

Vietnam

Legal Provisions

Compiled by:

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GENERAL REMARKS

Vietnam with a population of over 98 million people (the 16th largest in the world, November 2023) remains one of the fastest growing Asian economies with positively high GDP growth in recent years, based on FDIs and the private sector. Since joining the WTO in 2007, Vietnam has demonstrated efforts in liberalizing its market and transforming its regulatory.

Vietnam launched the Open Door policy nearly 40 years ago. It started in 1987 with the first wave of reforms, launching the decision of ending the practice of strict central planning and agricultural collectivisation, combined with price liberation. These internal reforms were continued with a policy of economic openness that opened foreign direct investments and international trade. To create a favourable environment for foreign and domestic businesses, Vietnam has been making efforts to improve its legal system. In the recent years, many laws and regulations have been enacted to form the legal framework for the reforms and to comply with the international integration requirements, especially to implement Vietnam's commitments to the WTO membership, of which the most important laws include:

- Civil Code (1995, revised in 2005 & 2015)
- Commercial Law (1997, revised in 2005)
- Law on Foreign Investment (1987, 1996), then Law on Investment (2005, revised in 2014 and 2020)
- Law on Public Investment (2014, revised on 2019, & 2024)
- Law on Public-Private Partnership Investment (2020, amended in 2024)
- Law on Enterprises (2005, revised on 2014 & 2020)
- Labour Code (1994;; revised on 2012 & 2019)
- Law on Tax Administration (2006, amended in 2016; revised on 2019)

- Law on Vietnam Customs (2001; amended on 2005; revised on 2014)
- Law on Corporate Income Tax CIT (1997, revised on 2003, 2008, amended in 2013)
- Law on Personal Income Tax PIT (2007, amended on 2012)
- Law on Intellectual Property (2005, amended 2009 & 2019)
- Law on Protection of Environment (1993; revised on 2005, 2014 & 2020)
- Law on Commercial Arbitration (2010)
- Law on Anti-Money Laundering (2012, revised in 2022)
- Law on Cybersecurity (2018)
- Law on insurance Business Law (2000, amended in 2010, 2019, revised in 2022)
- Law on Intellectual Property (2005, amended in 2009 and 2019, 2022)
- Law on Land (1987, revised in 1993, 2003, 2013, 2024, amended in 2024)
- Law on Real Estate Business (2006, revised in 2014, 2023, amended in 2024)
- Law on Foreign Trade Management (2017)
- Law on Pharmacy (2005, revised in 2016, amended in 2024)

CUSTOMS

Goods are freely imported or exported from Vietnam provided that they do not fall into the list of prohibited or conditional goods from import and export or goods subject to licenses granted from Vietnam's relevant competent ministries.

Vietnam Customs provides information related to customs procedures on the website: www.customs.gov.vn

Prohibited imports and exports

Military weapons, ammunition, explosives (excluding industrial explosives); military technical equipment; toxic chemicals; assorted fireworks (excluding signal fires used for navigational safety under the guidance of the Ministry of Transport); sky lanterns, assorted devices causing interference to vehicle speedometers; pesticides banned from use in Vietnam; samples of precious, rare and endangered animals and plants; documents and equipment related to the national security, etc. (Appendix I attached to Decree 68/2018/ND-CP).

Furthermore, Vietnam has joined the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and strictly complies with its rules.

IMPORT AND EXPORT REGULATIONS

Import and export activities in Vietnam are regulated by some major laws such as the Commercial Law, Law on Foreign Trade Management, the Law on Export and Import duties (2016), the Vietnam Customs Law and their sub-law regulations (e.g. Decrees, Circular, Decisions, etc.).

Foreign traders can sell goods to local Vietnamese companies. According to the Laws and regulations, a Vietnamese company may export, import and distribute of all kinds of goods, if these goods are not prohibited or conditional ones.

A foreign direct invested (FDI) company, however, does not enjoy the same rights as local Vietnamese companies. Trading rights for FDI companies are negotiated in bilateral agreements dealing with market access or in WTO accession commitments.

Trading activities of FDI companies. FDI companies in Vietnam may directly be involved in distribution network to sell products they manufacture in Vietnam and export their products directly.

In case of investing in Vietnam to do trading activities (agent services, wholesale services, retail services, and franchising and direct sales activities), there is no limitations on equity, however, there are some goods are not granted to FDI companies to do trading as follows:

- Petroleum oil and oils from bituminous mineral crude are not granted to do import activities;
- Cigarettes, tobacco, light oils and preparations, newspapers, helicopters, aeroplanes are not permitted to do export activities.
- Rice, can sugar; cigarettes, crude and processed oils, pharmaceutical products, precious metals and stones... are not granted to do distribution.

(Circular 34/2013/TT-BCT on roadmaps and regulations to perform commitments of Vietnam in the WTO on goods trading and goods trading directly related activities of foreign-invested enterprises in Vietnam).

IMPORT/EXPORT PAYMENT PROCEDURES AND PRACTICE

Modes of payment such as Letters of Credit (L/C) and telegraphic transfer (T/T) are of practice in Vietnam. However, payments by L/C currently account for 90% of total international payments and are in the common manner:

- An advance payment (approx. 20% of the contract price) shall be paid within 30 days of signing the contract on submission of the seller's claim for payment.
- The rest amount of 80% of the contract price shall be paid by means of an irrevocable documentary Letter of Credit, acceptable to the seller, to be opened in favor with and confirmed by the seller's bank within a certain time (normally 1-1.5 months) since the signing of the contract, available at sight against presentation of the shipping documents. The validity of the Letter of Credit is about 4 to 8 weeks after the agreed payment schedule.

CURRENCY REGULATIONS

General overview. In late 2005, Vietnam accepted the obligations under Article VIII of the IMF Agreement not to impose restrictions making payments and transfers of international transactions or to engage in any fiscal discriminatory currency arrangement or multiple currency practice without IMF approval. All transactions, related to payments and remittance of money related to exports/imports, loans & credits from banks, net income from investments, interests and repayments on foreign loans, import/export of goods/services, bank loans may be conducted freely.

Investment and capital transaction. Profits earned by foreign companies and individuals can be free remitted abroad and, in case they are made in VND, foreigners are entitled to convert it into foreign currency. Indirect investment capital in Vietnam must be executed in VND. Any transfers related to these operations are executed via an authorised credit institution (ACI).

Local transactions in foreign currencies. In principle, every transaction in Vietnam must be carried out in VND, except ACIs, duty free shops and registered exchange offices.

Inflow and outflow of foreign currencies. As mentioned before, any one entering or leaving Vietnam and having foreign currencies in cash or traveller's check, VND or gold must declare it to the border customs office if the amount exceeds USD 5'000. If the amount exceeds USD 5'000, the outflow must be authorised in advance by an ACI or the State Bank of Vietnam (SBV).

In case of individuals, the outflow is not granted unless the money comes from a foreign currency ACI account and originated in legal and authorised sources. In-flow of foreign currency are not restricted, but must be declared to customs.

With regards to credit transfers, inflows of foreign currency under any nature forms (e.g. postal order or credit transfer) are not restricted, but the funds should be paid into a bank account, in foreign currency or in VND. Outflows by transfer are not authorised, except in the following cases:

- Payment for imports and services abroad
- Refund of loans contracted abroad and payment of interests of these loans
- Investment projects carried out abroad
- Transfer to the benefit of foreign investors (profits & dividends earned from business operations)
- Wage payments to foreign employees
- Tuition fees and living expenditures for students, who study oversea

Loans in foreign currencies. Foreign companies may contract loans in foreign currency with an ACI in Vietnam without any special authorisation. Companies are entitled to contract loans from foreign lenders and are responsible for their refunding. All loans are subject to supervision and monitoring of the State Bank of Vietnam SBV (www.sbv.gov.vn).

Loans subject to registration with the State Bank of Vietnam include:

1. Medium-term and long-term foreign loans (loan having term of more than one year).

2. Short-term loans whose principal repayment period is renewed which have more than 01 (one) year of maturity term.

3. Short-term loans which are not covered by any loan renewal contract but remain the outstanding principal owed (including outstanding interest included in the principal) on the anniversary of the date of first withdrawal of loan proceeds in a full 01 (one) calendar year, except to the extent that borrowers have already paid their principal debt within a permitted duration of 30 (ten) days after the anniversary of the date of first withdrawal of loan proceeds in a full 01 (one) year.

REGISTRATION PROCEDURE FOR PRODUCTS

Mandatory registration of product quality was abolished in early 2001, replaced by a regime of self-declaration under the following forms:

- Declaration of product quality standards/basic standards
- Declaration of products which meet required standards
- Registration of inspection, test and measurement of products

A number of government agencies are responsible for standards, technical regulations, conformity assessment procedures and other measures related to technical requirements. These include the Ministries of: Science & Technology; Industry & Trade, Agriculture and Environment, Health, Construction, Culture, Sports & Tourism

STANDARDS, TECHNICAL RULES, LABELLING REGULATIONS

Vietnam undertook to comply with the obligations of the Technical Barriers to Trade (TBT) Agreement from the date of its accession to the WTO in 2007. Since then, the country has notified a number of measures to the TBT Committee.

Vietnam Office for Technical Barrier to Trade: <https://tbt.gov.vn/>

Standards/Technical rules

Vietnam's standard system consists of over 6'000 standards. Information about standards of specific products may be provided by Vietnamese importers or customers. Otherwise, these information can be found from the relevant agency being responsible for country's standards, the Directorate for Standards and Quality (STAMEQ) under the Ministry of Science and Technology.

According to the Law on Technical Regulations and Standards (effective from 1. January 2007), the Vietnam's standard system includes National Standards (TCVN) and Local Standards (TCCS). All National Standards TCVN are classified by sectors/subjects in the classification of TCVN and relevant to the International Classification for Standards (ICS).

Further detailed information can be found at the website of the Vietnam Standard and Quality Institute <https://tieuchuan.vsqi.gov.vn/>

Goods subject to mandatory inspection and quality control (domestically produced, imported and for export)

- Ministry of Industry and Trade
 - Pressure equipment
 - Lifting equipment for industrial use
 - Chemicals
 - Industrial explosives
 - Oil and gas mining equipment, except for marine exploration and exploitation equipment and facilities
- Ministry of Public Security
 - Fire prevention and fighting equipment
 - Technical equipment
 - Ammunitions, weapons
 - Support instruments
- Ministry of Health
 - Foods
 - Pharmaceuticals
 - Vaccines
 - Medical bio-products
 - Cosmetics
 - Drug materials, Drugs for human use
 - Domestic chemicals
 - Insecticides
 - Disinfectants
 - Medical equipment & facilities
- Ministry of Agriculture and Rural Development (Now Ministry of Agriculture and Environment)
 - Plants
 - Animals
 - Fertilizers
 - Feeds
 - Plant protection drugs
 - Bio-products for use in agriculture, forestry or aquaculture
- Ministry of Science and Technology
 - Petrol, diesel and biofuels
 - Motorbike, helmets
 - Electrical and electronic Products
 - Telecommunication terminal equipment
 - Computers, network and IT equipment
 - Radio and transmission equipment
 - Toys
 - Specialised transport equipment for construction, marine exploration, and exploitation equipment
 - Electrical wires
 - Technical infrastructure works
 - Means of transport
- Ministry of Construction
 - Civil works
 - Industrial works

- Loading and unloading means and equipment
- Traffic works
- Specialised transport equipment for construction, marine exploration, and exploitation equipment
- Ministry of Defence
 - Military equipment and facilities
 - Defence works
 - Ammunitions, weapons and products in service of defence

Labelling regulations (Decree 43/2017/ND-CP, amended by Decree 111/2021/ND-CP)

Label of goods circulated in Vietnam shall present the following contents in Vietnamese language:

- Name of the goods;
- Name and address of the entity responsible for the goods;
- Origins of goods;
- Other mandatory information shall be displayed on the label according to the characteristics of the goods.

TAXES

Most business activities and investment in Vietnam will be affected by the following taxes:

- Corporate Income Tax, including capital gain tax: The normal tax rate is 20% of the profit, the common preferential rates are 10%, 15% and 17% depending on a number of criteria. The company also may enjoy CIT exemption and CIT deduction of 50% for a duration of 2 – 15 years depending on encouraged activities or locations.
- Value added tax: There are three rates: 0%, 5% and 10%. The rate 0% applies to export goods; the rate 5% applies to essential goods and services such as clean water, books, medicine, agriculture products, and the rate of 10% applies to others.
- Personal Income tax of Vietnamese and expatriate employees: The minimum tax rate is 5% and the maximum rate is 35%.
- Various withholding taxes (Foreign Contractor taxes): This tax is a combination of VAT and CIT or PIT for income of foreign individual.
- Import/export duties;
- Social insurances, unemployment insurance and health insurance contributions: total compulsory social insurances accounting for 32% of total salary fund, of which, employer contributes 21,5%, and employee contributes 10,5%.

There are other taxes that may affect certain foreign businesses, including

- Special sales tax ;
- Natural resources tax;
- Environment protection tax; and

- Land rental fee.

All these taxes are imposed at the national level. There are no local, state or provincial taxes.

Detailed information concerned taxes and taxation policies, please visit the websites of

- [The Ministry of Finance](#)
- [The General Department of Taxation](#)
- [Vietnam Pocket Tax Book 2023 \(a summary of Vietnam taxation\) of PWC Vietnam](#)

FORMS OF BUSINESS

There are several forms of business in Vietnam that foreign companies can consider:

Representative Office

Foreign companies with business relations or investment projects in Viet Nam may apply to open representative office in Viet Nam. However, a representative office is not an independent legal entity. A representative office is generally easy to establish, but is the most restricted form of official presence in Vietnam. The license is issued by provincial Trade Department or Management Board of Industrial Zone and permitted for a limited scope of activities.

A representative office is only permitted to:

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

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).

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

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.

To invest in Vietnam, investors normally can choose the following forms:

- (i) Investment by establishing a new business entity (Normally Limited Company or Joint Stock Company);
- (ii) Investment in the form of capital contribution or purchase of shares or stakes of an existing business entity;
- (iii) Investment in the form of a business cooperation contract (BCC) with an existing business entity;

- (iv) New forms of investment and types of business entities prescribed by the Government's regulations.

Limited-liability Company

A limited-liability company is a legal entity established by its "member(s)" (i.e. owner(s)) through capital contributions to the company. It can be a limited company with one member or a company with two members or more. The capital contribution of each member is treated as equity (charter capital). The member(s) 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 (or board of supervisors where the limited liability company has more than 11 members).

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

- A 100% foreign-owned enterprise (where all members are foreign investors); or
- A foreign-invested joint-venture enterprise between foreign investors and at least one domestic investor.

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 jointstock company is divided into shares and each founding shareholder holds shares corresponding to the amount of capital 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.

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.

Investment by contributing capital, purchasing shares, or purchasing capital contributions (Mergers and Acquisitions)

Foreign investors can invest in companies operating in Vietnam by purchasing a part of or all contribution capital or shares of such companies.

Upon contributing capital, purchasing shares, or purchasing stakes of a business entity, the investor shall follow procedures for changing shareholders/members at the business registration authority as prescribed by law.

A foreign investor shall follow procedures for the registration of capital contribution or purchase of shares or stakes of a business entity prior to a change of members or shareholders in one of the following cases:

- (i) The capital contribution or purchase of shares or stakes increases the ownership ratio by foreign investors in a business entity conducting business in the business lines allowed in the market with conditions applied to foreign investors;
- (ii) The capital contribution or purchase of shares or stakes results in a foreign investor or business entity holding over 50% of the charter capital of the economic organization;
- (iii) The foreign investor that contributes capital, purchases shares or stakes of a business entity has a certificate of rights to use land on an island or in a border or coastal commune; in a coastal commune; in another area that affects national defense and security.

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.

Public and Private Partnership Contract (“PPP”)

A Public and Private Partnership (“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, Build-Transfer-Operate, Build-Own-Operate, Build-Transfer-Lease, Build-Lease-Transfer and Operate-Manage contracts.

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. sectors opened to PPP include:

- Transportation infrastructure and relevant services;
- Irrigation, clean water supply, drainage, wastewater treatment, waste treatment
- Power grid, power plants and power transmission lines (except hydroelectric plants and some other cases);
- Infrastructure for healthcare, educational and training, cultural, sport and relevant services, offices for government authorities;
- Infrastructure for commerce, science and technology, hydrometeorology, economic zone, industrial zone, high- tech zone, centralised information technology zone, information technology application;

- Infrastructure for agriculture and rural development, services for enhancing the correlation of agricultural production with processing and consumption of agricultural products; and
- Other sectors according to the Prime Minister's decisions.

Source: [“Doing Business in Vietnam” 2022-2023 of PWC Vietnam](#)

INVESTMENT PROCEDURES

To execute an investment project in Vietnam, depending on the nature, scale and sector of the project, the foreign investor is required to do all or some steps as follows:

Step 1: Finding a location for the project; which can either be in an office building (mostly for service industry), an industrial zone/park, or in a land managed by the State.

Step 2: Getting a pre-approval for investment and/or participating in the process of investor selection to implement the project (*Normally for the projects using land from the State, outside the industrial zone/park*).

Step 3: Getting an investment registration certificate for the project;

Step 4: Getting an enterprise registration certificate for the company;

Step 5: Getting other licenses, approvals, and acceptances such as:

- Certificate of land use right;
- Design approval, construction permit (for project having construction works);
- Approval for fire safety plan;
- Environment permit;
- Other sub-licenses: Operation certificate or certificate of eligibility for operation (in case of doing business in some conditional sectors stipulated in Appendix 4, Investment Law). Some relatively common licenses are business license (for some activities of buying and selling goods and activities directly related to the buying/selling of goods), transport business license (goods and passengers), certificate of capability for construction activities; license for goods lease; operation certificate in education area....

ENTRY CONDITIONS, WORK PERMITS, RESIDENCE PERMITS, LABOUR LAW

Entry conditions

Entry visa to Vietnam is required for Swiss citizens. For travelling suggestions and information, please visit the website of [TCS \(entry requirements Vietnam\)](#).

Work permits, residence permits, labor law

A work permit will be required in case a foreigner working in Vietnam, excepting the following cases:

- The manager of a representative office, project or the person in charge of the operation of an international organizations or a foreign non-governmental organization in Vietnam.
- Entering Vietnam for a period of less than 03 months to do marketing of a service.
- Entering Vietnam for a period of less than 03 months to a resolve complicated technical or technological issue which (i) affects or threatens to affect business operation and (ii) cannot be resolved by Vietnamese experts or any other foreign experts currently in Vietnam.
- A foreign lawyer who has been granted a lawyer's practicing certificate in Vietnam in accordance with the Law on Lawyers.
- One of the cases specified in an international treaty to which the Socialist Republic of Vietnam is a signatory.
- Foreign workers married to Vietnamese people and living in Vietnamese territory are no longer exempt from the work permit exemption confirmation procedure, meaning they will still have to go through the confirmation procedure for non-citizens. The work permit must be issued at least 10 days in advance from the date the foreign worker starts working instead of just giving notice as before (Decree 70/2023 ND-CP).
- The owner or capital contributor of a limited liability company with a capital contribution value of at least 3 billion dong.
- The Chairperson or a member of the Board of Directors of a joint-stock company with a capital contribution value of at least 3 billion dong.
- An intra-company transferee within 11 sectors in the schedule of commitments in services between Vietnam and WTO, including: business services, communication services, construction services, distribution services, educational services, environmental services, financial services, health services, tourism services, recreational and cultural services, and transport services.
- Entering Vietnam to provide professional and engineering consulting services or perform other tasks intended for research, formulation, appraisal, supervision, evaluation, management and execution of programs and projects using official development assistance (ODA) in accordance with regulations or agreement in international treaties on ODA signed between the competent authorities of Vietnam and foreign countries.
- Being granted a communication and journalism practicing certificate in Vietnam by the Ministry of Foreign Affairs as per the law.
- Being sent by a foreign competent authority or organization to Vietnam to teach and study at an international school under management of a foreign diplomatic mission for an intergovernmental organization; or of a facility established under an agreement to which Vietnam is a signatory.
- A volunteer.

- Entering Vietnam to hold the position of a manager, executive, expert or technical worker for a period of work of less than 30 days and up to 3 times a year.
- Entering Vietnam to implement an international agreement to which a central or provincial authority is a signatory as per the law
- A student studying at a foreign school or training institution which has a probation agreement with an agency, organization or enterprise in Vietnam; or a probationer or apprentice on a Vietnam sea-going ship.
- A relative of a member of foreign representative body in Vietnam
- Obtaining an official passport to work for a regulatory agency, political organization, or socio-political organization.
- Taking charge of establishing a commercial presence.
- Being certified by the Ministry of Education and Training as a foreign worker entering Vietnam for teaching and research purpose. Capital-contributing members or owners of limited liability companies.

Work permit:

Before recruiting foreigners to work in Vietnam, enterprise must explain the need to use foreign employee and obtain written approval from the competent authorized. After having approval for the recruitment of foreign employees, enterprises submit the application dossier to the Department of Home Affairs to get a work permit for foreigner worker at least 15 working days before the day on which a foreign worker starts to work. Within 5 working days after receiving a duly completed application, a work permit is expected to be issued to the foreign worker.

A work permit has max duration of 02 years and may be renewed.

Eligibility of foreign employees: A foreign employee means a person who has a foreign nationality and:

- is at least 18 years of age and has full legal capacity;
- has qualifications, occupational skills, practical experience and adequate health as prescribed by the Minister of Health;
- is not serving a sentence; does not have an unspent conviction; is not undergoing criminal prosecution under his/her home country's law or Vietnam's law;
- has a work permit granted by a competent authority of Vietnam, except in the cases mentioned above.

There are 05 groups of foreign employees:

- Foreign workers internally reassigned in the company including the managers, chief executive officers, experts and technicians of a foreign enterprise which has established a commercial presence in Vietnam, are temporarily reassigned within the same enterprise to its commercial

presence in Vietnam and have been employed by the foreign enterprise for at least 12 consecutive months.

- **Volunteers** including unpaid foreign workers who voluntarily work in Vietnam to implement the International Treaties to which the Socialist Republic of Vietnam is a signatory.
- An **expert** including a foreign worker who:
 - Graduated from university or higher or equivalent and have at least 3 years of work experience suitable to the job position that the foreign worker plans to work in Vietnam;
 - Has at least 5 years' experience and has a certificate confirming relevant to the job position they intend to undertake; or
 - Has been approved as a special case at the discretion of the Prime Minister at the request of the Ministry of Labor, War Invalids, and Social Affairs.
- **Managers and Chief Executive Officers** including:
 - Managers are persons in charge of managing the companies as regulated in Clause 18 Article 4 of the Enterprise Law or heads of a branch, representative office, or the business location of the enterprise; or
 - The person who leads and directly operates at least one area of an agency, organization, or enterprise and is subject to the direct direction and management of the head of the agency, organization, or enterprise."
- **Technicians** including a foreign worker who:
 - Has professional training for not less than 1 year and has at least 3 years of experience appropriate to the job position they are applying for; or
 - Has a minimum of 5 years of work experience suitable to the job position that they plan to undertake.

More detailed information is available in the Labour Code (2019) and the Government's Decree no. 152/2020/ND-CP (December 30, 2020) and Decree 70/2023/ND-CP (effective from September 18, 2023). In addition, Vietnam also has Employment Law, Law on Labor Safety and Hygienic, Social Insurance Law, and relevant documents guiding the implementation of such laws regarding labor relations in enterprises.

Residence Card: After having a work permit, the foreign worker can obtain a temporary residence card from Immigration authority of Vietnam. Duration of residence card is the same with duration of the work permit.

HOUSING FOR FOREIGNERS IN VIETNAM

Those who can become a housing owner in Vietnam:

- Foreign organizations and individuals who invest in housing development projects in Vietnam;

- Foreign-invested enterprises, branches, representative offices of foreign traders, foreign investment funds, and branches of foreign banks operating in Vietnam (for purpose of living of staffs working in these entities, not allowed to use their house for lease, for office or other purposes);
- Individuals who are permitted to come to Vietnam.

Duration of housing ownership of foreigners:

- For foreign individuals: 50 years and can be extended one time not exceeding 50 years;
- For foreign organizations: According to the duration of the project invested by the foreign organizations, including extension but not exceed the duration of the investment registration certificate granted to such foreign organizations.
- In case a foreign individual gets married to a Vietnamese citizen or an overseas Vietnamese, he/she is entitled to stable and long-term ownership of the house in Vietnam and has all rights of the owner as a Vietnamese citizen.

INTERLECTUAL PROPERTY

In recent years, the Government of Vietnam has implemented many measures to enhance the level of protection of legitimate intellectual property rights. The intellectual property rights are protected by the Civil Code, the Intellectual Property Law (issued in 2005, and subsequently amended in 2009, 2019 and 2022), and a number of guidance for implementation.

Vietnam has for a long time been a member of Paris Agreement and Madrid Agreement about Registration of Trade Marks, a member of Patent Cooperation Treaty (PCT), became a member of the World Intellectual Property Organization (WIPO) in 1976, became a member of Bern Convention on Copyrights in 2004.

Intellectual Property Office of Viet Nam (IP Vietnam) under Ministry of Science and Technology is the agency in charge of administration of protection of intellectual property rights, including the registration of intellectual property. Foreign entities wishing to register their intellectual property rights must file its application for registration via an authorized intellectual property agent which will submit its application to IP Vietnam.

For detailed information of the IP issues, please visit the website of the Government of Vietnam at <https://www.ipvietnam.gov.vn/en/web/english/home>

CIVIL CODE

The Civil Code No. 91/2015/QH13 dated 24/11/2015, enter into force on 01.01.2017 is a fundamental law of Vietnam. The Civil Code provides for general principles and issues of contracts, the gurantee,

representative, determination of law applying to transaction involving foreign elements and other issues. Civil Code 2015 in English can be found at <https://www.fao.org/faolex/results/details/en/c/LEX-FAOC198573/>

COMMERCIAL LAW

The Commercial Law (2005), which came into effect from 1.1.2006, consists of 9 chapters setting forth main principles in trade activities, trading in goods and services, trade processing, goods assessment, goods bidding, trade promotion, trade sanction and trade dispute settlement and resolution to trade violations.

For detailed information of the Law, please visit the website of the Government of Vietnam: [link](#)

ANTI-MONEY LAUNDERING LAW (“AML LAW”)

The Anti-Money Laundering Law (2022) is in effect since 1.3.2023 and is set out to improve the effectiveness of money laundering prevention activities and crime prevention in general. The new AML Law requires reporting entities to upgrade their procedures and implement them to meet compliance requirements laid down by the State Bank of Vietnam (SBV).

The key changes of the Law 2023 compared with the Law 2012 are:

- The scope of reporting entities that have obligations under the new AML Law
- Conduct of Money laundering Risk Assessment and Client Risk Classification
- Know-your-customers (“KYC-analysis”) for an extended group of customers
- The scope of foreign Politically Exposed Person (PEP)
- New term “third party service provider / outsource organisation”
- Transparency of the Information of Legal Arrangement
- Relationship between reporting entity and respondent bank
- Time limit for reporting

Practical solutions for firms to consider while implementing the Anti-Money Laundering Law can be found [here](#).

Reporting subjects under the new AML Law (2022) are individuals or organisations performing business as outlined below:

- Receiving saving deposits activities
- Lending activities
- Financial leasing activities
- Payment services
- Issuing transfer instruments, bank cards, and money transfer orders activities
- Bank guarantees and financial commitments activities

- Currency exchange activities
- Life insurance business activities
- (...)

Source: [New Reporting subjects \(Allen & Gledhill\)](#)

CYBERSECURITY LAW AND DECREE 53/2022/ND-CP

The Cybersecurity Law consists of 7 chapters with 43 articles of law that strictly regulate national security protection activities. Together with Decree 53/2022/ND-CP the Cybersecurity Law sets out numerous legal bases to prevent illegal activities in the cyberspace. Decree 53/2022/ND-CP, which came into effect on 1.10.2022, implements various provisions of the Law on Cyber Security 2018 (LCS 2018).

According to article 26.3 of the Cybersecurity Law all local service providers conducting data in the Vietnamese cyberspace are required to store certain types of data in Vietnam. Foreign-invested enterprises established under the laws of Vietnam fall within the scope of the law. Under the “local Presence Requirement”, which applies to foreign firms, the relevant firm must establish a representative office or a branch in Vietnam.

3 types of data subject to local storage in Vietnam:

1. personal data of service users in Vietnam;
2. data generated by service users in Vietnam, including:
 - a. account name of service user
 - b. time of service use
 - c. credit card information
 - d. email address
 - e. network address (IP) of most recent login/log out
 - f. registered phone number associated with the account or data; and
3. data on the relationships of service users in Vietnam, including: friends and groups with which users connect or interact.

A foreign enterprise must comply with the Storage Requirement and the Local Presence Requirement if certain conditions are satisfied. Among the conditions are overseas entities operating in the sectors of telecommunications; storing and sharing data in cyberspace; providing national or international domain names to service users in Vietnam; e-commerce; online payments; payment intermediaries; transport connectivity services through cyberspace; social networks and social media; online video games; and services providing/managing/operating other information in cyberspace in the form of messages, voice calls, video calls, email, online chat.

Source: [PWC](#)

LAW ON INSURANCE BUSINESS LAW

Switzerland Global Enterprise – Legal Provisions

The Law on Insurance Business Law, which came into effect on 1.1.2023 is applicable for all insurers, reinsurers, brokers, agents, auxiliary service providers and mutual micro-insurance firms. Offshore non-life insurers, offshore reinsurers, offshore insurers and reinsurers; brokers; financial and insurance groups will be impacted by the Law. The new legal framework aims to provide clarity and promote the development of the insurance market in Vietnam.

They key changes include:

- Clear scope of applicability.
- Changes to the scope of compulsory insurance products.
- Clear definition of insurable interests.
- The fundamental principles including utmost good faith and insurable interest are set out more clearly.
- New term “temporary life insurance”: allowing insurance companies to issue temporary insurance to a policyholder when the insurer has received an insurance application and the estimated insurance premium has been paid by the policyholder.
- Recognition that insurers can provide auxiliary services related to the insurance business.
- The Law extends the cases in which an insurer may sell different insurance products at the same time.
- The Law recognizes the investment from a financial and insurance group, of which the investor may not be an insurer but in the group has an entity doing insurance business.
- Mechanism for insurers to sell insurance via online channels.
- Capital adequacy ratio will be based on the actual capital and the risk-based capital.
- Other changes include foreign ownership cap, the time to apply provisions on management of risk, capital and solvency, information disclosure by insurers and on a dispute resolution body

Source: [Baker McKenzie - New Insurance Business Law](#)

LAW ON PHARMACY

The curent Law on Pharmacy 2016 (amended 2024) provides for policies of the State on pharmacy and development of pharmacy industry; pharmacy practice; pharmacy business; registration, sale, recall of drug and medicinal materials; herbal materials and traditional drugs; drug information, pharmacovigilance, drug advertising; clinical pharmacology; management of drugs in health facilities; clinical trial of drugs (hereinafter referred to as clinical trial) and bioequivalence study of drugs; management of drug quality, medicinal materials, and drug prices.

The foreign-invested pharmacy enterprises including:

1. Exporters, importers of drugs/medicinal materials;
2. Manufacturers of drugs/medicinal materials;
3. Providers of drug/medicinal material testing services;
4. Providers of clinical trial services;
5. Providers of bioequivalence study services.

Certificate of eligibility for pharmacy business granted by Ministry of Health is required for all foreign-invested pharmacy enterprises.

Foreign-invested importers of drug and medicinal material have the following rights:

- Sell drugs and medicinal materials which they import to wholesalers of drugs and medicinal materials. In case of selling prescription drugs, the drug importers are entitled to sell them from the date on which the Ministry of Health receives the dossiers on announcement or re-announcement of intended wholesale prices of drugs;
- Repurchase drugs and medicinal materials which are transferred to Vietnam by the importers under technology transfer contracts; sell drugs and medicinal materials which are obtained by the importers under processing contracts or transferred to Vietnam by the importers under technology transfer contracts to wholesalers of drugs and medicinal materials;
- Import medicinal materials within the scope mentioned in the Certificate of eligibility for pharmacy business to supply them to manufacturers of drugs which are obtained by the importers under processing contracts or transferred to Vietnam by the importers under processing contracts or technology transfer contracts;
- Deliver and transport drugs and medicinal materials which the importers import, are obtained by the importers under processing contracts or are transferred to Vietnam by the importers under technology transfer contracts from the importers' warehouses of drugs and medicinal materials to wholesalers of drugs and medicinal materials;
- Deliver and transport drugs under sponsorship, aid, humanitarian aid, and disease prevention and control programs to health facilities receiving sponsorship;
- Transport medicinal materials from the importers' warehouses to manufacturers of drugs which are obtained by the importers under processing contracts or are transferred to Vietnam by the importers under processing contracts or technology transfer contracts; transport drugs used for clinical trial which the importers sponsor and import to clinical trial facilities.

Foreign-invested importers of drug and medicinal material are not permitted to conduct other activities directly related to distribution of drugs and medicinal materials, retail drugs and sell drugs and medicinal materials wholesale.

THREE NEW REAL ESTATE LAWS EFFECTIVE IN 2024

Three new laws regarding real estate: the Law on Land (2024), the Law on Housing (2023) and the Law on Real Estate Business (2023), came into effect from August 1, 2024, five months earlier than planned.

The three new laws will help address the existing problems in land valuation, land acquisition and resettlement compensation.

When the three amended laws come into force, many obstacles in the investment in commercial housing, social housing development... will be solved, creating a better environment for the real estate developers as well as protecting benefits of the house buyers.

Key changes introduced in the most important law – the Land Law 2024 include the following points:

- Elimination of the land price framework;
- Changes in land rent payments;
- Changes in land use term for housing projects;
- Limitations on land fund for commercial housing projects;
- Expanded dispute resolution mechanisms.

SOURCES OF INFORMATION AND LINKS

The Ministry of Planning & Investment

www.mpi.gov.vn

The Ministry of Finance

mof.gov.vn

The State Bank of Vietnam

www.sbv.gov.vn

The Ministry of Industry and Trade

moit.gov.vn

Vietnam Trade Promotion Agency

www.vietrade.gov.vn

The Directorate for Standards, Metrology and Quality (STAMEQ)

tcvn.gov.vn

PricewaterhouseCoopers Vietnam

www.pwc.com

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