

COMPANY INCORPORATION IN VIETNAM

POST ESTABLISHMENT OBLIGATIONS

Once a new company is established/incorporated in Vietnam, and the Enterprise Registration Certificate ("ERC") is issued, a significant number of post-establishment obligations arise. Below are the key post-establishment items that need to be attended to promptly and often within relatively short prescribed time limits.

Initial Items

- ☐ **Making of Company Seal:** A physical seal (stamp) is to be arranged for the company through a commercial provider. Laws do permit digital seals, however a physical seal is required in practice.
- ☐ **Appointment of General Director:** Formal minutes of appointment of the General Director, including detailing powers and authorities.
- ☐ **Appointment of Chief Accountant:** Each company must appoint a Chief Accountant. For "micro companies" and companies within the first 12 months of establishment, the Chief Accountant is exempt from holding a Chief Accountant Certificate (or CPA certificate).

Tax Registrations

- ☐ **Initial Tax Registration:** Registration within 10 working days from ERC date with the local tax authority, depending on registration specifics.
- ☐ **Purchase of Digital Tax Token:** Also known as a Digital or Electronic Signature, this is purchased through a commercial provider registered as an agent for the E-Tax system.
- ☐ **Registration of E-Tax Account:** Enabling payments and lodgements through the E-Tax portal, and completed after the purchase of the Digital Tax Token
- ☐ **E-Invoice Registration:** Registration for E-Invoice issuance through a registered provider, including customisation of E-Invoice template. In practice, the tax authority may undertake further steps (ie, site visit or meeting with Director) prior to approving E-Invoice registration.

Other Obligations

- ☐ **Registration for FDI Reporting:** E-account to be created with the provincial Business Registration Department of the DPI for quarterly foreign invested enterprise reporting.
- ☐ **Appointment of Auditor:** Foreign invested enterprises are required to submit an annual statutory audit report within 3 months of year end.
- ☐ **Annual Business License Fee:** Companies are required to submit annual company registration payment by 30 January each year, except for the first year of operation.

Bank Accounts

- ☐ **Opening initial Bank Accounts:** A operating bank account, along with a Direct Investment Capital Account (DICA) for foreign invested companies, to be opened with a commercial bank in Vietnam as soon as practical.
- ☐ **Notification of Bank Account Opening:** Within 10 days from bank account opening, notification is to be made to the local tax management authority (form MST-08).
- ☐ **Charter Capital Contribution:** Within 90 days from the date of the ERC, the Charter Capital is to be contributed in full into the DICA (foreign investor) or operating bank account (local investor), unless the investor is contributing assets in-kind.
- ☐ **Certificate of Charter Capital Contribution:** Company is to prepare and issue confirmation of contribution of Charter Capital, with cash and in-kind contributions detailed for each investor.

Accounting & HR Related

- ☐ **Accounting System:**
 - Adoption of compliant Chart of Accounts to be documented.
 - Selection of VAS compliant accounting software system.
 - Compliant Finance and Accounting policies to be documented and implemented, for preparing compliant accounting records in accordance with Vietnamese regulations.
- ☐ **Human Resources:**
 - Document Human Resource policies, compliant with Vietnamese Law (recruitment, onboarding, salary bands, performance management, disciplinary and termination)
 - Establish compliant Employee Records Management System
 - Payroll system/software selection and implementation
 - Registration for electronic PIT withholding and reporting for employees
 - Registration of Social Insurance Code with the Social Insurance Authority
 - Registration and payment with local Trade Union Authority
 - Establishment of internal Trade Union (where 10 staff or more are employed)
 - Preparation of Internal Labour Regulations, and submission with Labour Authority, where the employer has 10 staff or greater.
 - Hire employees and commence Work Permit application process for any foreign employees (foreign individuals require a Work Permit, or exemption, prior to employment).

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