



New decree clarifies procedures for foreign investors

From December 27, foreign investors may carry out procedures for investment registration and enterprise establishment at a single place, instead of running here and there to fulfill these formalities as at present.



The new regulation is provided in Government Decree No. 118 dated November 12, 2015, detailing and guiding the implementation of a number of articles of the 2014 Investment Law.

Accordingly, an investor may submit his investment registration and enterprise establishment registration dossiers to an investment registration agency, which will then forward the enterprise establishment registration dossier to a business registration agency within one working day. The business registration agency will consider the validity of the dossier and give feedback to the investment registration agency within two working days.

In case either or both of the dossiers need to be revised or supplemented, the investment registration agency will take charge of informing such to the investor. The investment and business registration agencies must work closely with each other to process and deliver the final results to the investor at the investment registration agency.

Thus, foreign investors can choose to either register their **investment projects** before founding businesses in Vietnam or handle both procedures simultaneously. It is worthy noting that a foreign investor will only have to wait for just 15 days to be granted an investment certificate, provided the investment project is not listed amongst those subject to government approval and the investor satisfies all investment conditions.

The Decree specifies that foreigners pouring money into the Vietnam through contribution of capital to or purchase of shares at domestic economic institutions will not be required to **apply** for investment registration certificates.

Exceptions are cases when foreign investors contribute capital to or purchase shares at local enterprises dealing in business lines subject to special foreign investment conditions, or when foreign investors' capital contribution or share purchase makes the foreign holding rate in the local businesses increase to above 51 percent. However, even in these cases, it will take just 15 days to complete the registration procedures for capital contribution and share purchase.

Decree No. 118 also clarifies conditions for foreign investment, including those on foreign holding rates in economic organizations, investment form, scope of investment operation, Vietnamese **partners** joining investment activities, and other conditions prescribed by law.

