



VS THE

**THE RO
COMPANY**



THE REPRESENTATIVE OFFICE

Vietnam-based representative office (The RO) of a foreign trader means a dependent unit of the foreign trader, which is established under the provisions of Vietnamese law to conduct market survey and a number of commercial promotion activities permitted by Vietnamese law.

The operation of a representative office is solely confined to the conduct of

- liaison activities,
- market research, and
- promotion of its head office's businesses



ANNUAL REPORT ON ACTIVITIES OF THE RO

By January 30th of each year, every representative office and branch shall submit operation status reports using the form stipulated by the Ministry of Industry and Trade to the provincial licensing agency.

THE HEAD OF THE RO

The Head of the representative office or branch shall be responsible for his/her action and the operation of the representative office or branch to his/her head office within the power of attorney.

HIGH LEVEL COMPARISON BETWEEN THE RO AND A FOREIGN INVESTED COMPANY (FDI)

ITEMS		THE RO	FDI
ESTABLISHMENT	License	The license of the RO establishment	Investment Registration Certificate (IRC) Enterprise Registration Certificate (ERC)
	Operation duration	Up to 5 year Extension is allowable	Up to 50 year Extension is allowable
	Scope of operation	The scope is limited to: <ul style="list-style-type: none"> liaison activities, market research, and promotion of its head office's businesses The RO is not allowed to involve in profit-making activities	The scope will be based on the requirement of the foreign investor and is subject to WTO Commitments and domestic regulation in Vietnam FDI is allowed to undertake profit-making activities directly
	Capital injection	No capital required Funded by foreign organization	The capital is required to registered with VN authority during set-up stage The charter capital is required to fully injected into DICA account within 90 days or set timeframe
	Key personnel	The Chief Representative	Legal Representative BOD based on organizational structure of FDI (Chairman, Members Council, Director etc.)
ONGOING COMPLIANCE	Accounting and auditing	No requirement on applying accounting regime No requirement on auditing at year-end	Compulsorily to comply with Vietnamese Accounting Standard Auditing is undertaken at year-end Audited FS is required to submit to VN authorities accordingly
	Taxation	No Business License Fee Personal Income Tax (PIT) Other transaction taxes based on the nature of each transaction/operation of the RO	Value-Added Tax (VAT) Corporate Income Tax (CIT) Personal Income Tax (PIT) Withholding Tax (WHT) Business License Fee Other statutory duties and fee

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