



## New decree on foreign rep offices comes out

**The government has issued a new decree governing foreign firms' establishment of representative offices and branches in Vietnam.**



Decree 07/2016/ND-CP specifies that to open **representative offices in Vietnam**, foreign businesses legally established in the countries and territories joining the international treaties to which Vietnam is also a signatory.

In addition, they must be active for at least one year from the date of representative offices being established or registered. In case business registration certificates or equivalent documents of foreign firms regulate the operation duration, such duration must have at least one year of validity from the date of application submission.

Activities of representative offices must adhere to Vietnam's commitments to international treaties.

In case operations of representative offices do not fit such commitments or foreign firms do not come from the countries and territories which are signatories to international treaties joined by Vietnam, the establishment of representative offices will seek approval from ministers or leaders of ministerial-level agencies in charge.

A foreign trader is not allowed to open more than one representative office or branch bearing the same name in centrally governed cities and provinces.

The decree also provides requirements for the opening of foreign branches in Vietnam, some of which are similar to foreign representatives.

However, there are stricter requirements. In particular, when applying to open branches in Vietnam, foreign traders must operate for at least five years from the date of establishment or registration.

Besides, operations of foreign branches must comply with Vietnam's market openness commitments and in line with their business fields.

Source: [intellasia.net](http://intellasia.net)