

amendment to allow US firms to establish representative offices in Vietnam will surely cause the number to skyrocket.

Despite their importance, representative offices are not accounted for in the Law on Foreign Investment, or in the 1993 implementing regulations (Decree 18). Representative offices are, however, governed by a 1990 Decree on the Regulation of the Establishment and Activities of all Foreign Economic Organizations, and by an accompanying Circular.

Name: Decree No. 382-HDBT Regulating the Establishment and Activities of Resident Representative Offices in Vietnam, and Circular No. 04/TN/FC for the Implementation of the Decree.
Agency: Government. Circular by the Ministry of Trade.
Date: November, 1990.
Details:

Representative offices are allowed to open in all economic sectors, including the service sector (airlines, banks, etc.)

The pieces of legislation limit the activities of representative offices. Offices may engage in preparatory work for long-term investment and technology assistance projects, and may promote the trading activities of their head offices. They may not, however, execute contracts in their own name. They may also not make or receive payment directly, purchase Vietnamese goods directly for export, or sell imported products. Offices may only bring in amounts of foreign currency that are necessary to pay for expenses incurred in operating the office itself.

The legislation addresses most other areas that are important to representative offices, including approval and registration procedures, restrictions on imports and supplies, employment of local staff, leasing of office space and housing, and taxation.

The Ministry of Trade is the agency in charge of monitoring representative offices.

1.11 Import/Export

1.11.1 General

Name: Chapter VII of Decree 18: Regulations Governing in Detail the Implementation of the Law on Foreign Investment in Vietnam.
Agency: Government.
Date: April 16, 1993.
Details:

Chapter VII is entitled "Business Organization" and sets out provisions for import and export by foreign invested enterprises and BCCs.

Article 63 deals with import. An enterprise or BCC needs an import license from the Ministry of Commerce in order to import equipment, machinery, transport means, raw and other materials, etc. In an effort to encourage investors to buy needed products in Vietnam, import licenses apply quotas on the amount of materials imported by investors. Note, however, that the quotas are proposed by the BCC partners and enterprise partners themselves, and when necessary, the quotas may be adjusted.

Article 64, which deals with exports, gives BCCs and enterprises the right to export their products, and the right to sell or assign an agent to sell their products that are permitted in the Vietnamese market.
