



DEZAN SHIRA & ASSOCIATES  
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# AN INTRODUCTION TO Doing Business in Vietnam 2023





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This edition of Doing Business in Vietnam was produced by a team of professionals at Dezan Shira & Associates, with Mark Barnes as Senior Editor.  
Creative design of the guide was provided by Aparajita Zadoo.

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## About Dezan Shira & Associates

At Dezan Shira & Associates, our mission is to guide foreign companies through Asia's complex regulatory environment and assist them with all aspects of establishing, maintaining and growing their business operations in the region. Since its establishment in 1992, Dezan Shira & Associates has grown into one of Asia's most versatile full-service consultancies with operational offices across China, Hong Kong, India, Singapore and Vietnam, as well as liaison offices in Italy, Germany and the United States, and partner firms across the ASEAN region. With over 30 years of on-the-ground experience and a large team of professional advisers, we are your reliable partner in Asia.



# Preface

The year 2022 was not without its challenges for Vietnam. Rising global inflation put Vietnam on a somewhat uncertain trajectory with many industries struggling to make ends meet as a rising US dollar took its toll. In manufacturing, for example, orders were well down on previous years and toward the end of the year, the sector entered a retraction, according to S&P Global's Purchasing Managers Index.

This, however, has created fertile grounds for companies looking to move into the Vietnamese market by way of high-value, low-cost mergers and acquisitions. In the first six months of 2022, Vietnam ran up nearly US\$5 billion in M&A transactions. This figure was close to surpassing M&A transactions for the entirety of 2021. This is likely to continue into 2023 with a credit crunch forcing domestic enterprises to look abroad for much needed capital.

Information technology, too, is another bright spot on Vietnam's 2023 horizon. The COVID-19 pandemic accelerated tech sector development and though this has slowed, it is still going strong. Businesses in IT would do well to look closely at what Vietnam has to offer in terms of skilled coders and developers that come at a relatively low-cost. The digitization of Vietnam's economy is also a high-priority for the Vietnamese government and this has led to a broad range of favorable policies to promote the sector.

Overall, Vietnam is still expected to see growth in the 6-8 percent range. This is largely attributed to a broad range of free trade agreements to which it is party. A number of these, moving into 2023, will see further tariff reductions on both imports and exports, which should further cement Vietnam's reputation as an economic powerhouse and a rising star in global trade.

In this edition of Doing Business in Vietnam we look at:

- How to Set Up in Vietnam
- Tax, Audit, and Accounting
- Human Resources and Payroll

We also look in-depth at market entry needs and requirements, different models of investment, taxes, and labor contracts and worker rights.



**ALBERTO VETTORETTI**

Managing Partner  
Dezan Shira & Associates



## CONTACT

**Dezan Shira & Associates**

[vietnam@dezshira.com](mailto:vietnam@dezshira.com)

[www.dezshira.com](http://www.dezshira.com)



# What's New in this Guide?

Doing Business in Vietnam in 2023 is an invaluable resource for foreign firms looking to enter the Vietnamese market. Compiled by the professionals at Dezan Shira & Associates, it covers all of the key information a firm might need to successfully do business in Vietnam. For firms already operating in Vietnam, it provides valuable updates to tax law, human resources, and transfer pricing.

These changes include:

**Corporate establishment procedures:** We removed outdated information and replaced market entry details with the most up to date and important information.

**Intellectual property:** A number of additional details have been added in line with changes to the Intellectual Property Law that come into effect on January 1, 2023.

**Public Private Partnerships:** The number of PPP formats was expanded.

**Value added tax (VAT):** VAT rates have been adjusted to reflect the removal of COVID-19 measures.

**Compensation:** Regional minimum wages were updated in line with changes made in July of 2022. Allowances and benefits were also expanded.

**Severance:** The criteria for unilateral termination of contracts for both employees and employers was expanded.

**Social insurance:** New rates have been added.



## BUSINESS INTELLIGENCE

Dezan Shira & Associates can help your company overcome various market entry and expansion challenges. Through in-depth research and analysis, we provide clients with the ability to better understand their options in new markets and make informed decisions on where to invest. To arrange a consultation, please contact us at [vietnam@asiabriefing.com](mailto:vietnam@asiabriefing.com) or visit our website at [www.dezshira.com](http://www.dezshira.com).

# Why Vietnam?

Vietnam is superbly located as a gateway to Southeast Asia. Its northern land border connects to China which is a key supplier of raw materials for manufacturing enterprises from electronics to garments and textiles. To the east are Taiwan, Japan, and South Korea, three of the world's biggest producers of high tech components.

With 3,269 kilometers of coastline bordering the South China Sea (East Sea in Vietnam), Vietnam is geographically situated at a critical juncture of international trade. It gives Vietnam access to both supporting industries in neighboring countries and sea freight routes to North America and Europe.

## Vietnam Snapshot

	GDP Growth	6.3% (2023 est) <sup>1</sup>
	Population	98,168,829 (2021) <sup>2</sup>
	Median Age	32.5 (2020) <sup>3</sup>
	FTAs	15
	FDI	US\$19 billion <sup>4</sup>
	Seaports	44
	International Airports	15
	Exports	US\$336.31 billion (2021)
	Imports	US\$332.2 billion (2021)

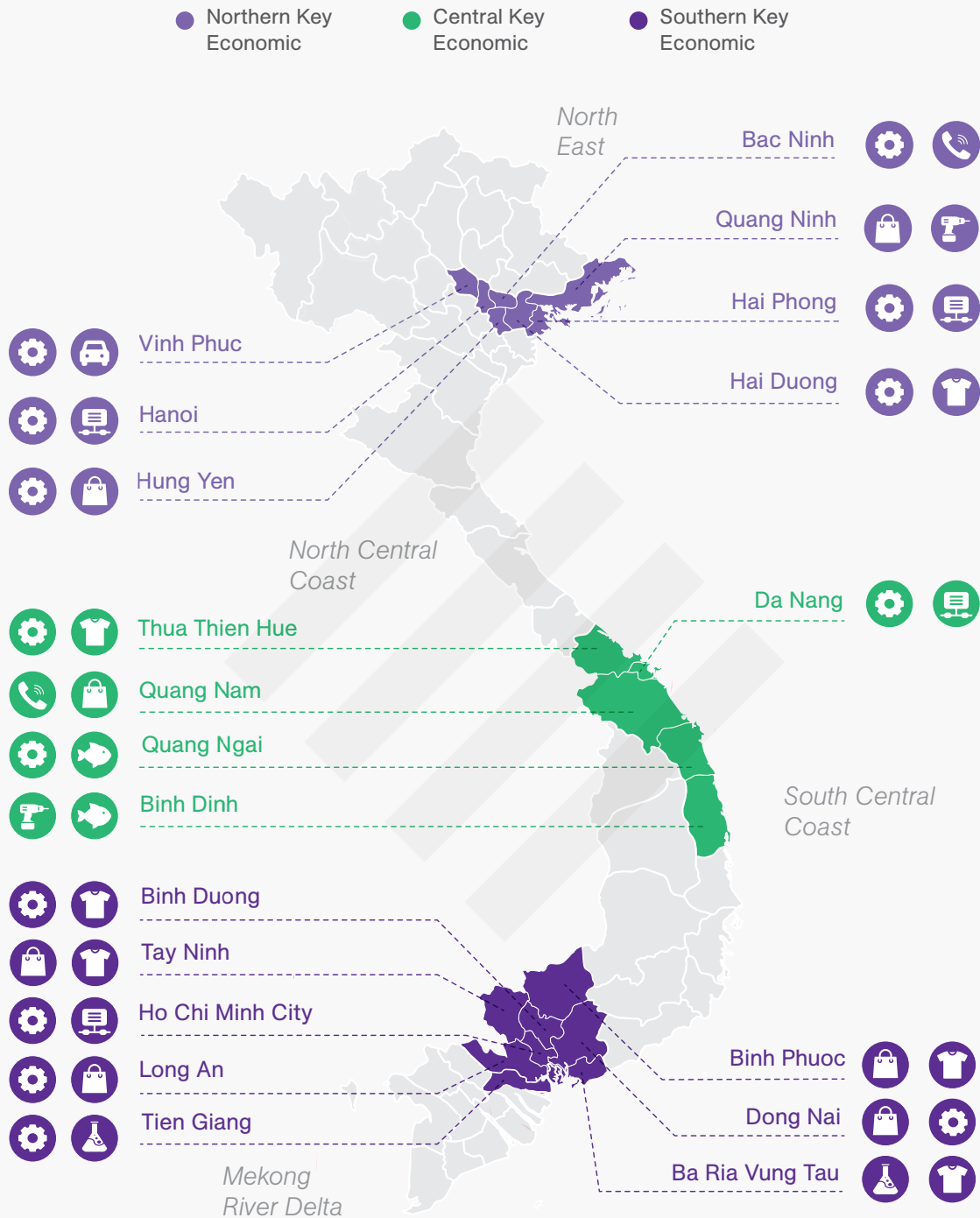
<sup>1</sup> Asian Development Bank Outlook Supplement 2022, December

<sup>2</sup> World Bank, World Development Indicators 2021, accessed December 21, 2022

<sup>3</sup> Worldometer, Population of Vietnam (2020 and historical), accessed December 21, 2022

<sup>4</sup> First 11 months of 2022, Ministry of Planning and Investment

## Vietnam's Key Economic Regions



# Dezan Shira & Associates Vietnam



**FILIPPO BORTOLETTI**

Director  
Hanoi Office

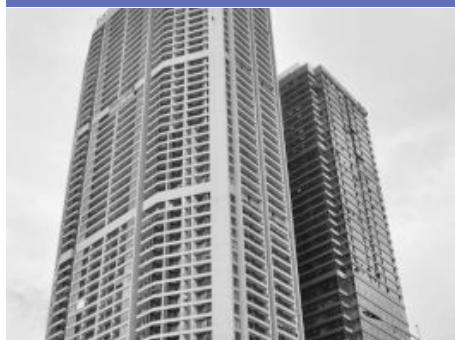
Dezan Shira & Associates expanded to Vietnam in 2008, and quickly set up offices in Hanoi and Ho Chi Minh City. The year 2008 also saw the launch of Vietnam Briefing, which has now become a premier source of business intelligence related to Vietnam. In 2019, we established our third office in Da Nang.

Our staff includes a growing number of Vietnamese chartered accountants and lawyers, all of whom have multiple years of experience advising foreign companies.

Specifically, our services include pre-investment and entry strategy advisory, business advisory, accounting and reporting, treasury administration, tax and compliance, payroll and human resources, and audit and financial review. Dezan Shira & Associates' experienced business professionals are committed to improving the understanding and transparency of investing in emerging Asia.

Our business advisors, tax experts and accountants in Hanoi, Ho Chi Minh City and Da Nang can help you with any questions related to establishing or conducting your business in Vietnam. To talk to an accountant or business consultant, please contact us today.

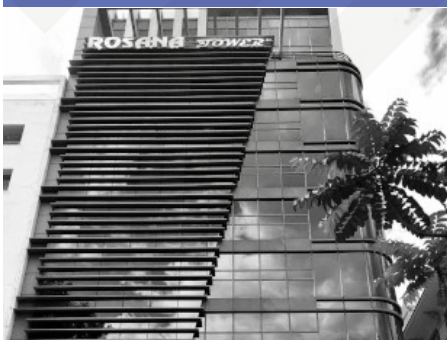
## HANOI OFFICE



Room 2708, 27th Floor,  
Discovery Complex Office Tower,  
302 Cau Giay Street, Cau Giay District,  
Hanoi, Vietnam

Tel: +84 24 3942 0443  
Email: [hanoi@dezshira.com](mailto:hanoi@dezshira.com)

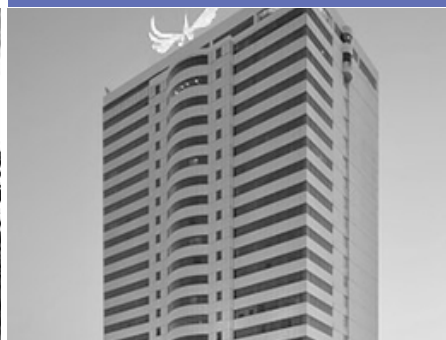
## HO CHI MINH OFFICE



7th Floor, The Address,  
60 Nguyen Dinh Chieu Street,  
Da Kao Ward, District 1,  
Ho Chi Minh City, Vietnam

Tel: +84 28 3930 2828 /  
+84 28 3930 2818  
Email: [hcmc@dezshira.com](mailto:hcmc@dezshira.com)

## DA NANG OFFICE



Room 702A, 7th Floor,  
Muong Thanh Luxury Song Han,  
115 Nguyen Van Linh Street,  
Nam Duong Ward, Hai Chau District,  
Da Nang City, Vietnam

Tel: +84 236 3656 889 /  
+84 236 3656 689  
Email: [danang@dezshira.com](mailto:danang@dezshira.com)



# Table of Contents

<b>Preface</b>	<b>04</b>
<b>What's New in this Guide?</b>	<b>05</b>
<b>Why Vietnam?</b>	<b>06</b>
<b>Part 1   What to Expect in the Year of the Cat</b>	<b>10</b>
<b>Part 2   An Introduction to Vietnam</b>	<b>14</b>
Business etiquette 101	15
Legal and political structure	18
<b>Part 3   How to Set Up in Vietnam</b>	<b>20</b>
Corporate establishment procedures	22
Intellectual property	29
Vietnam's free trade agreements	31
<b>Part 4   Tax and Accounting</b>	<b>33</b>
Vietnam's major taxes	34
Accounting and bookkeeping	36
A Roadmap to IFRS	42
Introduction to transfer pricing	45
<b>Part 5   HR and Payroll</b>	<b>49</b>
How do I hire staff?	50
Employment contracts in Vietnam	55
Tax obligations for company employees	60



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## Our Offices in Vietnam

### Ho Chi Minh City

+84 28 3930 2828  
or +84 28 3930 2818  
hcmc@dezshira.com

7<sup>th</sup> Floor, The Address  
60 Nguyen Dinh Chieu Street  
Da Kao Ward, District 1  
Ho Chi Minh City, Vietnam

### Hanoi

+84 3942 0443  
hanoi@dezshira.com

Room 2708, 27<sup>th</sup> Floor,  
Discovery Complex Office Tower,  
302 Cau Giay Street, Cau Giay District,  
Hanoi, Vietnam

### Da Nang

+84 236 3656 889  
or +84 236 3656 689  
danang@dezshira.com

Room 702A, 7<sup>th</sup> Floor,  
Muong Thanh Luxury Song Han,  
115 Nguyen Van Linh Street, Nam Duong Ward,  
Hai Chau District, Da Nang City, Vietnam



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