

Beginning work in Vietnam is an exciting time for your company during which you can form new relationships, onboard new team members, and introduce global horizons. However, the Vietnam subsidiary setup process can take a significant amount of time, from weeks to even months.

As a global PEO, Globalization Partners can take that time down to a few days using our existing Vietnam subsidiary. When you work with Globalization Partners, you won't have to set up your own subsidiary. We'll take care of all matters of compliance, hire employees, set up your payroll, and disperse benefits — your only job will be running your company.

How to Set up a Vietnam Subsidiary

When you're ready to set up your subsidiary, consider where you want to incorporate and what business factors are important to you. Vietnam has strict requirements for foreign investments, so it's crucial to understand Vietnam subsidiary laws from front to back. In certain sectors, the country has licensing and approval processes you need to follow, as well as a required Investment Registration Certificate (IRC) for foreign investments.

The location where you choose to base your Vietnam headquarters will also play a role in the Vietnam subsidiary setup process. Different regions and cities can have separate rules, costs, and availability that impact your company. If you decide to go through the process alone instead of outsourcing, it will help to work with consultants, lawyers, and more to make sure you're compliant.

Vietnam has three different types of business entities available to incorporate as — a corporation, branch office, or representative office. While each has different Vietnam subsidiary laws and processes, the most common option is a limited liability company (LLC) under a corporation. The process for establishing an LLC includes:

- Establishing a group of investors
- Instituting a management structure
- Meeting accounting and auditing requirements

Vietnam Subsidiary Laws

The Vietnam subsidiary laws governing LLCs are fairly complex. There are numerous requirements to comply with, and it can turn into a difficult and costly process. Though you won't have a minimum capital requirement to follow, you'll need to find investors to establish an LLC. You can choose either a single investor or multiple investors that consist of at least two stockholders and no more than 50 members. The company can operate as a completely foreign-owned enterprise or a joint-venture company with both foreign investors and at least one domestic investor.

Your company's management structure needs to include a members' council with a chairman, a director or general director, and a controller. If your LLC has more than 11 members, you also need a board of supervisors, although the members' council is tasked with making decisions since it includes all the capital-contributing members.

Each company needs to prepare financial statements and file a balance sheet and profit and loss account with the Ministry of Finance and local tax authorities. Foreign-invested businesses also have to undergo an annual audit by an independent auditor located in Vietnam.

Benefits of Setting up a Subsidiary

The biggest benefit of setting up a Vietnam subsidiary is that you can begin working in the country. An LLC also helps the parent company and the subsidiary operate independently of one other. The parent company won't have to worry about incurring any liability from the subsidiary. In addition, the subsidiary can function independently with its own company culture.

Globalization Partners can offer more benefits with Vietnam subsidiary outsourcing services. If you rely on us, you won't have to go through the lengthy subsidiary setup process. Instead, you can use our established Vietnam subsidiary to start working in a few days. We'll also shoulder all compliance, so you won't have to worry about being found non-compliant.

What Do You Need to Succeed?

Prior planning can help you succeed in setting up a Vietnam subsidiary. You need to set aside time to travel back and forth to Vietnam to hire employees, set up your business, and run your payroll. Since the subsidiary process can often be expensive, we recommend budgeting the right amount to set up your subsidiary. Work with your accounting department to make sure you have the right amount of money set aside.

Choose Vietnam Subsidiary Outsourcing With Globalization Partners

Vietnam subsidiary outsourcing through Globalization Partners can help you start working quickly in a new country. Contact us today to learn more.