
Gap: "Branch Offices" Not Recognized in Law.
Source: Fred Burke, Baker & McKenzie (Hong Kong), "Opening Representative Offices in the New Vietnamese Market", in *East Asian Executive Reports*.
Date: March 1992.
Details:

In Vietnamese law, there is no equivalent to a branch office that is allowed to participate in limited business dealings⁸. Instead, there are only representative offices and wholly-owned foreign enterprises. Representative offices, according to the Decree on them, are not permitted to conduct basic business functions that are associated with branch offices elsewhere.

The absence of branch offices in Vietnamese Law causes hardship to enterprises which need to conduct limited business transactions, but do not need a full subsidiary company. Most investors in this situation use representative offices to perform branch office functions. In so doing, however, these investors risk being heavily fined by the ever-watchful Ministry of Trade and local People's Committee.

2.11 Import/Export

No major gaps or deficiencies were identified in this aspect.

2.13 Other

Gap: No Environmental Law or Regulations
Source: No official source.
Date:
Details:

Article 34 of the Law on Foreign Investment states that foreign invested enterprises must take all necessary precautions to protect the environment. Article 79(3) goes further and requires all enterprises to "comply with the regulations concerning environment protection".

The problem, however, is that no environmental laws or regulations with which enterprises can comply exist in Vietnam today. Apparently, the National Assembly will consider and adopt a "Law on Environmental Protection" in December 1993⁹.
