VINA TPT

VIETNAM REPRESENTATIVE OFFICE HANDBOOK

Clear rules, smooth operations, compliant presence in Vietnam

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Introduction

Establishing a presence in Vietnam offers significant opportunities for foreign businesses, and one of the most common entry models is through a Representative Office (RO).

While an RO provides a simple and cost-effective way to explore the market, many foreign investors find it challenging to fully understand its scope, limitations, and compliance obligations under Vietnamese regulations.
At Vina TPT, we recognize that setting up and operating a Representative Office in Vietnam requires not only a clear understanding of legal frameworks but also consistent compliance with reporting and operational requirements.
To simplify this process, we have prepared this "Vietnam Representative Office Handbook", a practical overview of the key aspects that foreign businesses should consider when establishing and maintaining an RO in Vietnam.

Inside this guide, you will find concise explanations and important notes on:

- Legal definition and permitted activities of a Representative Office
- Employment regulations for hiring staff in Vietnam
- Personal Income Tax (PIT) obligations
- Mandatory social insurance requirements for employees
- Annual reporting obligations for Representative Offices

Our goal is to help your business stay compliant, minimize operational risks, and build a strong foundation for future expansion in Vietnam.

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Overview of Representative offices in Vietnam

A Representative Office is a dependent unit of a foreign trader, established in accordance with Vietnamese law for the purposes of market research and conducting certain commercial promotion activities as permitted under Vietnamese regulations.

Functions and Permitted Activities

Pursuant to Decree No. 07/2016/ND-CP (and its updates through 2026), a Representative Office is only permitted to carry out the following activities:

- **Liaison**: Acting as a point of contact between the parent company and its partners in Vietnam.
- **Market Research**: Collecting information and analyzing data on the industry and competitors.
- **Commercial Promotion**: Introducing the parent company's products and services (excluding direct sales or service provision at the office).
- **Contract Supervision**: Monitoring the implementation and progress of contracts entered into by the parent company with its Vietnamese partners.

Advantages Compared to an FDI Company Model

Compared to an FDI company structure, operating a Representative Office offers significant advantages in terms of cost efficiency and administrative management, particularly during the market entry and exploration phase:

- **Streamlined accounting structure**: As a Representative Office does not engage in revenue-generating activities, Vietnamese law does not require the establishment of a complex accounting system or the appointment of a Chief Accountant. This allows the company to significantly reduce monthly finance-related personnel costs.
- **Exemption from audit and financial statements**: Unlike FDI companies, which are required to undergo independent audits and submit annual financial statements, Representative Offices are exempt from these obligations. Administrative requirements are primarily limited to periodic activity reports submitted to the Department of Industry and Trade.
- **Simplified tax obligations:** A Representative Office is not subject to Corporate Income Tax (CIT). The company is not required to carry out CIT declaration or finalization procedures, thereby reducing administrative burden and minimizing tax compliance risks.

Labor and human resource management

Recruitment and Labor Management

The Representative Office is permitted to recruit both Vietnamese and foreign employees to support its operations. However, all recruitment and personnel management activities must comply with Vietnamese labor laws.

For foreign employees, the Representative Office is required to obtain a work permit or a confirmation of work permit exemption, in accordance with applicable regulations, prior to the commencement of employment in Vietnam.

Labor Contracts

The Representative Office is responsible for entering into labor contracts directly with its employees. The contracts must clearly specify the job position, salary, term of employment, and the relevant rights and obligations.

Although the Representative Office does not have a commercial function, employment relationships remain fully governed by the Labor Code. Accordingly, the enterprise must ensure that labor contracts are compliant with applicable legal requirements and aligned with actual working conditions.

Salary Regulations

The Representative Office is responsible for establishing salary policies in compliance with applicable laws, including ensuring that salaries are not lower than the regional minimum wage prescribed by the Government.

Region	Minimum Wage
Region I	5.310.000 VND/month
Region II	4.730.000 VND/month
Region III	4.140.000 VND/month
Region IV	3.700.000 VND/month

Salaries must be paid in full, on time, and supported by proper documentation. Cash is not allowed for the payment of 5 million VND to above.

Labor and human resource management

Social, Health, and Unemployment Insurance

The Representative Office is obligated to register for and contribute to social insurance, health insurance, and unemployment insurance for its employees in accordance with applicable regulations.

For Vietnamese employees, participation in these insurance schemes is mandatory. For foreign employees, social insurance obligations apply depending on the prevailing conditions and regulations.

Mandatory Insurance Contribution Rates:

Type of Insurance	Representative Office	Vietnamese Employee	Maximum Cap
Social Insurance	17.5%	8%	VND 50,600,000
Health Insurance	3%	1.5%	VND 50,600,000
Unemployment Insurance	1%	1%	VND 106,200,000
TOTAL	21.5%	10.5%	-

Note:
- Insurance caps are the maximum salary levels for calculating contributions; income above these caps is excluded. They are based on the base salary (for Social & Health Insurance) and regional minimum wage (for Unemployment Insurance). From 1 July 2026, the reference level is VND 2,530,000/month, subject to future Government adjustment (not lower than current level).
- The Unemployment Insurance cap varies by region; this document applies Zone 1.
- Employee insurance contributions are PIT-deductible, while employer contributions are not taxable benefits.
- Foreign employees are exempt from Unemployment Insurance.

Personal income tax (PIT)

PIT applies to all individuals working at the Representative Office, including both Vietnamese and foreign employees, based on their tax residency status in Vietnam.

Under The Company’s tax code

Declaration and Submit Under The Company’s tax code Monthly or Quarterly

Quarterly:

- If the Company declare PIT Returns by Quarterly

Monthly:

- If the Company declare PIT Returns by Monthly

Deadline for Submit: Monthly or Quarterly

Quarterly:

- The last day of the First month of the following Quarter.
- Ex: Q1/2026 PIT Return → Due date: 30 Apr 2026

Monthly:

- The 20th day of the following Month.
- Ex: JAN 2026 PIT Return → Due date: 20 Feb 2026

P/s: This deadline applies to both filing Tax Returns and paying Tax amount.

Calculation for PIT Under The Company’s tax code

Income Per Month (VND)	Tax resident PIT rates	Non-tax Resident PIT rates
0 - 10,000,000	5%	20%
10,000,001 - 30,000,000	10%	
30,000,0001 - 60,000,000	20%	
60,000,001 - 100,000,000	30%	
100,000,001+	35%	

Gross Salary:
The company agrees on Gross salary with employees, which means that salary includes PIT and SHUI (Social - Health - Unemployment Insurance)
Ex: Gross Salary = 100 USD; PIT = 5 USD; SHUI = 5 USD

- PIT = 5 USD and SHUI = 5 USD, This amount will be deducted before paying salary to employees;
- Net Salary paid for employee = 100 – 5 – 5 = 90 USD.

Net Salary:
The company agrees on NET salary with employees, which means that salary excludes PIT and SHUI. The expenses of PIT and SHUI will be borne by the company.
Ex: NET Salary = 100 USD; PIT = 5 USD; SHUI = 5 USD
Net Salary paid for employee = 100 USD.

- PIT = 5 USD and SHUI = 5 USD, This amount will be borne by the Company;
- Net Salary paid for employee = 100 USD.

Personal income tax (PIT)

Calculation for PIT Under The Company's tax code

- Summary of the income of employees in the calendar year.
- Prepare and submit PIT Finalization declaration according to regulations

Deadline: 31 March of the following year.

Other tasks: Issuing PIT With holding Certification for employees (if requested)

EXPATRIATE

Resident

- Being present in Vietnam for **183 days** or more in the calendar year or the 12 consecutive months from the first day of presence in Vietnam; or
- Have permanent residence in Vietnam: have a temporary residence card, or have a long-term rental contract;
- An individual present in Vietnam for less than 183 days in the tax year, this individual cannot prove that he/she is a resident of any country, is considered as residing in Vietnam.

- Declaring and paying PIT amount for his/ her worldwide income. Income from other countries (outside Vietnam): Declaring and paying PIT separately by Quarterly.
- Prepare and submit Annual PIT Finalization for his/ her world wide income --> Deadline: 30 April of the Following year.

- Progressive PIT rate: **From 5% to 35%**

Non-Resident

Not meeting the conditions of a resident, will be considered a non-resident individual.

Declaring and paying PIT amount for his/ her income corresponding to the time staying in Vietnam.

PIT Rate = **20%**

Notes:

- A monthly personal relief of VND 15,500,000 is applied, reducing the individual's taxable income.
- An additional dependent relief of VND 6,200,000 per person per month is available, provided the dependents meet eligibility criteria and are properly registered, further lowering taxable income.

Compliance checklist

The compliance checklist is intended to assist the Representative Office in monitoring and ensuring the full fulfillment of its legal obligations during its operations in Vietnam. Maintaining regular oversight helps mitigate legal risks and avoid administrative violations.

Obligation	Frequency	Deadline	Status
Submission of Activity Report to the Department of Industry and Trade	Annually	Before 30 January	☐
Unemployment insurance participation report	Annually	Before 15 January	☐
Workplace accident report	Semi-Annual/ Annual	In accordance with regulations	☐
Occupational safety & health report	Annually	Before 10 January	☐
Labor situation report	Semi-Annual/ Annual	In accordance with regulations	☐
Occupational health report	Semi-Annual/ Annual	In accordance with regulations	☐
Execution of labor contracts with employees	As incurred	Prior to commencement of employment	☐
Registration for Social, Health, and Unemployment Insurance	As incurred	In accordance with regulations	☐
Visa/Work permit/TRC application for foreign employees	As incurred	Prior to commencement of employment	☐
Withholding and declaration of Personal Income Tax (PIT)	Quarterly	In accordance with regulations	☐
Annual Personal Income Tax (PIT) finalization	Annually	In accordance with regulations	☐
Maintenance of legal, labor, and financial records	Ongoing	Internal	☐

This checklist should be reviewed periodically by the person in charge of operations or the compliance function to ensure that all obligations are fulfilled in a timely manner.

In the event of any changes in applicable laws or in the operations of the Representative Office, the checklist should be updated accordingly to fully reflect the new compliance requirements.

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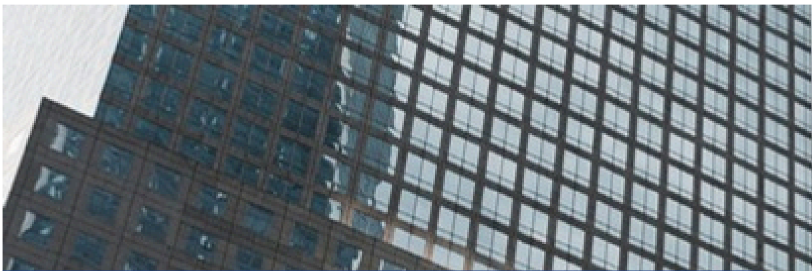

VINA TPT provides a **full range of accounting, tax, and business advisory** services to support foreign companies stay compliant and achieve sustainable growth with peace of mind in Vietnam at every stage of your business journey.

Accounting & Tax services

One-stop solution for business setup and growth in Vietnam

Our services

Accounting & Bookkeeping

Stay fully compliant with Vietnam's accounting regulations while optimizing both time and costs. Our experienced accounting team streamlines every financial process from monthly bookkeeping to annual reporting

Tax Compliance & Advisory

Timely tax declaration and finalization services. Strategic tax consulting for VAT, CIT, and Foreign Contractor Tax to minimize legal risks and optimize costs.

HR & Payroll

Comprehensive HR services including recruitment, payroll, and benefits management, helping businesses build a strong and e cient workforce.

Business Advisory

Support throughout the entire process of company formation, M&A, and dissolution, ensuring smooth and lawful operations.

Why choose VINA TPT?

- Clearmonthlyreports for informed decisions.
- Full accountability in every service delivered.
- Multilingual support: English – Japanese – Vietnamese.
- 20+ years of experience with foreign investors in Vietnam.

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