

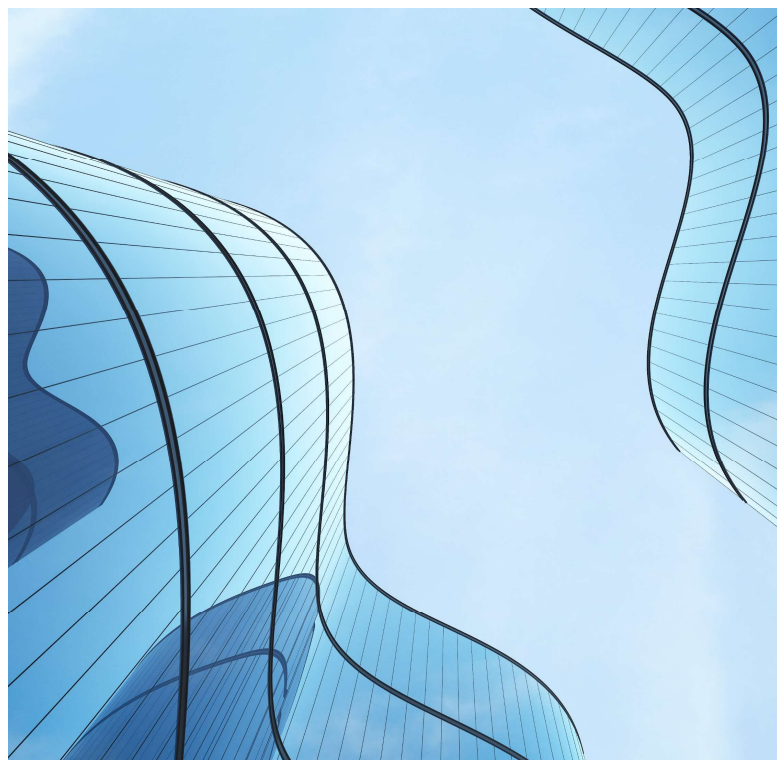


# Doing business in Vietnam

**KPMG Vietnam**

May 2025

# Key agenda



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Cross-border to On-shore

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Forms of commercial presence

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Investment incentives

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Repatriation of funds

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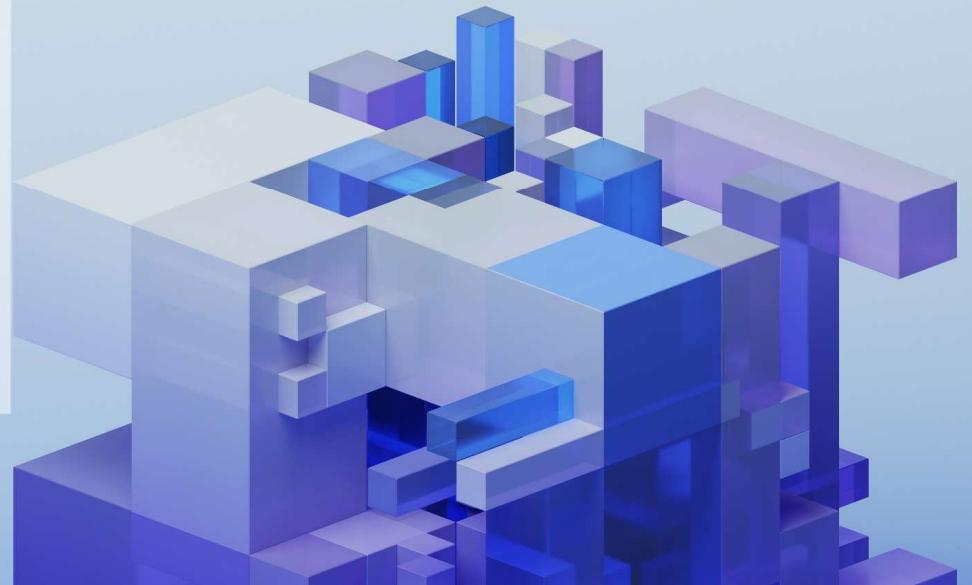
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# Doing business in Vietnam



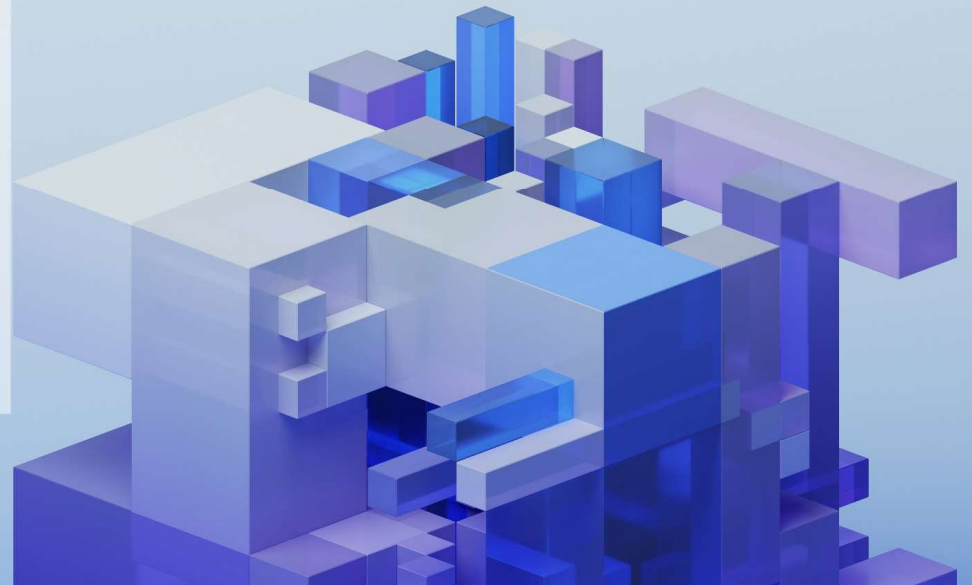
# Cross-Border to On-shore

	No Presence in Vietnam Selling goods to Vietnam	No Presence in Vietnam Providing services or Franchise	Having commercial presence in Vietnam
Applicable Taxes	<ul style="list-style-type: none"> <li>• Import duty – EUFTA rates</li> <li>• Import VAT – standard rate 10%</li> <li>• For Incoterms where risk and ownership transferred in Vietnam (selling on ecommerce platform in Vietnam): 1% CIT</li> </ul>	<p>Foreign Withholding Tax:</p> <ul style="list-style-type: none"> <li>• Services: 5% CIT and 5% VAT</li> <li>• Royalty: 10% CIT (and maybe 5% VAT)</li> </ul> <p>DTA can be apply for CIT reduction/exemption (without Permanent Establishment in Vietnam)</p>	Different applicable taxes depending on forms of presence






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## Forms of commercial presence in Vietnam





# Forms of commercial presence

 Representative Office	 Branch	 Legal Entity
<ul style="list-style-type: none"> <li>Dependent unit of the foreign business entity</li> </ul>	<ul style="list-style-type: none"> <li>Dependent unit of the foreign business entity</li> </ul>	<ul style="list-style-type: none"> <li>Separate foreign business entity, can be in form of Limited-liability company, Joint-stock company or Partnership</li> </ul>
<ul style="list-style-type: none"> <li>Limited scope of activities: liaison office, market study, promotion of the parent's business investment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Established and operating in limited service sectors (e.g. banking, non-life insurance, legal services, construction services, etc)</li> </ul>	<ul style="list-style-type: none"> <li>No restriction on business activities</li> </ul>
<ul style="list-style-type: none"> <li>Not allowed to engage in any "direct profit-making" activities</li> </ul>	<ul style="list-style-type: none"> <li><b>Allowed to engage in "direct profit-making" activities</b></li> </ul>	

# Taxation

- **The main categories of tax imposed in Vietnam are as follows:**
  - CIT: Standard 20% unless entitled to preferential rates of 17%, 15% or 10%
  - VAT: 0%, 5% or 10% (standard)
  - PIT: Progressive rates of 10%-35%
  - FCT: CIT of 0.1%, 1%, 2%, 5% or 10% plus VAT of 3, 3% or 5%
  - SCT: 10% to 75%
  - Import duties: 0% - 202.5%
  - Export duties: 0% except for special goods
- **Furthermore, other taxes may apply to certain businesses:**
  - Natural Resources Tax;
  - Property Tax; and
  - Environmental Protection tax.
- **15 FTAs and 80 DTAs with other countries and territories**

# Forms of investment

 Direct investment	 Indirect investment
<ul style="list-style-type: none"> <li>Establishment of an economic organization (legal entity)</li> </ul>	<ul style="list-style-type: none"> <li>Purchase of shares, share certificates, bonds and other valuable papers traded on the stock exchanges;</li> </ul>
<ul style="list-style-type: none"> <li>By way of contractual arrangement:               <ul style="list-style-type: none"> <li>➤ <i>Business Cooperation Contracts (BCC) signed with other local or foreign investors</i></li> <li>➤ <i>Public Private Partnership (PPP) contracts with Vietnamese state bodies, e.g. Build Operate Transfer (BOT), Build Transfer Operate (BTO) and Build Transfer (BT) Agreements</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>By way of securities investment funds; and</li> </ul>
<ul style="list-style-type: none"> <li>Share/capital acquisition in an existing entity in Vietnam</li> </ul>	<ul style="list-style-type: none"> <li>Investment through other intermediately financial institutions.</li> </ul>





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## Investment incentives



# Investment incentives

## Entitlements

- List of business lines entitled to investment incentives: 99 (including 32 business lines entitled to special investment incentives)
- List of geographical locations entitled to investment incentives: remote areas, economic zones, high-tech zones, industrial zones, export-processing zones

## Incentives

- CIT incentives:
  - Preferential CIT rate of 17%, 15% or 10% for 10, 15 years or entire project life
  - CIT exemption for 2 or 4 years
  - CIT reduction for 4, 5 or 9 years
- Import duty incentives: Exemption for goods imported to form fixed assets, raw materials and components for entitled investment project; and
- Land incentives: Exemption or reduction of land rental and land use tax.

# Basic incentives - CIT

No.	Conditions (sectors and locations)	Applicable cases
1	<ul style="list-style-type: none"> <li>Projects in hi-tech zone, economic zone</li> <li>Projects in specially difficult locations specified by Government;</li> <li>Hi-tech; biotech, specific supporting industries;</li> <li>Important infrastructure projects.</li> <li>Large manufacturing projects (investment capital of VND6,000billion (equivalent to US\$260million) or VND12,000 billion (equivalent to US\$520million).</li> <li>Software production</li> </ul>	<ul style="list-style-type: none"> <li>CIT rate of 10% for 15 years</li> <li>CIT exemption: 4 years</li> <li>50% CIT reduction: 9 years</li> </ul>
2	<ul style="list-style-type: none"> <li>Socialisation projects (education, environment, etc)</li> </ul>	<ul style="list-style-type: none"> <li>CIT rate of 10% for whole life</li> <li>CIT exemption: 4 years</li> <li>50% CIT reduction: 5 years or 9 years (if difficult locations)</li> </ul>
3	Projects in difficult locations, manufacturing of agricultural machinery and equipment, high quality steel.	<ul style="list-style-type: none"> <li>CIT rate of 17% for 10 years</li> <li>Exemption: 2 years</li> <li>Reduction: 4 years</li> </ul>
4	Projects of manufacturing or processing agricultural products in specially difficult locations	Exemption for the whole project
	Projects of manufacturing or processing agricultural products in difficult locations	CIT rate of 10% for the whole project
	Projects of manufacturing or processing agricultural products in normal locations	CIT rate of 15% for whole life
5	Investment projects in industrial zones which are not located in urban districts of special and 1-graded cities	Exemption: 2 years 50% reduction: 4 years (at standard CIT rate)

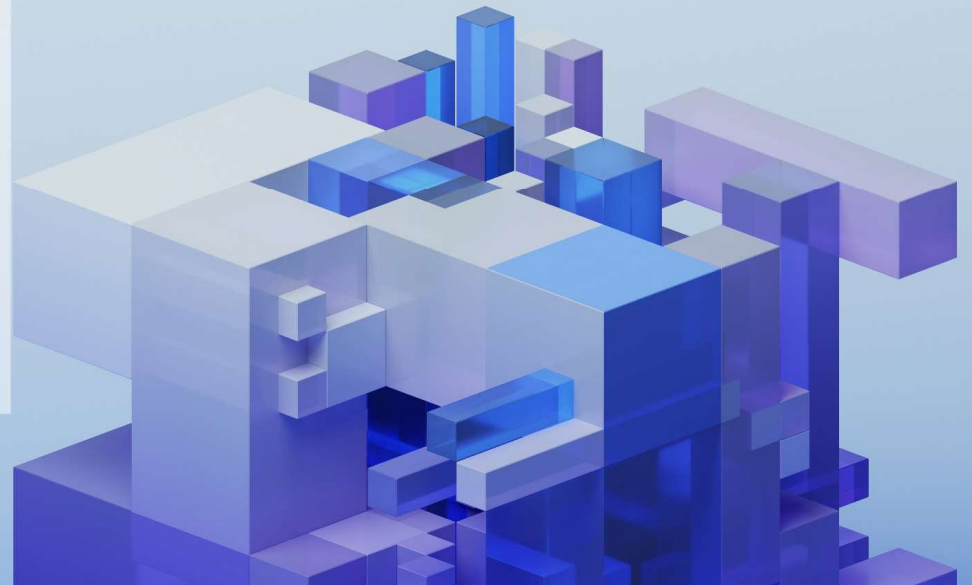
# Special incentives (under Decision 29/2021/QD-TTg)

Level	CIT Incentives			Land rental exemption	Land rental reduction	Applicable cases
	Preferential CIT rate	CIT Exempt	50% CIT reduction			
1	9% for 30 years	5 years	10 years	18 years	55% for remaining years	Special encouraged sectors having capital from <b>VND30,000 billion</b> (equivalent to <b>USD1.3 billion</b> ), with at least <b>VND10,000 billion</b> (equivalent to <b>USD430 million</b> ) disbursed within 3 years
2	7% for 33 years	6 years	12 years	20 years	65% for remaining years	<ul style="list-style-type: none"> <li>▪ Innovation Centers and R&amp;D Centers having capital from <b>VND3,000 billion</b> (equivalent to <b>USD130 million</b>), with at least <b>VND1,000 billion</b> (equivalent to <b>USD43 million</b>) disbursed within 3 years; <u>or</u></li> <li>▪ The projects of Level 1 above qualifying one of the 4 conditions: <ul style="list-style-type: none"> <li>✓ High-tech projects at grade 1 (incl. revenue from high-tech products, R&amp;D cost &amp; R&amp;D employees);</li> <li>✓ Participation of Vietnamese businesses in the production chain at grade 1;</li> <li>✓ Added value added <b>from 30% to 40%</b> out of the total product cost; or</li> <li>✓ Meeting criteria of Technology Transfer at grade 1</li> </ul> </li> </ul>
3	5% for 37 years	6 years	13 years	22 years	75% for remaining years	<ul style="list-style-type: none"> <li>▪ National Innovation Center; <u>or</u></li> <li>▪ The projects of Level 1 above qualifying one of the 4 conditions of Level 2 above with a higher requirement (grade 2)</li> </ul>



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## Repatriation of funds



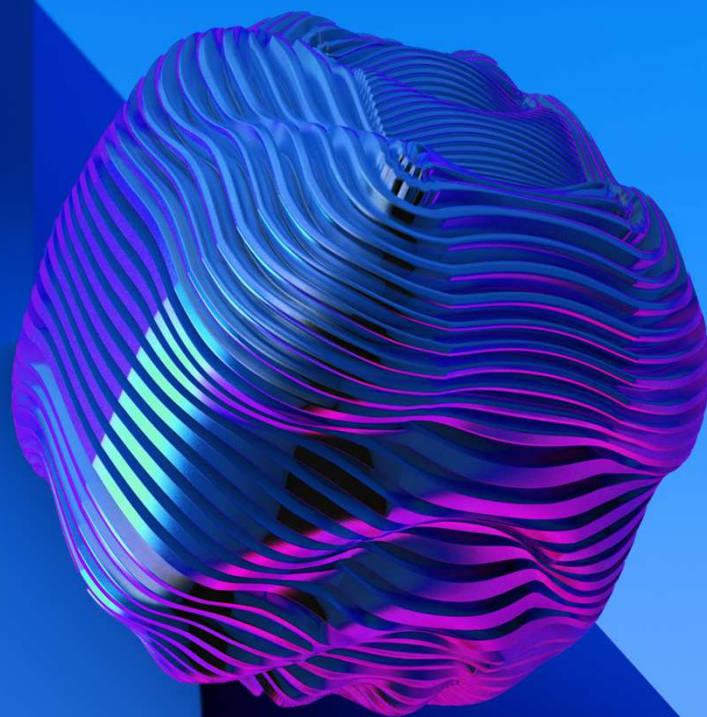
# Repatriation of funds





# About KPMG in Vietnam

2024





# About our Operation since 1994



8.0%  
GDP 2022



1,600  
Employees



51  
Partners



4 offices  
- Hanoi, HCMC (2x),  
Da Nang



5.5%  
GDP 2022



400  
Employees



9  
Partners



1 office  
- Phnom Penh



63%  
Revenue Non-audit  
Double-digit GROWTH



42% Women Leadership (P)  
17 Nationalities



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# Our positioning in the markets

We are external auditors to **33%** of the market cap for top 50 listed companies in Vietnam for the Financial Year 2022.

**95%** KPMG leads the market in providing Audit services to Consumer and Retail sector

**32%** KPMG tops the market share in Audit services to Industrial Manufacturing sector

**42%** We have the highest Audit market share in the Banking & Financial Services sector

**33%** We serve the highest number of companies in Energy & Natural Resources sector

- M&A Advisory Firm of the Year since 2008 (MPI)
- Tax & TP Firm of the Year since 2017 (International Tax Review)
- Tech & Innovation Award 2022 (BritCham)
- Rising Law Firm of the Year 2022 (Asia Legal Business)
- Risk Management Consultant of the Year 2020 & 2022 (Asia Risk)
- Best Place to Work since 2013 (Anphabe, HR Asia)
- Golden Dragon Awards since 2003 – the only Big 4's representative in 2019



# The KPMG difference



Strong  
presence

Proven delivery  
models and  
experienced

Vast  
network  
of local and global

Prompt,  
proactive

Enhanced,  
customisable

Secure, leading-  
edge  
technology

Competiti  
ve  
fees



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# KPMG's Specialities



## Financial Services

- Asset Management
- Banking
- Insurance
- Private Equity



## Industrial Markets

- Automotive
- Chemicals
- Electronics
- Industrial Manufacturing



## Consumer Markets

- Food, Beverage & Consumer Goods
- Retail



## Energy

- Renewables
- Mining
- Oil & Gas
- Power & Utilities



## Telecom

- Telecommunications



## Technology & Media

- Technology services & Software
- Media



## Real Estate

- Building & Construction
- Real Estate



## Government

- Education
- Government agencies



## Healthcare

- Healthcare
- Life Sciences



## Infrastructure

- Transportation
- Logistics

MNCs  
Emerging Giants  
Private Enterprises  
State-owned Enterprises

Law  
Consulting  
Deal Advisory

apart from traditional tax and audit services



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# KPMG areas of Practice



## Audit

- Financial statement audit
- Regulatory audit
- Accounting advisory services
- International Financial Reporting Standard (IFRS)
- Audit data & analytic
- Assurance services



## Tax

- Dispute Resolution and Controversy Services
- Corporate Tax Services
- Integrated International Tax
- M&A Tax
- Global Mobility Services
- Enterprise Services



## Deal Advisory

- Financial due diligence
- M&A
- Strategy
- Valuations
- Special Situations Group



## Consulting

- IT Advisory
- Financial Management
- People & Change
- Customer & Operations
- Forensic
- Financial Risk Management
- Internal Audit, Risk and Compliance Services (IARCS)
- Environmental, Social & Governance (ESG)



## KPMG Law

- Market Entry & Business Set-up
- M&A and General Corporate Services
- Employment
- Restructuring & Liquidation
- Dispute Resolution
- Commercial
- Intellectual Property



# What we do in Deals, Tax, Legal?

## Our Tax services include (1/2):

### Dispute Resolution and Controversy Services

- Pre-tax audit preparation
- Onsite tax audit support
- Post tax audit review
- Tax dispute resolution & controversy services

### Corporate Tax Services

- Global Compliance Management Services
- Local Tax Planning and Advisory Services
- Cross-border Tax Planning and Advisory Services
- Tax Health Check Services
- Tax Incentives Services

### Integrated International Tax

- Global Transfer Pricing Services
- Planning
- Advance pricing arrangements
- Compliance and documentation
- Controversy and Dispute Resolution
- Due Diligence

- International Tax Advisory Services
  - Acquisition and/or divestment
  - Post-acquisition integration and restructuring
  - Cross-border transactions
  - Global business model and/or re-organization
- Trade & Customs Services
  - Evaluating Free Trade Agreements (“FTAs”)
  - Customs Valuation Planning
  - Tariff Engineering
  - Value Chain Management (VCM) Services
  - Customs Dispute Resolution & Controversy



# What we do in Deals, Tax, Legal?

## Our Tax services include (2/2):

### Mergers & Acquisitions Tax

- Tax due diligence
- Structuring an acquisition or disposition
- Tax modelling
- Vendor assistance
- Post-deal integration.

### Global Mobility Services

- Compliance services
- Advisory services
- PIT services
- Immigration services
- International social security services
- Due diligence advisory
- Tax health check and tax audit support

### Enterprise Services

- Initial accounting system setup and registration
- Accounting software solutions implementation
- Accounting procedure manual preparation
- Monthly bookkeeping and annual financial statement preparation
- Accounting health check and accounting review
- Consulting on invoice usage
- Business transformation advice
- Payroll setup and solutions implementation
- Tax return preparation and filing assistance
- Corporate secretarial assistance



# What we do in Deals, Tax, Legal?

## Our Legal services include (1/2):

### Market Entry and Business Set-up

- Market entry advice
- Regulatory analysis on business structuring
- Investment and business licensing assistance

### Corporate Secretariat Services

- Corporate documentation and records
- Stamping services
- Authentication services
- Translation

### Mergers and Acquisitions

- Legal structuring and planning
- Legal due diligence and transaction documentation
- Pre-contract disclosure and confidentiality agreements
- Pre and post-closing support

### Commercial

- Advertising and promotion regulatory compliance
- Product registration
- E-commerce advice

- Data privacy advise and consent forms
- Commercial
  - Commercial agreements
  - Distribution and agency
  - Trademark, copyright and technology licensing
  - Know-how disclosure and confidentiality
  - Franchising
  - Supply
  - Procurement
  - Manufacturing (toll / contract)
  - Loans





# What we do in Deals, Tax, Legal?

## Our Legal services include (2/2):

### Intellectual Property (“IP”)

- IP registration and enforcement
- IP infringement assistance
- IP commercialization

### Restructuring and Liquidation

- Legal restructuring advice and implementation support
- Liquidation advice and implementation support

### Employment

- Employment advice and restructuring
- Employment contract and ILRs
- Employment dispute resolution
- Work permits and Resident permits

### Dispute Resolution & Litigation Support

- Arbitration advice and assistance
- Alternative dispute resolution advice
- Arbitration clauses
- Litigation support

### Corporate Regulatory Compliance

- Regulatory requirements advice
- Internal regulatory compliance policies
- Licensing renewals and reviews
- Regulatory reporting
- Regulatory compliance health check
- FCPA and Anti-bribery training







# Contact us



**Nguyen Thi Mai Anh**

Partner, Tax Services

T +84 (28) 3821 9266

E : [anguyen9@kpmg.com.vn](mailto:anguyen9@kpmg.com.vn)

## Hanoi

46<sup>th</sup> Floor, Keangnam Landmark 72,  
E6 Pham Hung, Me Tri, Nam Tu Liem,  
Hanoi, Vietnam

T +84 (24) 3946 1600

## Ho Chi Minh City

10<sup>th</sup> Floor, Sun Wah Tower,  
115 Nguyen Hue, Ben Nghe, District 1,  
Ho Chi Minh City, Vietnam

T +84 (28) 3821 9266

## Da Nang

Unit D3, 5<sup>th</sup> Floor, Indochina Riverside Towers,  
74 Bach Dang, Hai Chau I, Hai Chau,  
Da Nang, Vietnam

T +84 (236) 351 9051



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Email: [kpmghcmc@kpmg.com.vn](mailto:kpmghcmc@kpmg.com.vn)

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