

New Decree on Goods Purchase and Sale Activities or Goods Purchase and Sale Related Activities of Foreign-Invested Enterprises in Vietnam

On 15 January 2018, the Government issued Decree No. 09/2018/ND-CP ("**Decree 09**") detailing the Commercial Law regarding goods purchase and sale activities or goods purchase and sale-related activities of foreign-invested enterprises in Vietnam. The Decree 09 took effect on 15 January 2018 replacing Decree No. 23/2007/ND-CP.

There are some noticeable points among the others as follows:

- (i) From 15 January 2018, foreign-invested business entity providing following services must apply for Business License:¹
 - Retail distribution service of goods excluding rice; sugar; recorded items; books, newspapers and magazines
 - Logistics services, other than sub-sectors of logistics for which Vietnam has committed to open its market as specified in international treaties to which Vietnam is a signatory;
 - Good rental, excluding finance lease; other than lease of construction equipment with operators
 - Commercial promotion services, excluding advertising services;
 - Commercial intermediary services;
 - Electronic commerce services;
 - Bid-holding services.
- (ii) From 15 January 2018, foreign-invested business entity may be considered to be licensed to:
 - Import and wholesale of lubricants to manufacture lubricants in Vietnam; manufacture or distribute machinery, equipment or goods using particular lubricants in Vietnam;²
 - Retail of rice; sugar; recorded items; books, newspapers and magazines in retail outlets in forms of supermarkets, mini supermarket, convenience stores.³
- (iii) Foreign invested enterprises have the right to submit dossier for the issuance of retail establishment licence after having business licence and documents on retail site.⁴ In case the retail site is located at the same city with the head office of the foreign invested enterprise, retail establishment licence can be issued concurrently with the business licence.⁵

¹ Decree 09/2018, Art 5.1

² Decree 09/2018, Art 9.4.b

³ Decree 09/2018, Art 9.4.c

⁴ Decree 09, Article 5.3

⁵ Decree 09, Article 5.4

- (iv) Under Decree 09, foreign-invested business entities may exercise exportation right, importation right, and wholesale of goods other than lubricants without obtaining Business License.⁶
- (v) The implementation of goods purchase and sale activities and goods purchase and sale related activities shall be conducted in the following conditions:
 - In case the foreign invested enterprises has been granted the rights to export goods bought and processed in Vietnam and imported legally to Vietnam, the export products must not be subjected to the list of goods which are prohibited from being exported and ceased to export in accordance with the regulations of international treaties in which Vietnam is one of contracting parties⁷.
 - In case the foreign-invested enterprises has been granted the rights to import goods from foreign countries and exclusive customs zones to Vietnam, the import products must not be subjected to the list of goods that are prohibited from being imported and ceased to import in accordance with the regulations of international treaties in which Vietnam is one of contracting parties⁸.
 - In case the foreign invested enterprises have been granted the license of wholesale and retail goods distribution, they shall have the rights to conduct wholesale and retail activities as well as lawful import to Vietnam⁹.
- (vi) Regarding foreign-invested business entity applying for Business License to perform the retail distribution right, excluding retail of rice; sugar; recorded items; books, newspapers and magazines, a licensing agency is not required to consult with competent authorities before issuing or modifying a business license.¹⁰

The Decree takes effect on the issuance date.

⁶ Decree 09/2018, Art 6.1

⁷ Decree 09, Article 7.1

⁸ Decree 09, Article 7.2

⁹ Decree 09, Article 7.4

¹⁰ Decree 09/2018, Art 8.3

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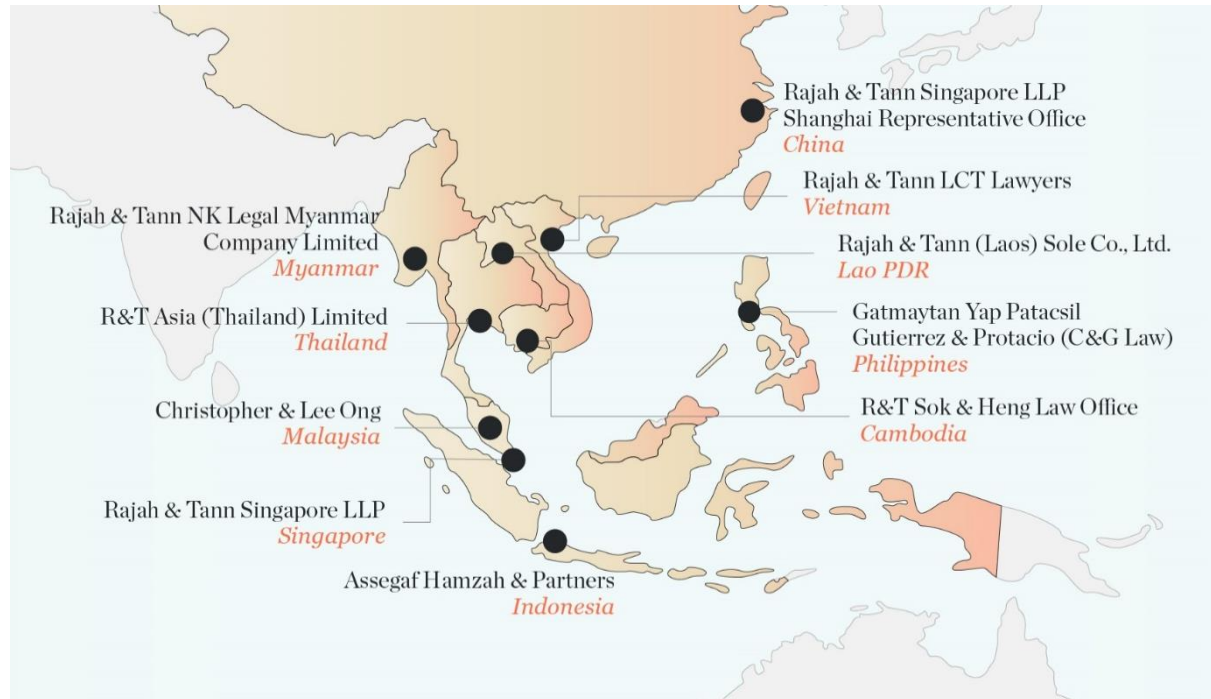
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