

investments.

There are four departments in the SCCI: the Investment Transaction Centre, the Project Evaluation Centre, the Law Research Department, and the Document Translation Section.

The Committee is the sole institution responsible for reviewing and approving investments in Vietnam. A collective process is used in approving investment applications; therefore, it is important to receive input on an application from the various levels of government (central, provincial and municipal). The SCCI will work with people from other ministries when appropriate. Although an office in Ho Chi Minh City is maintained, it cannot approve applications, only review them, as the head office in Hanoi has the final approval.

In addition to being the sole authority issuing business licenses and registration certificates, the SCCI can assist with negotiations and provide advice to firms on contract preparation and identifying partners, and assist when disputes arise between partners before they are submitted to arbitration. The SCCI also prepares guidelines, laws and legal documents relating to foreign investment, and issues policy directives that conform with development strategies. It may also set guidelines for projects using public sector funding.

Establishing a Joint Venture or a Wholly-Owned Company

(a) General Information

All business cooperation contracts, joint venture, and wholly-owned companies must apply with and obtain the approval of the SCCI.

Formation procedures are very similar for a joint venture or wholly-owned company; however, the procedures for the latter are less detailed because there is no Vietnamese partner involved.

In the case of a joint venture, Canadian companies should locate an eligible Vietnamese company that has obtained the approval to negotiate a commercial agreement.

To determine whether or not a Vietnamese firm is eligible to negotiate a commercial agreement, contact the SCCI or the Vietcochamber for company listings.

(b) The Foreign Investment Process

The investment process begins with the foreign company either negotiating directly with a potential Vietnamese partner or being assisted by an investment service company. These companies will act as a facilitator for the investor, and assist in the preparation of appropriate documents for a consulting fee. The Vietnamese partner can also assist in liaising with authorities to obtain proper consent.

Before an investment application is submitted to the SCCI, it is recommended that consent for the proposed project be obtained from the local People's Committee of the city or municipality where the project is to be located, and from the relevant authority at the central government level which may have direct involvement in the project. This should be done by either the Canadian or Vietnamese company once a memorandum of understanding (MOU) has been signed, or by the investment service company.

All investors are advised to provide all details required when completing documentation published in the "Guide for Establishing Forms of Investment in Vietnam," which can be obtained from the