

# Lorenz & Partners

Legal, Tax and Business Consultants

## VIETNAM

### I. Facts\*

|  |                            |
|--|----------------------------|
| <b>Population:</b>   | 98 million                 |
| <b>2021 GDP (Gross Domestic Product):</b>                  | US\$ 368 billion           |
| <b>2021 GDP per capita at PPP (Purchase Power Parity):</b> | US\$ 11,607                |
| <b>Human Development Index:</b>                            | 117                        |
| <b>Big Mac Index:</b>                                      | US\$ 3.00 (USA: US\$ 5.65) |

In comparison:

### Germany

|                                   |                    |
|-----------------------------------|--------------------|
| <b>Population:</b>                | 83 million         |
| <b>2021 GDP:</b>                  | US\$ 4.23 trillion |
| <b>2021 GDP per capita PPP:</b>   | US\$ 58,150        |
| <b>Human Development Index:</b> 6 |                    |
| <b>Big Mac Index:</b>             | US\$ 5.02          |

### Thailand

|                                 |                  |
|---------------------------------|------------------|
| <b>Population:</b>              | 69 million       |
| <b>2021 GDP:</b>                | US\$ 546 billion |
| <b>2021 GDP per capita PPP:</b> | US\$ 19,028      |
| <b>Human Development Index:</b> | 79               |
| <b>Big Mac Index:</b>           | US\$ 3.90        |

\*All economical figures according to the International Monetary Fund (IMF), the World Bank and the Economist

# Lorenz & Partners

Legal, Tax and Business Consultants

## II. Opportunities and Challenges

### Opportunities

- Strong common law legal system
- Low labour costs
- Some tax and other incentives
- Majority of sectors open to 100% foreign investment
- Fast developing infrastructure
- Politically stable

### Challenges

- Cumbersome and not always transparent administrative procedures
- Slow authorities
- Local partners still required for some investment sectors
- Limited real estate rights
- Fluctuating of legal regulations
- Decline of currency

## III. What we do in Vietnam

Since 2007 our Vietnam office has assisted a great number of international investors to enter and navigate the Vietnamese market. We do:

- Company and Joint Venture Set up, Project Management Assistance
- Corporate and Commercial Law, Corporate Income Tax, Personal Income Tax
- Business and Management Advice
- Licensing and Company Incorporation; Corporate Re-structuring
- Back Office Services; Tax Structuring
- Accounting and other Corporate related Work

All of our legal and consulting services are provided by our team of local and foreign qualified lawyers and accountants who are well versed in all the key legal and tax issues faced by those investing in Vietnam.

## IV. Recent Projects

### 1. Compliance / Due Diligence

Our firm conducted compliance health-checks for various companies in order to ensure that they are in full compliance with Vietnamese law.

### 2. Establishment of a joint venture Limited Liability Company

Our firm represented clients in the establishment of joint venture limited liability companies. We also guided the clients through the legal, economic, cultural and political aspects of entering the Vietnamese market.

### 3. Establishment of a Limited Liability Company

Our firm successfully established limited liability companies in the import and distribution sector. Although open to foreign investment under their WTO Commitments, Vietnam has been notoriously reluctant to grant distribution licenses to 100% foreign owned entities. Despite this reluctance we were able to obtain the license in a little over 3 months.

### 4. Advice regarding the permitted corporate structure for investors carrying out cross border services.

We devised new structures for our clients which will allow them to have greater freedom, more direct market contact and control while minimising their tax exposure.

# Lorenz & Partners

Legal, Tax and Business Consultants

## V. Further Reading (some key publications)

1. [BR027E Business and Investments in Vietnam](#)
2. [BR045E Personal Income Tax in Vietnam](#)
3. [BR046E Corporate Income Tax in Vietnam](#)
4. [BR047E Value Added Tax in Vietnam](#)
5. [BR056E Foreign Contractor Withholding Tax in Vietnam](#)
6. [BR062E Work Permits, Visa and Temporary Resident Cards for Foreigners working in Vietnam](#)
7. [BR063E Wind Energy in Vietnam](#)
8. [BR065E Real Estate Business in Vietnam](#)
9. [BR069E Construction Projects in Vietnam](#)
10. [BR070E Textile Industry in Vietnam](#)

For our complete range of publications please click [here](#).

## VI. Further queries on Vietnam? Get in touch

We welcome all Vietnam related legal inquiries. Please use the [contact form](#) on our website to get in touch.

Our targeted clients are medium-sized and large corporations which intend to set up or which are already established in Vietnam.

E-mail: [vietnam@lorenz-partners.com](mailto:vietnam@lorenz-partners.com)  
Telephone: +84 (0) 28 7302 5772  
**Grnkorn & Partner Law Co., Ltd.**  
Address: 12<sup>th</sup> Floor, TMS Building  
172 Hai Ba Trung Street, District 1  
Ho Chi Minh City, 700000  
Vietnam