

Trade Information

1.1 Trade Licensing System, Regulation on Commercial Samples and Temporary Imports

Commercial goods in temporary import for Re export

General provisions

- Temporary import for re-export of goods means the import by a Vietnamese businessman of goods of a foreign businessman into Vietnam for sale to another foreign businessman, [and] such goods shall go through customs procedures for importation into Vietnam and later exportation out of Vietnam.
- Temporary import for re-export of goods shall be carried out on the basis of two separate contracts for sale and purchase of goods. The purchase contract could be signed before or after the signing of the sale contract.
- Vietnamese businessmen who have registered export and import codes are permitted to trade in temporary import for re-export of goods.

Specific provisions

- In regard of the lines of goods eligible for temporary import for re-export of goods, Vietnamese businessmen are permitted to trade in temporary import for re-export of goods in accordance with the business lines specified in their Business Registration Certificates. The trading in temporary import for re-export of goods with respect to goods prohibited from export and import, and petroleum (except for lubricant) must be approved by the Ministry of Trade.
- Time for storage of temporarily-imported goods for re-export in Vietnam shall not exceed 90 days as from the date of import procedures completion. For cases where the extension is required, a businessman shall send a written request to Provincial/Municipal Customs Departments where import procedures for the temporarily-imported goods for re-export are carried out for settlement. Each extension shall not exceed 30 days and each consignment of goods shall not be extended for more than 3 times.
- Temporarily-imported goods for re-export must go through customs procedures at the international border-gates or Government-permitted-border-gates where customs offices are located and shall be subject to supervision of the customs offices until they are actually exported out of Vietnam.
- Payment modes of purchase and sale of temporarily-imported goods for re-export must follow the regulations of the State Bank applicable to payment of exported and imported goods.
- Customs dossiers and procedures shall follow the normal regulations applicable to other exported and imported goods.

References

- Decision No. 1311/1998/QĐ-BTM dated October 31, 1998 of the Ministry of Trade promulgating the Regulations on trading in temporary import for re-export of goods.

1.2. Electronic addresses of Customs and Special Custom tariffs

customs.gov.vn/tariff

1.3. Important required documents for exports (according to local authorities' requirement)

Export and import goods sale and purchase contract

Documents to be submitted and presented

- The import goods declaration forms: 02 originals
- The goods purchase and sale contract or papers of equivalent legal value: 01 duplicate
- The commercial invoice: 01 original
- The bill of lading: 01 duplicate

- Documents to be additionally submitted for the following cases
- The packing list of goods (for lots of goods of many categories): 01 original, 01 duplicate
- The import goods declaration forms (for cases applied according to GATT): 02 originals
- The import permit of the competent State body (for goods on the list of goods banned from import or subject to conditional import):
 - + Single importation: 01 original
 - + Multiple importation: 01 duplicate, submit the original
- The certificate of origin (C/O) (for cases requiring the submission as prescribed): 01 original
- The entrusted import contract (if undertaking the entrusted import):
 - 01 duplicate
- The written registration for goods quality inspection or inspection exemption notice issued by the State quality inspection agency (for import goods included in the list of those subject to state quality inspection): 01 original
- The written quarantine registrations issued by quarantine agencies (for import goods subject to quarantine): 01 original.
- When carrying out customs procedures for goods imported through seaports, the customs declarers must additionally submit the delivery order (D/O).

Documents to be produced:

- The business registration certificate: 01 original
- The certificate of import/ export business code registration: 01 copy (duplicate or original).

- Other regulations on declaration, documents included in the customs dossiers:
- The customs declarers may submit the certificate of origin 60 (sixty) days later; other documents belonging to the customs dossiers (excluding customs declaration) 30 (thirty) days later as of the registration of customs declaration form in case where they obtain the approval of the Heads of Customs Sub-Departments.
- Before the time the customs officers conduct the actual goods inspection, if the customs declarers made written requests which are approved by the Heads of Customs Sub-Departments, they may withdraw the registered customs declarations for supplementation and/ or amendment or replacements.
- The customs declarers may register the customs declaration for the import goods before the goods arrive at the border gates within 15 (fifteen) days, later than this time limit the customs declaration is no longer valid. If goods are imported later than this time limit, the declarer must register the other customs declaration.
- If the goods owners who regularly exports and/ or imports the same items of goods within a given period under the same purchase and sale contract may use a single customs declaration (registered once) for carrying out customs procedures for the exportation or importation of such goods items within the delivery time determined in the purchase and sale contracts.

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1.4.National standards, implementing licenses, the licensing authorities (for example electronics, household products and foodstuffs

National standards

Vietnam's system of standards is complicated and not always transparent; some items are subjected to national standards, which are voluntary; some are subject to regulations of the functioning agencies; and some are subject to both. However, Vietnam has adopted some international standards. In general, Vietnam does not appear to use technical measures to serve as non tariff barriers, and as a WTO member has promise to comply with Technical Barriers to Trade Agreements. The exceptions to this are some goods controlled by specific ministries such as chemicals for their production, wild animals, toxic chemicals and intermediate materials for their production, wild animals, pesticides and materials for their production, pharmaceutical, substances that may cause addiction, cosmetics that may have an impact on human health and medical equipment.

Product Certificate

The Vietnam Certificate Centre (QUACERT) is a national certification body responsible for quality related certification established by MOST. QUACERT certification criteria and procedures seek to comply with appropriate national and internationally recognized standards and guidelines. The Joint Accreditation System of Australia and New Zealand (JAS-ANZ) have accredited QUACERT for certification of ISO 9000, ISO 14000, and HACCP. QUACERT is mainly responsible for

- Participating in research for establishing legislation documents concerning conformity certification activities in Vietnam
- Participating in research on quality, quality assurance and total quality management
- Certification activities for products and quality management systems that have complied with national, international recognized standards or other specifications.
- Participating in training activities. Professional improvement and information dissemination regarding quality and conformity certification.

For more information visit www.tcvn.gov.vn/en

Licensing authorities for electronics, household products and foodstuffs

- Household and Electronic products: No specific regulation on these products but producers/distributors must register their product quality at Directorate for Standards and Quality. www.tcvn.gov.vn
- Foodstuffs: Vietnam Food Administration. www.vfa.gov.vn

1.5.Intellectual Property

The new Civil Code and the law on Intellectual Property codify the bulk of the regulation on intellectual property. Vietnam is also signatory to the Paris Convention, the Madrid Agreement and the Stockholm Convention of 1967, Bern Convention for the protection of Literary and Artistic Works, and the Geneva Convention for the Protection of Producers of Phonogrammes against Unauthorized Duplication of their Phonogrammes. Industrial property and copyright are regulated separately. Industrial property is administered principally by Ministry of Science and Technology and copyright by the National Office of Intellectual Property.

Registration is generally required to protect intellectual property except for copyright. Registration of copyright will create prima facie evidence for protection. Generally, for other intellectual property rights, the right are protected upon registration on a first to file priority basis. Exceptions to the first to file rule are trade secrets, geographic indications, and trade names which are entitled to legal protection upon fulfillment of their own conditions for formation and usage.

1.6. Transport, Packing Regulations and Special labellings

- **Packaging:** Vietnam has a number of regulations on packaging of food products; the metric system is widely used and understood in Vietnam, although there is no official requirement to use it in packaging.
- **Safety requirements:** Importers of products that need to have safety certificates must apply for certificates before distributing them on the market. Safety regulations are available from the Directorate of Standards and Quality (<http://www.tcvn.gov.vn>) Currently, standards are voluntary, unless mandated by the Ministry of Science and Technology. Safety standards applied in developed countries like Japan, Canada, the US, and the EU are generally accepted.
- **Biotechnology products:** the Vietnamese biotechnology law requires labelling of all biotechnology products as well as shipment-by-shipment special import permits for biotechnology products.

On November 1, 2003, the Vietnam Ministry of Health implemented the Ordinance on Food Hygiene and Safety, which governs the production, trade, and consumption of food in Vietnam. Item 1, Article 17, of the Ordinance provides that food packaging must meet the requirements for food hygiene and safety, which the Ordinance defines as "any necessary conditions and measures to assure that food will not cause harm to human health." In addition, Item 1 states that food packaging must protect foods from contamination, ensure that food quality is maintained during the shelf-life of the food, and facilitate the labeling of the food.

Item 2 of Article 17 requires packaging used in direct contact with food to be experimented and tested for food hygiene and safety. Such testing must be conducted in accordance with Decree Number 867, which places restrictions on the use in food packaging of ceramics, glass, synthetic plastic, and alloys. Specifically, the decree sets forth permitted and non-permitted levels of impurities for these materials, as well as testing methods for specific sub-groups of materials.

With regard to plastic materials used in food packaging, such materials must comply with Regulation No. 3339/2001/QD-BYT ("Hygiene Safety Regulation on Plastic Materials Used in Foodstuff Packaging"). This regulation sets forth general requirements for plastic packaging materials, as well as a positive list of permitted levels of monomers; this positive list includes specific migration limits for specified monomers, and prescribes specific material testing requirements for polyethylene, polypropylene, polyethylene terephthalate, and polyvinyl chloride. The regulation also requires that additives and colors meet the standards implemented by the Ministry of Health for these substances. However, there does not appear to be a positive list for additives and colors, or an explicit mechanism by which new packaging materials are cleared in Vietnam.

Labelling: Government regulations require all consumer goods which are imported or produced for sale in the domestic market to bear labels which include: the name of the goods; the name and address of traders responsible for the goods; the quantity, composition, production date, expiry date and preservation duration, and country of origin of the goods (please refer to Decision no 178/1999/QD-TTg of August 30, 1999 for complete details); a new Ordinance on Food Hygiene and Safety, which requires imported GM food to be labelled, has also been in place since November 1, 2003;

Language requirements: Information on labels of consumer products must be provided in Vietnamese but depending on the requirements of each kind of goods, they can be inscribed in foreign language(s) but in a smaller font.

www.infoexport.gc.ca

packaginglaw.com

Transport Information

1. Saigon Van

Move management, Relocation services, Record management .

Add. Hanoi

Tel. 84 4 9 306 410

Tel. 84 8 8238851

2. Maersk Logistics Ho Chi Minh (SCM)

28 Phung Khac Khoan Street,

Da Kao Ward, District 1,

Ho Chi Minh City,

Vietnam

Tel: (84) 8 823 4435

Fax: (84) 8 8294993

Contact person: Mr. Narin Phol (Supply Chain Management (SCM))

vnmlogscommng@maersk-logistics.com

Maersk Logistics Ha Noi

B: International Center, 6th floor, Unit 1,

17 Ngo Quyen St.,

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Tel: (84) 04 9366050

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Maersk Logistics Hai Phong

C: 1 Tran Hung Dao Street,

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Maersk Logistics Da Nang

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Hai Chau Dist.,

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Tel: (84) 0511 810272

Fax: (84) 0511 810271

Contact person: Mr. Phan Thanh Hoang

dngops@maersk.com

1.7. Advertising regulation, advertising capacity

Regulation: Advertising remains heavily regulated by the Vietnamese Government. In principle, only companies licensed in Vietnam may place advertisements. Advertisements for Tobacco and liquor (excluding below 15% alcohol volume beverages) are prohibited in the mass media. Advertising for pharmaceutical, agri- chemicals, cosmetic and toiletries required registration and approval from the appropriate ministries before being run, while the Ministry of Culture and Information must approve all advertising content. Arbitrary enforcement and Interpretation

of the regulations continue to hinder the development of the advertising industry. Limits on advertising and promotion expenditures exist and are tied to percentage of total sales.

Capacity: Foreign Ad Agencies in Vietnam: Vietnam's advertising market is now to around 700 advertising companies, plus nearly 30 foreign invested representative offices and seven wholly foreign invested firms. About 80% of local advertising companies are now working on advertising contracts for foreign invested advertising firms. The remaining 20% have independent advertising contracts, but these are still backed up by foreign companies abroad. Most foreign advertising firms are not permitted to directly sign contracts with local media agencies. Instead they have to go through local advertising companies to implement ad campaigns in newspapers or TV commercials.

The majority of foreign advertising firms are likely to remain as representative offices for the foreseeable future. Many foreign firms work closely with Vietnamese advertising companies in order to support their international clients.

While highly sophisticated advertising production may have to take place offshore, most production for the multinational ad agencies takes place within Vietnam, primarily in Ho Chi Minh city. Foreign advertising executives say that the "80/20" rule applies to the geographical distribution of their business in Vietnam: 80% of the business is in HCMC, while 20% in Hanoi. HCMC and the surrounding provinces are said to lead the rest of the nation in disposable income, familiarity with foreign trends and brands, quality of broadcast programming and print media, and production skills.

Clients: For the foreseeable future, multinational corporations in Vietnam will provide most of the business for foreign advertising firms. In recent years, the top ten ad buyers in both TV ads are toiletries/ cosmetics, soft drinks, pharmaceuticals, household cleaning products, and foods.

Source at U.S Foreign Commercial Service – Vietnam: www.buyusa.gov/vietnam/en

1.8. When signing a contract, what article of laws will be applied in case of conflict (compulsory or not?)

With Business Contracts (except in property)

With the concerned parties in contract can sign a contract base on foreign law system and choose legal authorities to deal with commercial disputes in terms of appliance or consequence of that foreign law does not against Vietnam's law or in another word they must be accordance with Vietnam's Law.

Time for appliance of company establishment certificate : 15 — 45 days (in case all full and valid dossiers are in order before applying)

Certificate appliance fee: < US\$50

Source of Mayer – Brown JSM

Term of Investment

2.1 Closing Industries to foreign investment, maximum ratio of capital contribution and purchase of shares by foreign investors

- Closing Industries to foreign investment

According to Article 30 in Law on Investment of Vietnam 2005

Prohibited investment areas:

1. Projects which harm national defense and security and public's interest
2. Projects which harm historical monuments, culture, morality, Vietnam's habits and customs
3. Projects which affect people's health, destroy natural resources and environment
4. Projects which take from abroad poisonous waste treatment to Vietnam; produce poisonous chemical substances or use poisonous agents forbidden in international treaties

- Maximum ratio of capital contribution and purchase of shares by foreign investors

Currently, the level of capital contribution into a Vietnamese enterprise by foreign investors is limited to 30% (article 4 of Decision 36 issuing Regulations on capital Contribution and Purchase of Shares by Foreign Investors in Vietnam Enterprises dated 11 March 2003. This limit was expected to be revised upwards under the new Investment Law, but no such provision has been made. The Investment Law merely provides that the government issue regulations on the ratio of capital contribution and purchase of shares by foreign investor (article 25.1)

Source by Freshfields Bruckhaus Derringer/ Vietnam New Investment Law- March 2006
www.mekongresearch.com/doc

2.2. Terms of a company establishment, forms of company, minimum charter capital

Conditions for granting representative offices and branches establishment permits

On 25 July 2006, the Government issued Decree No.72/2006/ND-CP “Decree” detailing the Commercial Law regarding Vietnam-based representative offices and branches of foreign traders. Accordingly, the Decree regulated conditions for granting representative offices and branches establishment permits as follows:

- *A foreign trader shall be granted a permit to establish in Vietnam its representative office when fully satisfying the following conditions:*
 - + Being a trader recognized by the law of the country or territory where it has been lawfully established or made its business registration;
 - + Having been operating for at least one year after its lawful establishment or business registration in its country.
- *A foreign trader shall be granted a permit to establish in Vietnam its branch when fully satisfying the following conditions:*
 - + Being a trader recognized by the law of the country or territory where it has been lawfully established or made its business registration;
 - + Having been operating for not less than five years after its lawful establishment or business registration in its country.
 - Permits for establishment of Vietnam-based representative offices or branches of foreign traders shall each have a valid term of 05 (five) years, which must, however, not exceed the remaining valid term of such foreign traders’ business registrations or papers of equivalent value in case foreign laws specify valid terms of business registrations of foreign traders.

Forms of direct investment in Vietnam

The most common forms of direct investment in Vietnam by foreign investors or investors to carry out a project are: to incorporate a company owned 100% by foreign investors (“WFOE”), a joint venture between local and foreign investor(s) (“JV”), or to enter into a business cooperation contract (“BCC”).

A WFOE and a JV are both Vietnamese corporate legal entities and therefore in each case a Vietnamese corporate vehicle, to carry out investment in these forms must be established under the Law on Enterprises.

In a BCC, no legal entity is formed. The parties to such arrangement may agree to share profits and losses or share in the products of the cooperation in much the same way as a partnership; it is, in effect, a contractual JV.

To carry out a business or an investment project in the WFOE or JV form, investor set up a Vietnamese legal entity. This is governed by the Law on Enterprises, which is the new

company law that set out the types of corporate vehicles available to investors. It became valid on 1 July 2006.

Provided by Mayer Brown JSM Group/ A guide to Doing Business Vietnam

- Minimum legal capital (regulated by the government)

There is no specific regulation on minimum legal capital by government. It is regulated depend on each industry.

2.3. Types of Taxes (Major taxes, Corporate Income Tax, VAT, PIT, Land tax, others, tax preferences)

According to the prevailing tax law system, at least, the following taxes should be aware of by foreign investors when doing business in Vietnam.

Corporate income tax; The standard tax rate is now 28%, decreased from 32% thanks to the issuance of the Law on Corporate Income Tax in 2003 (effective from 1 January 2004), and applicable to all legal entities, including FIEs (the former CIT applicable to FIEs was 25%). There are special investor incentive rates at 10%, 15% and 20% available for a period between ten(10) to fifteen (15) years from the date the company begins to operate (in exceptional cases the 10% rate maybe available for the entire term of the project if approved by the Prime Minister). There are also tax holidays from two(2) to nine(9) years depending on where the project is located, the types of activities and number of employees. Tax holidays can take the form of complete tax exemption for a certain period from the date from which the company makes profit followed by a period in which tax is charged at half rate. There are special rates for investments in certain geographical areas like Phu Quoc.

Value-added tax: Value-added tax (VAT) is levied on the added value of most goods and services generated during the process from the production, circulation to consumption (With respect to some categories, they are subject to Special Sales Tax. There are four VAT rates as follows:

- (i) The tax rate of 0% is applicable to goods for export, abroad re-insurance, abroad credit services, abroad financial investment, abroad stock investment;
- (ii) The tax rate of 5% is applicable to essential goods and services such as water, fertilizer, 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, yarns; sugar, confectioneries, and soft drink; glass, plastic, rubber, construction materials; construction and installation works, transportation and loading/unloading; postal and telecommunication services; leasing of premise, equipment and transport means; legal consulting services; and luxury goods and services such as gold, silver and precious stone trading, hotel, tourism, catering, all kinds of lottery, shipping agents, broker which in the past be subject to the tax rate of 20%.

Special sales taxes; Other than those subject to VAT, the following are being subject to the Special Sales tax with the rates ranging from 10% to 80% which are: cigarettes, beer (not including draft beer), alcohol, cars (less than 24 seats), gasoline, air conditioners (less than 90000 BTU), playing cards, joss papers, joss articles; trading in dancing clubs, massage, karaoke, casinos, jackpot game machine-based services, lottery trading, and golf course trading. Betting in horse race and motor race shall be excluded from the list of taxable services.

The goods and services subject to VAT are not subject to special sales tax, and vice versa.

Withholding tax; Since the corporate income tax rate increased to 28% from 25% as above mentioned, foreign capital projects and investors shall be free from paying the withholding tax from 1 January 2004 when the recently amended Law on Corporate Income Tax comes into full effect.

Import/export tax: Vietnam is now adjusting its import and export tariffs in order to promote export and to fulfill the commitments to cut down import duties and remove non tariff barriers in line with AFTA and other international trade organizations.

Technology transfer tax; All technology transferors are subject to the technology transfer tax which imposed upon the taxable revenues as agreed in the contract. Instead of three rates previously, there exists only a rate of 10% applicable recently to all cases.

Foreign contractor tax; Foreign contractors who conduct production and business activities in Vietnam, not under the FIL, on the basis of signing contracts with Vietnamese legal entities, and sub-contractors who provide services to contractors in Vietnam, shall be liable for paying the same taxes and tax rates as applicable to the local enterprises. These taxes include VAT, corporate income tax, import-export duty, personal income tax, and others if so required by the laws of Vietnam.

Foreign contractors and sub-contractors may choose one between the two following ways to pay VAT and corporate income tax:

(i) Ordinary Method

This is applicable to whom following the Vietnamese accounting system. The tax payment will be done in the same way of local entities, at the VAT and corporate income tax rates as described above.

(ii) Combined Method

This method is applicable when foreign contractors or sub-contractors do not use the Vietnamese accounting system. In order to facilitate the assessment and payment of VAT and corporate income tax, these two types of taxes are consolidated into one base which is the taxable revenues.

Added values vary from 10%, 25%, 30% to 50% of the taxable revenues, subject to whether it is trading, production, construction with or without supplies. VAT will be calculated by multiplying the said added values with the respective rates as described in Section 16.4 above. Payable corporate income tax varies from 1%, 2%, 5% to 10% of the taxable revenues, subject to whether it is trading; production, transport, construction; services; lending; and technology transfer.

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

With respect to whom living in Vietnam less than 183 days, they will be liable for paying tax at a fixed rate of 25% (formerly 10%) of the aggregate income. With respect to whom living in Vietnam over 183 days (so called locally-resident foreigners), they will be subject to the progressive tax tariff, with the maximum rate of up to 40% of their monthly income.

The taxable income minimum rate applicable when calculating tax for a locally-resident foreigner is VND 8 million.

Foreigners working in Phu Quoc pay only 50% of ordinary rates

Income x USD	Tax rate
Up to 500	0%
Over 500 – 1270	10%
Over 1270 - 3200	20%
Over 3200 - 5000	30%
Over 5000	40%

For Vietnamese

Income x USD	Tax rate
Up to 300	0%
Over 300 – 950	10%

Over 950 - 1600	20%
Over 1600 - 2600	30%
Over 2600	40%

Tax incentives

Tax refunds are available on profits reinvested for at least three years. Joint ventures and 100 percent foreign-owned enterprises may carry forward their losses for up to five years. Foreign investors may also enjoy tax concessions and holidays for investments in Export Processing Zones (EPZ) and Industrial Zones (IZ).

Projects located in EPZs enjoy the following investment incentives, among others:

- Exemption from export tax on finished products exported from the EPZ to foreign markets
 - Tax rates of 10 percent for production enterprises and 15 percent for service enterprises
 - Exemption from tax on profits for the first four profitable years for production enterprises and first two profitable years for service enterprises
 - A tax rate on profit remitted abroad of five percent
- Projects located in an IZ enjoy the following investment incentives, among others:
- Profit tax rates of 18 percent for production enterprises and 22 percent for service enterprises; those firms that export at least 80 percent of their production enjoy a lower rate of 12 percent;
 - Exemption from profits tax for the first two profitable years for production enterprises and one year for service enterprises;
 - Export processing enterprises located in an IZ are still entitled to enjoy EPZ tax incentives.

2.4. Investment Preferences, Priority Industries (which lines of the industries are preferential, for example, with foreign investment)

According to the Law on Investment in Vietnam
Article 27. Preferential investment area

1. Producing new materials; new energy, high technology products; biological technology; information technology; manufacturing mechanics
2. Planting and processing agricultural, forest and aquaculture products; manufacturing salt, artificial and planting variety and animal sources.
3. Applying high technology, advanced technique, environment protection, research, development and high technique germination
4. Using great deal of labour resources
5. Building and developing infrastructures, important projects with large scale
6. Developing education, training, health, sports and traditional culture.
7. Promoting traditional branches

Article 28. Preferential investment locations

1. Locations in poor socio – economic conditions, and foremost poor areas.
2. Industrial zones, Export processing zones, high tech and economic zone

2.5. Banking system, sponsoring conditions and capacity, commercial banks

Banking system

As recent as 1988, Vietnam's economy was supported by a "one bank" system comprising the State Bank of Vietnam. Today, it has devolved the commercial activities from the regulatory functions of a Central Bank. Bank for Foreign Trade (Vietcombank) handles over 80 percent of all trade transactions, including foreign exchange. Bank for Investment and Development focuses on the financing of infrastructure. The two others are Bank for Agriculture and the Industrial and Commercial Bank (Vietinbank).

Commercial Banks consist of four state owned banks, 30 joint stock banks, foreign bank branches, joint venture banks, credit cooperatives and finance companies.

The changes which have taken place in the banking industry are remarkable since the restructuring of the State Bank. Today, the State Bank issues currency, sets exchange rates for the Vietnamese Dong, and supervises credit and banking transactions of commercial banks. The commercial banks today are diversified in terms of ownership and business focus. Today, foreign shareholders may own up to 30 percent of a joint stock bank.

Computerization of local banks is still at an early stage. Hard currency is still hoarded outside the banking system. Estimates of hard currency and gold hoarded in Vietnam is believed to be as high as US\$ 500 million. The government's own estimate is that approximately US\$ 10 billion may be lying idle outside the banking system.

Cash is still the main payment mode. Checks, while readily available, are not well utilized. For an emerging market, the services offered are quite impressive. Vietcombank has automated tellers in Ho Chi Minh City dispensing Vietnamese Dong. Telegraphic transfers are now common without significant difficulties.

Recommended Commercial banks

1. Vietcombank- Bank for Foreign Trade of VietNam/ vietcombank.com.vn
2. ACB – Asia Commercial Bank/ acb.com.vn
3. VIB Bank – Vietnam International Bank/vib.com.vn
4. BIDV – Bank for Investment & Development of Vietnam/bidv.com.vn
5. HSBC – World's local bank/ vn.hsbc.com

2.6. Conditions of foreign labourer in Vietnam (Hungarian citizen)

Decree No.58-CP 30 October 1996 of the Government on the granting of permits to Foreigners working at Enterprises and Organizations in Vietnam.

Article 3.- This Decree shall not apply to:

1. Foreigners working for State administrative agencies, Vietnamese political and social organizations, and for Vietnamese individuals;
2. Foreigners who are members of the Managing Boards, directors (general directors) and deputy directors (deputy general directors) of foreign invested enterprises in Vietnam;

3. Foreigners working for diplomatic missions, consulates, representative offices of international organizations, foreign non-governmental organizations, representative offices of foreign economic, cultural, information, educational and scientific organizations in Vietnam;
4. Foreigners who are hired by the employers defined in Article 2 of this Decree to solve difficulties in emergency situations;
5. Foreigners having permanently settled in Vietnam, foreign pupils and students studying in Vietnam.

Article 8.- Foreigners working in Vietnam must meet the following conditions:

1. Aged full 18 years or more;
2. Having the professional knowledge, skills and health conditions that satisfy the requirements of the jobs defined in Article 5 of this Decree;
3. Having no previous criminal record for violation of national security or other criminal offenses as prescribed by Vietnamese law, not under examination for penal liability or serving a penal sentence, not yet pardoned under Vietnamese and foreign laws.

The maximum term for employing a foreign worker shall not exceed 3 years.
For full details of the decree, see the file 'permits to Foreigners working at Enterprises and Organizations in Vietnam'

Source at www.vbqpp14.moj.gov.vn/law/en/1991_to_2000/1996

2.7 Minimum salary, what enterprises have to pay to labourers apart from the salary (social benefits, social insurance...)

Minimum salary to per local employee (for foreign investment enterprises) : VND 1.070.000

Minimum salary to per local employee (for local enterprises): VND 650.000

Apart from the salary, 23% are health and social insurances which employers have to pay 17% extra base on employee's salary on health insurance (2%) and social insurance (15%) and 6% paid by employee according to the Ministry of Labour, War Invalids and Social affairs of Vietnam.

2.8 Office leasing rate and leasing rate in industrial zones (other competitive conditions, for example, power cost.

In Hanoi and HCMC

Office leasing rate for grade A office buildings : US\$ 63/m²

grade B office buildings: US\$ 40/m²

Other incentives in industrial zones: providing power, water, internet and other environmental conditions are in security and stability

Source at www.cbrevietnam.com/ Combined market overview/quarter 4 2007

2.9 Individualizing capacity, what sources to invitation for tender

- Individualizing capacity
- Invitation for tender website: dauthau.mpi.gov.vn

2.10. Services of Local Investment Promotion Agencies

- Supporting procedure of certificate registration in favourable time.

- Supporting procedure of compensation and clearance of premises

Transport and Social Information

3.1 Vietnam visa: Information, requirements and services

www.vnimm.gov.vn

For Hungarian citizen

- Visa exemption for diplomatic mission passports, valid within 90 days. The temporary stay can be extended in accordance with diplomatic representative offices or consulates
- Visa exemption through working terms to members of diplomatic representative offices their spouses and children, consulates, commercial offices, international organizations if diplomatic mission passports

Issue visa to ordinary passports if applying for business purpose within 7 working days, visa fee exemption if having diplomatic note from either Vietnam's consulate of Ministry of foreign affairs or the equivalent of Hungary approve its mission purpose.

Apart from cases above

Only citizens of certain countries can visit Vietnam without an entry visa (valid for visit within 30 days). Those countries include: most Asean countries, Korea, Japan & Scandinavians (2005). All other citizens are required to get an entry visa before departure or a pre-approved entry visa (visa is issued on arrival at Vietnam's International Airports) supplied before arrival in Vietnam.

In the event that there is no Vietnam embassy or Consulate in your country, or you just want to make Vietnam part of a multi-destination trip, then you are recommend Visa on Arrival as your best option.

'Visa on Arrival': this is most likely the easiest way to obtain your visa without having to chase down embassies, consulates and the like prior to your trip, and is a valid alternative when applying for a tourist visa. The entry visa will be stamped on your passport as you pass through our immigration checkpoint. Though valid for thirty days, it can be extended once you enter Viet Nam. With this type of visa, you only can enter the country by air. You can find this service from the Vietnam's travel agents.

3.2. Medical information

Diseases and Travel Ailments in Vietnam

- Hepatitis B and Adoption from Asia FAQ
- Avian Flu (Bird Flu)
- Dengue Fever
- Diarrhea
- Jet Lag
- Giardia
- Malaria (Updated CDC Recommendations)
- Malaria (Prevention & Treatment)
- Parasites

Source by <http://www.adoptvietnam.org/travel/health>

List of medical clinics and hospitals in Vietnam for travelers

1. International SOS medical clinics

- Serviced Apartments: Haiphong
 - 2 bedrooms: USD 2900- 3700
 - 3 bedrooms: USD 3800 -4600
 - 1 bedroom: USD 900 - 1200
 - 2 bedrooms: USD 1500- 2000
 - 3-5 bedroom: USD 2500- 6000
- Villas

Sources at www.cbrevietnam.com

Residential Leasing Vietnam Market Overview HCM /14 Dec 2007

Investment costs in Vietnam/ updated at 5 May 2008

Type of cost	unit	Rate/ VND	Note
Electricity	Kw/h	815	normal hours
		1,645	busy hours
		455	not busy hours
Water	m ³	6,200	
Internet	month	3.000.000	for up to 20 users

Source by Tan Truong Industrial Zone □ Cam Giang □ Northern Province of Hai Duong.

3.4. Local time, Business hours and holidays

During the weekdays, business hours are typically 8:00 a.m to 5.00 p.m with a one hour lunch break.

Lunch time

11.30/12.00 – 13.00/13.30

Shops' opening/ closing time: 9.00 – 20.00/21.00

Banks' working hour: 8.00- 16.00 (for transaction activities)

3.5. Official public holidays

1. New year's day – 1 January
2. Lunar new year - 3-4 days in February (falling in the end of January and beginning of February every year)
3. Kings Hung's Anniversary – 1 day in April (following lunar calendar of 10 March every year)
4. Reunification's day - 30 April
5. International labour day -1 May
6. National day - 2 Sep

During the Lunar New Year, business and Government activities in Vietnam come to virtual standstill for the weeklong Tet holidays. Business travel at this time is not advised

3.6. Important telephone numbers

113 Emergency Security Supports

114 Fire Inform

115 Emergency Medical Services

116 Telephone Number Asking Service

117 Time checking

1080/1088 General socio - economic information services

Other services

1. Law Consultant Firms

Hanoi & Ho Chi Minh City

Mayer – Brown JSM

A global legal services organization comprising legal practices

Hanoi/ Dao Nguyen (Ms)

Hoang Anh Nguyen (Ms)

Tel. 84 4 824 4316/7/8

Email. Hanoi.office@mayerbrownjms.com

HCMC/ Dao Nguyen (Ms)

Tel. 84 8 822 8860

Email. hcmc.office@mayerbrownjms.com

TTK International LLC

Intellectual Property, Investment, Corporate & Business Law Level 7,

Building 41 Thi Sach Street, Hai Ba Trung District-Hanoi-Vietnam

Phone: +844 976 5075

Fax: +844 976 5074

Website: www.ttklaw.com

▶ **Main Email Address: ttk.law@vnn.vn**

▶ **Main Contact: Mr. Nguyen T. Thang**

Freshfields Bruckhaus Deringer

#05-01 International Centre

17 Hgo Quyen Street - Hanoi - Vietnam

Tel: 84 48 247 422

Fax: 84 48 268 300

#1108 Saigon Tower

29 Le Duan Boulevard, District 1

Ho Chi Minh City-Vietnam

Tel: 84 88 226 680

Fax: 84 88 226 690

Tilleke & Gibbins International Ltd.

Suite 401, 30 Nguyen Du, Hai Ba Trung District

Hanoi Vietnam

Phone: (84-4) 8227-895

Fax: (84-4) 8227-897

Suite 203, City view Apartments & Commercial Centre,

12 Mac Dinh Chi, District 1- Ho Chi Minh City -Vietnam

Phone: (84-8) 8251-645

Fax: (84-8) 8242-226

▶ Website: www.tillekeandgibbins.com

2. Internet service providers

VIETEL IPADMIN GROUP

1 Giang Van Minh, Ba Dinh

Tel. 84 4 8461453

Fax. 84 4 8460486

e-mail: noc@vietel.com

Website. www.viettel.com.vn

FPT - The Joint stock Telecommunication Company FPT

Business activities: internet services and others

Head Office

48 Van Bao, Kim Ma street, Ba Dinh district, Ha Noi, Viet Nam

75 Tran Hung Dao Street, Hoan Kiem district, Ha Noi

Tel :(+84) 04 760-1060

Fax :(+84) 04 822-3111

Email: web-info@fpt.vn

Website. fpt.vn

The branch office

68 Vo Van Tan, Commune 6, District 3, Ho Chi Minh City, Viet Nam.

Tel: (+84) (08) 930-1280

Fax: (+84) (08) 933-0362

Email: webmaster@hcm.fpt.vn

VNPT- Vietnam post and telecommunication group

Headquater: #1 Dao Duy Anh, Ocean park building, Dong Da - Hanoi

Tel : 84 4 5775104 – Fax. 84 4 5775851

E-mail: vanphong@vnpt.com.vn

E-mail: vnpt_website@vnpt.com.vn

Website. Vnpt.com.vn

Address of Hanoi post - office's centers

Post Office Centre 1

75 Dinh Tien Hoang - Hoan Kiem Dist., - Hanoi - VietNam

Tel: 84.4.9361405 - Fax: 84.4.9361397

Post Office Centre 2

811 Giai phong road - Hai Ba Trung Dist., - Ha Noi - Viet Nam

Tel: 84.4.6643601 - Fax: 84.4.6643587

EVN Telecom (Electricity of Vietnam)

Hanoi Telecom (Hanoi Telecommunications Company)

SPT or Saigon Postel (Saigon Posts and Telecommunications Services Corporation)

OCI (One – Connection Internet Service Joint Stock Company)