, where investment is made in locations with socio-economic difficulties
- b) A tax rate of 15% shall be granted to Agricultural procession, fisheries and aquaculture forestry products if not operating in areas with difficulties of economic and social conditions (10% if operating in areas with difficulties of economic and social conditions)
- c) A tax rate of 10% shall be granted to projects, for a period of 15 years from the start of production, in sectors (including projects for the development of Import Processing Zones and EPZs) where investment is encouraged, for example in areas such as scientific research and technological development, investment in particularly important infrastructure development, production of renewable or clean energy, clean energy, development of biotechnology, the environment protection and software production and in locations with special socio-economic difficulties.
- d) A tax rate of 10%% shall be granted to sectors where investment is encouraged, such as investment in education, vocational training, health, culture, sports, and environment; investments in social housing; newspapers; planting, cultivating, and protecting forests; from agriculture, forestry, and aquaculture in localities facing socio-economic difficulties; from the production, multiplication, and cross-breeding plants and animals; from the production, extraction, and refinement of salt.

Certain socialized sectors e.g. health care, education enjoy a 10% rate for the life of the project.

In addition to the above-mentioned incentive tax rates, projects may enjoy tax exemptions and reductions varying from:

- a) Two years tax free operation from the first profit-making year and 50% reduction for the following two years
- b) Four years tax free operation from the first profit-making year and 50% reduction for the following nine years.

Treatment of tax losses

Corporate taxpayers are entitled to carry forward tax losses fully and consecutively for a maximum period of 5 years. Losses arising from incentivised activities can be offset against pro fits from non-incentivised activities, and vice versa. Losses from the transfer of real estates and the transfer of investment projects can be offset against pro fits from other business activities.

Carry-back of losses is disallowed.

Currently, no provision for any form of consolidated filing or group loss relief is available.

CIT administration

Taxpayers are required to make quarterly provisional CIT payments based on estimates without any filing of the quarterly CIT returns. If the provisional quarterly CIT payments are less than 80% of the final CIT liability, any shortfall in excess of 20% is subject to late payment interest (which is as high as 11% per annum), calculated from the deadline for payment of the Quarter 4 CIT liability.

Profits Repatriation

Generally, foreign investors are permitted to repatriate their profits annually at the end of the financial year or upon termination of the investment in Vietnam. However, foreign investors are not permitted to remit profits if the investee company has accumulated losses.

The foreign investor or the investee company are required to notify the tax authorities of the plan to remit pro fits at least 7 working days prior to the scheduled remittance.

TRANSFER PRICING

Applying the concepts and principles from the Transfer Pricing Guidelines of the Organisation for Economic Cooperation and Development (OECD) and BEPS Action Plan, Vietnam introduced Decree 20/2017/ND-CP which came into force on 1 May 2017, replacing the previous Circular 66/2010/TT-BTC on transfer pricing.

Compliance requirements

Decree 20/2017 imposes compliance requirements to include an annual declaration of related party transactions and transfer pricing methodologies used, and a taxpayer confirmation of the arm's length value of their transactions (or otherwise the making of voluntary adjustments), which is required to be filed together with the annual CIT return.

In addition, companies with related party transactions must prepare and maintain contemporaneous transfer pricing documentation. Decree 20/2017 introduces a three-tiered transfer pricing documentation approach to collect more tax-related information on multinational companies' business operations, specifically, a Master file, a Local file and country-by-country reporting. The three-tiered transfer pricing documentation has to be prepared before the submission date of the annual tax return, which gives taxpayers just 90 days (from the fiscal year end date) to complete the year's transfer pricing documentation.

A corporate taxpayer is generally exempt from preparing transfer pricing documentation if one of the following conditions is met:

- Having revenue below VND 50 billion and total value of related party transactions below VND 30 billion in a tax period; or
- Having concluded APA and submitted annual APA report(s); or
- Having revenue below VND 200 billion, performs simple functions and achieves at least the following ratios of earnings before interest and tax to revenue on the following business: distribution (5%), manufacturing (10%), processing (15%).

It is observed that soon after the transfer pricing audit department was set up within the General Department of Taxation in November 2015, local transfer pricing audit departments were also established in the Departments of Taxation in Hanoi, Binh Duong, Dong Nai, and Ho Chi Minh.

VALUE ADDED TAX

Value added tax (VAT) is levied on the added value of most goods and services generated during the processes of production, circulation and consumption.

(Some categories of goods/services are subject to the Special Sales Tax – see next section.)

VAT rates are divided into three categories:

- i) A 0% tax rate is applicable to goods for export, re-insurance abroad, credit abroad services, financial investment abroad, stock investment abroad, international transportation and aircraft and sea-vessel repairing services supplied to foreign organisations and individuals
- ii) A tax rate of 5% is applicable to essential goods and services such as water, fertilizers, insecticides, medicine, educational and training equipment and tools, baby toys, scientific and art books, natural agro-forestry products, animal feeds, services for scientific and agricultural applications, etc.
- iii) The standard tax rate of 10% is applicable to most goods and services, such as:
 - Petroleum, coals, ores and other exploited products
 - Commercial electricity
 - Electronic, electrical and mechanical products
 - Chemicals and cosmetics
 - Textiles, fabrics and yarns
 - Sugar, confectioneries and soft drinks
 - Glass, plastic, rubber and construction materials
 - Construction and installation works, transportation and loading/unloading
 - Postal and telecommunication services

- Leasing of premises, equipment and transport means
- Legal consulting services
- Luxury goods and services such as gold, silver and precious stones trading, hotels, tourism, catering, all kinds of lottery and shipping agents (which in the past were subject to the tax rate of 20%).

The conditions for deductibility of input VAT are restated in the new VAT regulation. In addition to the general criteria of being related to the production and provision of taxable supplies, additional conditions include:

- Having lawful VAT invoices for purchased goods and services or vouchers on VAT payment at the import stage or VAT payment on behalf of foreign contractors
- Having proper receipts for payments not using cash in hand for the input of purchased goods and services, except in cases where the value of each payment of goods and services is below VND20 million (about USD 1,000).

The new regulation also indicates the conditions (i.e. contracts signed between the exporter and foreign party, and customs declaration) for claiming input VAT for exported goods and services.

Customs declarations are not required to export software via electronic means or for the construction and installation of works of export-processing enterprises.

A taxpayer paying tax under the credit method which has a dependent branch in another province shall pay VAT both in the locality where its head office is based and in the locality where the dependent branch is located.

IMPORT/EXPORT DUTIES

Import and export tariffs are frequently amended to satisfy the state's requirements on import and export management.

Import tariffs include:

- 1) A preferential tariff applicable to countries which apply the 'Most Favoured Nation' (MFN) treatment to Vietnam
- 2) A special preferential tariff applicable to countries which apply a special treatment on tariffs for imports from Vietnam
- 3) A normal tariff up to 150% of the preferential tariff.

Although there are three levels of import tariff, preferential tariffs apply to almost all countries which have trading relations with Vietnam. Duty prices are determined in accordance with the rules of the General Agreement on Trade and Tariffs (GATT) adopted by the Government.

Import duty exemptions are given to projects classified as encouraged sectors and other goods imported in some specifically mentioned circumstances, as follows:

- Machinery & equipment, specialised means of transportation and construction materials (which cannot be produced in Vietnam) comprising the fixed assets of encouraged investment projects;
- Machinery, equipment, specialised means of transportation, materials (which cannot be produced in Vietnam), office equipment imported for use in oil and gas activities;
- Materials, supplies and components imported for production of exported goods;
- Raw materials, supplies, components imported for processing of exports;
- Goods manufactured, processed, recycled, assembled in a free trade zone without using imported raw materials or components when they are imported into the domestic market;
- Materials, supplies and components which cannot be produced in Vietnam and which are imported for production of certain encouraged projects;
- Goods temporarily imported or exported for the purpose of warranty, repair, and replacement.

Export duties

Export duties are imposed only on some items, e.g. natural resources such as sand, chalk, marble, granite, ore, crude oil, forest products, and scrap metal. The export duty rates range from 0% to 40%.

Customs audit

The customs authorities from time to time may carry out post customs audits either at their offices or at the taxpayers' premises. These audits normally focus on issues including HS code classification, valuation, compliance with export/ toll manufacturing duty deferral/ exemption schemes and Certificate of origin.

FOREIGN CONTRACTOR TAX (FCT)

Circular 103/2014/TT-BTC issued by the Ministry of Finance on 6 August 2014 regulating tax obligations applicable to foreign organisations and individuals conducting business in Vietnam or having income derived from Vietnam became effective as from 1 October 2014.

Certain services performed outside Vietnam (including, among others, repair services or aircraft, aircraft engines and accessories, ships, marketing and advertisement services, trade and investment promotion, trading brokerage for sales of goods and services offshore and training services) are not subject to FCT. However there are more services subject to CIT such as re-insurance or leasing aircraft and sea vessels.

Foreign contractors doing business in Vietnam or having income incurred in Vietnam on the basis of a contract, agreement, commitment with Vietnamese organisations and individuals or on the basis of a sub-contract, sub-agreement or commitment with other foreign contractors are entities subject to FCT. Under the circular, both corporate and individual foreign contractors shall pay VAT and CIT in accordance with provisions of the circular, except for personal income tax (PIT) payments of individual foreign contractors regulated under the laws on PIT.

There are three methods of paying FCT:

- Direct method– foreign contractors are entitled to pay VAT under the deduction method, paying enterprise income tax on the basis of turnover and cost declaration to determine taxable income if the foreign contractor satisfies all of the following conditions:
 - Has a permanent establishment or is a resident in Vietnam
 - Has operated a business period in Vietnam under a contractor agreement for at least 183 days from the effective date of the contractor agreement
 - Has adopted the Vietnamese accounting system
- Withholding method– if foreign contractors fail to meet the above conditions, they shall pay VAT and CIT on the basis of deemed rates of turnover. Under this withholding method, the Vietnamese parties shall deduct the tax payable from the payment and pay such tax to the tax authorities on behalf of the foreign contractor.
- Hybrid method– the foreign contractor shall register with tax agencies to pay VAT under the withholding method and pay CIT under the deemed rates calculated on taxable turnover if the foreign contractor satisfies the following conditions:
 - Has a permanent establishment in Vietnam or is a resident in Vietnam
 - The business term under the contractor's contract/sub-contractor's contract is at least 183 days
 - Practises accounting under the law on accounting and the guidance from the Ministry of Finance.

The VAT rate varies from 2% to 5% of the taxable revenues, according to the business line, namely services, insurance, construction, transportation, production, etc.

Payable CIT varies from 0.1%, 1%, 2%, 5% to 10% of the taxable revenues, according to whether the business is involved in securities transfer, trading, production, transport, construction, services, insurance and lending or copyright income.

PERSONAL INCOME TAX

All foreigners having income in/ from Vietnam, regardless of the length of time they live in Vietnam, are payers of personal income tax.

Those living in Vietnam for less than 183 days will be liable for paying tax at a fixed rate of 20% on their Vietnam sourced income. Those living in Vietnam for over 183 days (so called locally-resident foreigners), will be subject to a progressive tax tariff, with a maximum rate of up to 35% of their monthly income.

Personal income tax rates for income from business activities of non-resident individuals vary according to different production sectors or business lines:

- 1% for goods trading
- 5% for service provision
- 2% for production, construction, transportation and other business activities.

SPECIAL SALES TAX

Certain goods and services are subject to a special sales tax.

Special sales tax rates range from 10–75% (lower than the past rates of 15–100%) and apply to the following:

- Cigarettes, beer (not including draft beer) and alcohol
- Cars (less than 24 seats) and gasoline
- Air conditioners (less than 90000 BTU)
- Playing cards, joss papers and joss articles
- Dancing clubs, massage and karaoke outfits, casinos, jackpot game machine-based services and lottery trading
- Golf courses.

The special sales tax rates for some goods and services such as beer, spirits/wine, and automobiles with less than 24 seats will increase from 1 January 2018.

NATURAL RESOURCES TAX (“NRT”)

Natural resources tax is payable by industries exploiting Vietnam’s natural resources e.g. petroleum, minerals, natural gas, forest products, natural seafood, natural bird’s nests, and natural water.

Natural water used for agriculture, forestry, fisheries, salt industries and sea water for cooling purposes may be exempt from NRT provided that certain conditions are met.

The tax rates vary depending on the natural resource being exploited, ranging from 1% to 40%.

PROPERTY TAX

Foreign investors generally pay rental fees for land use rights. The rates are dependent upon the location, infrastructure and the industrial sector in which the business is operating.

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%.

ENVIRONMENT PROTECTION TAX

Environment protection tax is applicable to the production and importation of certain goods regarded as detrimental to the environment, the most significant of which are petroleum and coal.

ADVANCED TECHNOLOGY

The Law on High Technology came into effect from 1 July 2009.

Under the new law, investment is prioritised in the following high-tech sectors:

- Information technology
- Bio-technology
- New material technology
- Automation technology.

Investors promoting advanced technology and high technology enterprise (HTE) establishment, construction and business are entitled to the following:

- To be allocated land without the collection of land use money and with exemption from land use tax for land used for the construction/nurturing of high technology and HTE establishments
- To enjoy the highest incentives on corporate income tax, value added tax and import/export tax and to be supported in obtaining funds from the state.

Incentives applicable to HTEs, training centres to train high-tech workers and technicians, and investors building infrastructure facilities in high-tech zones and high-tech application agricultural zones are also provided for in the High Technology Law.

All technology transferors are subject to the technology transfer tax which is imposed upon the taxable revenues as agreed in the contract. Instead of three rates (as previously), only one rate of 10% is now applicable to all cases recently.

7 – ACCOUNTING & REPORTING

Determined to be an export-driven economy, Vietnam has rapidly changed its regulations and laws, as well as its accounting standards to adapt to an international business environment.

In 2000, the Ministry of Finance of Vietnam initiated a program to create a suitable and adequate system of accounting for Vietnam (the Vietnamese accounting standard– VAS) based on international accounting standards (IAS).

26 accounting standards and their compliant guides were issued between 2001 and 2005. The standards have not been updated yet but the Circular 200/2014/TT-BTC dated 22 December 2014 on Vietnamese Accounting System for business entities gives many changes to the accounting practice in Vietnam, making it closer to the IFRS. These standards (and future ones) are expected to undergo some changes as the International Federation of Accountants (IFAC) perfect international financial reporting standards (IFRS), which were created by adopting all of the IAS and adding improvements. Changes and additions to VAS aim to create reliable and accurate financial reports, helping domestic and international investors make informed decisions and creating harmonisation in managing and reporting for multi-national corporations.

There are a large number of governmental decrees and decisions in place to regulate financial reporting in Vietnam. Of these, the Accounting Law issued by the 11th National Assembly of Vietnam and Decrees No.128, 129 and 139 are the highest authorities for accounting practices.

Vietnamese accountants are becoming more dynamic and better organised as the economy quickly evolves. The Vietnamese Association of Certified Public Accountants (VACPA) was formed in 2006 to oversee auditors' practices. Another accountancy body, the Vietnam Association of Accountants and Auditors (VAA) is also in place to unify accounting professionals, promote the field and improve technical skills to meet the demand of a rapidly changing market.

PRESENTATION OF FINANCIAL STATEMENTS

All business entities in Vietnam have to follow the Vietnam Accounting Standards and the Vietnamese Accounting System for business entities and other relevant legal documents in preparing financial statements.

Reports are required to be truthful, reasonable, consistent and comparable. The following are mandatory:

- Balance Sheet
- Income Statement
- Statement of Cash flow
- Disclosure notes.

There are two main standards for preparing and presenting financial reports– VAS 21 and VAS 24. Details about the treatment of specific accounts are covered in other standards.

- Fiscal year– this is usually the calendar year or 12-month period but can be shorter depending on the nature of the business
- All transactions can be recorded in Vietnam dong or another currency based on the specific practical need of the business. However, financial statements used in Vietnam must be converted into Vietnam dong according to the compliance guide for VAS 10 and Circular 200/2014/TT-BTC (and its amendments).
- VAS 18 states that financial statements must use the accrual basis, historical costs and reflect the going concern. Information must be truthful, relevant, objective and recorded using a conservatism on every significant aspect. The standard also requires preparers of accounts to be prudent while presenting payables and contingencies. Allowances and provisions must be appropriately recorded according to the compliance guide of VAS 18
- All transactions and economic events must be recorded using appropriate accounting policies which should be applied consistently. Changes in accounting estimates or policies must be disclosed according to VAS 29.
- Banks and credit unions must prepare and present financial statement according to VAS 22.
- The Vietnam Accounting Standards also provide guidance for businesses how to record and present transactions involving consumer goods, real estate, self-built assets, capital leases, real estate investments, interest expenses, construction contracts, insurance contracts and corporate income tax.
- The standards also provide guidance for presenting consolidated financial reports, mergers, joint-ventures and partnerships in VAS 25, 11, 08 and 07 respectively and Circular 202/2014/TT-BTC.

Audit firms and independent auditors have to follow accounting standards and auditing standards to provide an opinion about the truthfulness and reliability of financial statements. Businesses subject to such statutory audits include state-owned enterprises, state-funded organisations, foreign-owned businesses, banks and financial institutions and publicly traded companies. Other businesses may opt to audit their financial statements to increase transparency, productivity, investor attractiveness and competitiveness.

Separate from independent audit firms, a National Assembly controlled body of auditing known as the State Audit is also present in the field. Its existence is expected to result in better management of state-funded projects, higher overall financial transparency and corruption reduction, therefore allowing for healthier economic development.

8 – UHY REPRESENTATION IN VIETNAM

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BRIEF DESCRIPTION OF FIRM

UHY Auditing & Consulting Co Ltd is the only member of UHY International and one of the most recognized Chartered Accountants firms in Vietnam besides the Big 4. We have grown significantly for nearly 15 years. UHY Auditing & Consulting Company Ltd has obtained great development, into UHY, the establishment of Specific Business Departments to support Korean or Japanese businesses, and became a multi-disciplinary organization offering diversified business advisory and consulting services to different clients. More than simple a new name, we present a mission statement: "Helping you achieve excellence".

Our head office is in Hanoi and branch office is in Ho Chi Minh City.

We are among the few leading firms providing high quality and reliable services recognized by international organizations and competent authorities of Vietnam. One of few firms licensed to audit public and listed companies in Vietnam, accepted by Ministry of Finance to provide corporate valuation and asset valuation, and qualified to provide audit services to credit organizations, banks and insurers in Vietnam.

SERVICE AREAS

- Audit & Assurance
- Tax Services

- Corporate Finance
- Corporate Support Services
- Corporate Governance & Risk Management
- Business Outsourcing
- IT & Business Consulting
- Training

PRINCIPAL OPERATING SECTORS

Transportation (road/rail/water) & infrastructure

LANGUAGES

Vietnamese, English, Korean.

CURRENT PRINCIPAL CLIENTS

Vietnam Airlines
 ABACUS Distribution Systems Ltd.
 Noi Bai Cargo Terminal Services JSC
 Saigon Ground Services
 Electricity of Vietnam
 Vietnam paper Corporation
 Vietnam Railways Construction Corporation
 ADB and WB funded projects

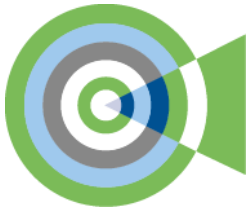
OTHER COUNTRIES IN UHY CURRENTLY WORKING WITH, OR HAVE WORKED WITH IN THE PAST

US
 Malaysia
 Taiwan
 UK
 Singapore

BRIEF HISTORY OF FIRM

UHY Audit & Advisory Service Limited was established in August 2006, joining UHY immediately on its founding. However, its history goes back as far as early 2001 with the establishment of International Auditing and Financial Consulting Services Company (IFC), from which the firm was re-branded with a core of experienced, dedicated professionals and consultants. Previously, most of the current members of management of the firm worked as key personnel for big firms in Vietnam, including VACO and Deloitte.

The average age of UHY Audit & Advisory Service Limited is approximately 27; the firm's managing partner, Dao Xuan Dung, is in his early thirties. This translates into a young, dynamic, and cohesive team.



LET US HELP YOU ACHIEVE FURTHER BUSINESS SUCCESS

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