



TECHNICAL REPORT 1

Describing the list of the administrative procedures affecting FDIs, provided in relevant legal acts in the trade and industry sector

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*“Support MOIT in revising legal acts regulating administrative procedures for
foreign direct investment”*

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CONTENTS

I. OBJECTIVE.....	3
II. LIST OF ADMINISTRATIVE PROCEDURES ARE AFFECTING AREAS FDI's SUBJECTED TO TRADE AND INDUSTRY	4
II.1 The administrative procedures related to petrol and oil trading.....	4
II.2 The administrative procedures related to trading of liquefied petroleum gas	8
II.3 The administrative procedures related to providing commercial assessment services..	12
II.4 The administrative procedures related to trading in explosive precursors.....	13
II.5 The administrative procedures related to trading chemical unless chemicals banned under the Convention on the prohibition of the development, production, stockpiling and use of chemical weapons and on their destruction	15
II.6 The administrative procedures related to inorganic fertilizers trading	20
II.7 The administrative procedures related to alcohol trading.....	22
II.8 The administrative procedures related to the sale of tobacco and tobacco ingredients, machinery and equipment for tobacco manufacturing	24
II.9 The administrative procedure related to the goods exchange.....	30
II.10 The administrative procedure related to food trading	31
II.11 The administrative procedure related rice export business	33
II.12 The administrative procedure related to trading in temporary import for re-export of frozen foods	33
II.13 The administrative procedure related to trading in temporary import for re-export for goods subject to excise tax.....	34
II.14 The administrative procedure related to trading in temporary import for re-export for the used goods.....	35
II.15 The administrative procedure related to franchising	35
II.16 The administrative procedures related to trading in industrial precursor chemicals ...	36
II.17 The administrative procedures related to the goods trading and directly related activities of foreign-invested enterprises.....	37
II.18 The administrative procedures related to e-commerce activities.....	39
II.19 The administrative procedures related to Petroleum activities.....	40
II.20 The administrative procedures related to multi-level marketing activities.....	41
III. RECOMMENDATION	42

I. OBJECTIVE

Reforming administrative procedures is one of the most important tasks in the process of innovation, development and integration of Vietnam. We can say the reform of administrative procedures has achieved certain results. Many administrative procedures related to economic development, especially in the field of investment attraction has been regularly reviewed to ensure its transparency and efficiency. Thus, its helps reduce troublesome for foreign enterprises when doing business in Vietnam.

Since the enactment of the Foreign Investment Law in 1987, the foreign direct investment (FDI) has remarkably increased, which contributes significantly to the socio-economic development of the country. Vietnam has also adopted a lot of policies and innovations to attract more foreign investment. To be concrete, The National Assembly has passed the amended Investment Law and the amended Enterprise Law, paving the way for foreign investors easily find investment opportunities in Vietnam's market; The Government has conducted an overall review of the legal system to synchronize and avoid overlapping conflicts of legal documents. With respect to the administrative reform, the Government has managed to reduce the duration of permit procedure from 537 hours to 201 hours per year and projected to further reduce to 171 hours in 2015, which is equivalent to the Asean + 6 countries; cargo clearance time has also been reduced to 63 hours, social insurance decreased from 335 hours to 108 hours and is expected to reduce to 49.5 hours in 2015 while procedures for the establishment of businesses reduced from 32 days to 5 days and expected to further decrease to 2-3 days in 2015.

However, the current administrative procedure regime relating to FDI enterprises still exist many shortcomings. Firstly, it lacks uniformity when many regulations on administrative procedures are not clear transparent enough, which cause difficulties for foreign investor in Vietnam. Secondly, many legal normative documents have prescribed administrative procedures but does not specify the constituents of that procedure, resulting in difficulties for application in practice. Some regulations on administrative procedures are still lagging behind, complex, inconsistent and inapplicable to the actual conditions. Last but not least, the review and evaluation mechanism of a procedure remains superficial, many state agencies are not bound themselves with the rules prescribed in the legal documents.

Therefore, investment-related legal system should be taken reviewed in particular to ensure the uniform and consistency with the provisions of the 2014 Investment Law. Annex 4 of the 2014 Investment Law has provided 267 sectors for investment business activities.

The Ministry of Industry and Trade (MOIT) takes responsibility for administrative procedures within the competence of industry and trade. Therefore, this report will first look into the condition of the sectors related to the fields of trade and industry in the list of the overall 267 sectors, and second, stipulates the administrative procedures relating to the conditions subjected to the fields of industry and trade. The results of this report are essential because it not only creates a legal basis for the adoption of business investment conditions, but also contributes to the enhancement of transparency and publicity for investment business environment.

II. LIST OF ADMINISTRATIVE PROCEDURES ARE AFFECTING AREAS FDI'S SUBJECTED TO TRADE AND INDUSTRY

II.1 The administrative procedures related to petrol and oil trading

The management of the petroleum business has been very detailed provisions in Decree No. 83/2014 / ND-CP on petrol and oil trading (hereinafter referred to as Decree 83/2014 / ND-CP) and Circular No. 38/2014 / TT-BCT dated 10/24/2014 of the Ministry of Industry and Trade detailing a number of articles of the government's decree No. 83/2014 / ND-CP of September 3, 2014 of the Government on petrol and oil trading (hereinafter referred to as Circular 38/2014 / TT-BCT).

• *Conditions on petrol and oil production*

Petrol and oil producers must implement procedures: *Register the plan produced petroleum, import of raw materials for the production of petroleum, petroleum products consumption* is defined in Paragraph 5 of Article 11 Decree 83/2014 / ND-CP. The composition profile, order of execution procedures are prescribed in Circular No. 38/2014 / TT – BCT.

When FDI enterprises carry out this procedure will meet the conditions specified in Article 10 of Decree No. 83/2014 / ND-CP.

- Being lawfully established, having registered for petrol and oil trading as specified in its enterprise registration certificate.
- Having petrol and oil production establishments under an approved master plan and having an investment certificate granted by a competent authority.
- Having its own laboratories capable of testing the quality of produced petrol and oil under the relevant national technical regulations.

• *Conditions for petrol and oil importers and exporters*

MOIT has jurisdiction to grant, supplement, modify and re-grant the petrol and oil import and export license for traders with all conditions specified above. MOIT manage licenses via the following procedures.

- *Grant a petrol and oil import and export license*
- *Grant a supplemented, modified petrol and oil import and export license.*
- *Re-granted a petrol and oil import and export license*
- *Registration for petrol and oil export*
- *Assign a minimum petrol and oil import quota*

A trader that fully meets the conditions below may be granted a petrol and oil import or export license.

1. Being established lawfully, having registered for petrol and oil trading as specified in its enterprise registration certificate.
2. Having a special-use wharf in Vietnam's international port system, which is capable to receive oil tankers or other petrol and oil transport vehicles with a tonnage of at least seven

thousand (7,000) tons under its ownership or co-ownership or on a lease for at least five (5) years.

3. Having a depot with a minimum capacity of fifteen thousand (15,000) cubic meters to receive petrol and oil from oil tankers and special-use transport vehicles, which are under its ownership or co-ownership or on a lease for at least five (5) years.

Three (3) years after being granted a petrol and oil import or export license, the trader shall own or co-own (with a capital contribution of at least fifty-one percent (51%) the depot system, which is capable of meeting at least one-third (1/3) of the trader's reserve demand as prescribed in Clause 1, Article 31 of this Decree.

4. Having vehicles for domestic petrol and oil transport under its ownership or co-ownership or on a lease for at least five (5) years from a petrol and oil service provider.

Two (2) years after being granted a petrol and oil import or export license, the trader shall own or co-own (with a capital contribution of at least fifty-one percent (51%) vehicles for domestic petrol and oil transport with a total load capacity of at least three thousand cubic meters (3,000 m³).

5. Having a petrol and oil distribution system: At least ten (10) petrol and oil retail stations under its ownership or co-ownership and at least forty (40) petrol and oil general agents or retail agents in its distribution system.

Every year after being granted a petrol and oil import or export license, the trader shall own or co-own at least four (4) petrol and oil retail stations until its distribution system has at least one hundred (100) petrol and oil retail stations.

6. being conformable with the master plan on petrol and oil importers and exporters.

7. Exporters and importers of jet fuel are not required to have a distribution system prescribed in Clause 5 of this Article, but must have jet fuel filling equipment under their ownership or co-ownership.

• ***Conditions on petrol and oil distributors***

The procedures related to the activity of MOIT's management include:

- *Grant of a certificate of eligibility of petrol and oil distributor.*
- *Grant supplemented, modified of a certificate of eligibility of petrol and oil distributor.*
- *Re-grant of a certificate of eligibility of petrol and oil distributor.*

A trader that fully meets the conditions defined in Article 13 of Decree No. 83/2014 / ND-CP may be granted an eligibility certificate by the Ministry of Industry and Trade to act as a petrol and oil distributor:

1. Being lawfully established; having registered for petrol and oil trading as specified in its enterprise registration certificate.

2. Having depots or tanks with a capacity of at least two thousand (2,000) cubic meters under its ownership or co-ownership or on a lease for at least five (5) years from a petrol and oil service provider.

3. Having vehicles to transport petrol and oil under its ownership or co- ownership or on a lease for at least five (5) years from a petrol and oil service provider.
4. Having a laboratory capable of inspecting and testing petrol and oil quality according to national technical regulations and announced applicable standards under its ownership or co-ownership or on a lease under a contract with a state agency.
5. Having its own petrol and oil distribution network in at least two (2) provinces or centrally run cities and with at least five (5) petrol and oil retail stations under its ownership or co-ownership and at least ten (10) stations of petrol and oil retail agents which are granted petrol and oil retail eligibility certificates under Article 25 of this Decree.
6. Having its managers and trading staff trained in fire prevention and fighting and environmental protection under current regulations and having training certificates.

• ***Conditions on petrol and oil general agents***

The Ministry of Industry and Trade may grant, supplement, modify and re-grant certificates of eligibility to act as petrol and oil general agents to traders that fully meet the conditions prescribed in Article 16 of Decree No.83/2014/ND-CP and have a petrol and oil distribution system in two (2) or more provinces or centrally run cities. Corresponding to 03 procedures:

- *Grant of a certificate of eligibility of petrol and oil general agent ((for traders having petrol and oil distribution networks in two or more provinces and centrally run cities)*
- *Grant supplemented, modified of a certificate of eligibility of petrol and oil general agent (for traders having petrol and oil distribution networks in two or more provinces and centrally run cities).*
- *Regrant of a certificate of eligibility of petrol and oil general agent (for traders having petrol and oil distribution networks in two or more provinces and centrally run cities).*

Provincial-level Industry and Trade Departments may grant, supplement, modify and re-grant certificates of eligibility to act as petrol and oil general agents to traders that have head offices in their localities, fully meet the conditions prescribed in Article 16 of Decree No.83/2014/ND-CP and have a petrol and oil distribution system in one (1) province or centrally run city. The relevant procedures include:

- *Grant of a certificate of eligibility of petrol and oil general agent.*
- *Grant supplemented, modified of a certificate of eligibility of petrol and oil general agent.*
- *Regrant of a certificate of eligibility of petrol and oil general agent.*

A certificate of eligibility to act as a petrol and oil general agent is valid for five (5) years from the date of grant. A trader that fully meets the conditions below may be granted by the competent agency:

1. Being lawfully established; having registered for petrol and oil trading as specified in its enterprise registration certificate.

2. Having depots or tanks with a capacity of at least two thousand (2,000) cubic meters under its ownership or co-ownership or on a lease for at least five (5) years from a petrol and oil service provider.
3. Having vehicles to transport petrol and oil under its ownership or co- ownership or on a lease for at least five (5) years from a petrol and oil service provider.
4. Having its own petrol and oil distribution network with at least five (5) retail stations under its ownership or co-ownership and at least ten (10) stations of petrol and oil retail agents which are granted petrol and oil retail eligibility certificates under Article 25 of this Decree.

The general agent's distribution system must be within the distribution system of a key trader and subject to control by such trader.

5. Having its managers and trading staff trained in fire prevention and fighting and environmental protection under current regulations and having training certificates.

- ***Conditions on petrol and oil retail agents.***

The management of the petroleum retail dealer under the jurisdiction of Provincial-level Industry and Trade Departments of the provinces and centrally run city. Provincial-level Industry and Trade Departments may grant certificates of eligibility to act as petrol and oil retail agents to traders that have head offices in their localities and have a system of two (2) or more petrol and oil retail stations in one (1) province or centrally run city.

- *Grant of a certificate of eligibility of petrol and oil retail agent*
- *Grant supplemented, modified of a certificate of eligibility of petrol and oil retail agent.*
- *Regrant of a certificate of eligibility of petrol and oil retail agent.*

The conditions that law provided for traders under which the trader must perform to be licensed reseller of petroleum are:

1. Being lawfully established; having registered for petrol and oil trading as specified in its enterprise registration certificate.
2. Having petrol and oil retail stations under its ownership or both its ownership and co-ownership which are granted with certificates of eligibility to retail petrol and oil under Article 25 of Decree.
3. Having its managers and trading staff trained in fire prevention and fighting and environmental protection under current regulations and having training certificates.

- ***Conditions on petrol and oil retail stations.***

The administrative procedures for this operation under the management of the Ministry of Industry and Trade include:

- *Grant of a certificate of eligibility of petrol and oil retail agents stations*
- *Grant supplemented, modified of a certificate of eligibility of petrol and oil retail agent stations.*

- *Regrant of a certificate of eligibility of petrol and oil retail agent stations.*

Provincial-level Industry and Trade Departments has jurisdiction to grant, supplement, modify and re-grant the petrol and oil retail agents license for traders with all conditions specified below:

1. Being located under a master plan approved by a competent authority.
2. Being owned or co-owned by a trader that is a petrol and oil agent, general agent, retail franchisee, distributor, importer, exporter or producer having a distribution system under this Decree (the applicant must be named in the certificate of eligibility of petrol and oil retail station).
3. Being designed, built and equipped according to the current regulations and standards applicable to petrol and oil retail stations, and regulations on fire prevention and fighting and environmental protection issued by competent state management agencies.
4. Having its managers and trading staff trained in fire prevention and fighting and environmental protection under current regulations and having training certificates.

II.2 The administrative procedures related to trading of liquefied petroleum gas

For trading of liquefied petroleum gas, the system of legal documents issued a written regulations, namely the Decree 107/2009/ND-CP dated 26/11/2009 on trading of liquefied petroleum gas. This Decree provides for business and liquefied petroleum gas business conditions for liquefied petroleum gas in the market. At the level of circular, the Ministry of Science and Technology also issued Circular No. 12/2010 / TT-BKHHCN guidance on quality control measure in trading liquefied petroleum gas. This Circular guidelines on quality control, measurement of liquefied petroleum gases in business operations; procedure for certification eligibility processing, liquefied petroleum gas, quality certifications liquefied petroleum gas production for the first time and implementation.

• *Conditions on LPG production or processing.*

This activity does not fall under the jurisdiction of the Ministry of Industry and Trade, the administrative procedures for certificates of technical qualification production, processing and LPG is defined in Article 11 No. 12/2010 / TT-BKHHCN. The FDIIs that fully satisfies the following conditions may produce or process LPG:

1. Having a business registration certificate, covering LPG production or processing registration.
2. Having an LPG production or processing establishment (below referred to as LPG production plant) under a planning or project already approved by a competent authority for construction investment.
3. Having a certificate of technical eligibility for LPG production or processing.
4. Having an LPG quality testing laboratory capable of inspecting LPG quality under current regulations.
5. Having an LPG storehouse (beyond the storing capacity already approved in the investment project) with a total capacity of tanks of at least 5,000 m³ (five thousand cubic

meters) and built under planning and according to current technical regulations to receive imported LPG from ships or other vehicles.

- ***Conditions on LPG bottling stations.***

+ *Grant a certificate of LPG bottling:*

Provincial-level Industry and Trade Departments is responsible for issuing certificates of eligibility for each LPG bottling station stipulated in Decree 107/2009 / ND-CP.

LPG bottling stations that fully satisfies the following conditions will be granted a certificate of LPG bottling:

1. Having a business registration certificate, covering the registration for LPG bottling.
2. Being located in line with the planning and project or design approved by a competent authority. The building of an LPG-bottling station must comply with the Construction Law and other relevant laws on construction of LPG works.
3. Having a station, bottling equipment, pipeline system, tanks and auxiliary equipment complying with safety rules in current national technical regulations.
4. Having machines and equipment subject to stringent requirements on labor safety and sanitation inspected and registered under regulations.
5. Having surrounding protection fences, which are well-ventilated and built at a safety distance from the station as prescribed in the relevant Vietnam standard and an appendix to this Decree (not printed herein).
6. Having a certificate of satisfaction of fire prevention and fighting conditions and a certificate of satisfaction of security and order conditions granted by competent police offices under law.
7. Performing all the processes of bottling LPG or filling tank trucks with LPG operating its machines and equipment, responding to incidents and complying with safety rules.

- ***Conditions on bottled LPG-selling stores.***

+ *Grant of certificates of satisfaction of trading conditions to bottled LPG-selling stores*

Provincial-level Industry and Trade Department is responsible to grant certificates of satisfaction of business conditions for each bottled LPG-selling stores meet the following eligibility rules:

1. Having a business registration certificate, covering the registration for sale of bottled LPG
2. Having entered into a bottled LPG purchase contract of a term of at least 1 (one) year, which is still valid, with an eligible agent or general agent or LPG wholesaler under this Decree.
3. Having a certificate of satisfaction of fire prevention and fighting conditions;

- ***Conditions on automobile LPG-filling stations***

The provincial-level Industry and Trade Department shall grant a certificate of satisfaction of automobile LPG filling conditions to a station that fully satisfies the conditions

1. An automobile LPG-filling station must be built under planning and according to current technical regulations, and have a construction permit accompanied with a project or design approved by a competent authority for construction investment.
2. Its measuring devices have been inspected and corrected under regulations.
3. Its equipment subject to stringent requirements on automobile LPG filling safety has been inspected and registered under regulations.
4. It has a certificate of satisfaction of fire prevention and fighting conditions and a certificate of satisfaction of security and order conditions granted by competent police offices under law.

With this condition, MOIT have administrative procedures in their jurisdiction:

- *Grant of certificates of satisfaction of automobile LPG filling conditions*

The dossier of application and implementation for such a certificate comprises defined in detail in Article 34 of Decree 107/2009 / ND-CP.

- ***Conditions on LPG supply stations***

The provincial-level Industry and Trade Department shall grant a certificate of satisfaction of LPG supply station conditions to a station that fully satisfies the conditions specified in Article of Decree No.107/2009/ND-CP

1. An LPG supply station must be built under planning and according to current technical regulations, and have a construction permit accompanied with a project or design approved by a competent authority for construction investment.
2. Its measuring devices have been inspected and corrected under regulations.
3. It has a certificate of satisfaction of fire prevention and fighting conditions; and a slip of results of inspection of equipment of LPG supply stations subject to stringent safety requirements.

Administrative procedures related: *Grant of certificates of satisfaction of LPG supply station conditions*

The legal basis of this procedure is:

- + Decree No. 107/2009/ND-CP of November 26, 2009, on trading of liquefied petroleum gas
- +Decree No. 118/2011/ND-CP of December 16, 2011, amending and supplementing administrative procedures in petrol and oil and liquefied petroleum gas trading.
- + Circular No. 41/2011/TT-BCT of December 16, 2011, stipulating on safe management in the field of liquefied petroleum gas.

- ***Conditions on producing, repairing LPG-containing bottles***

The establishments producing, repairing LPG-containing bottles are granted certificate of eligibility of producing, repairing LPG-containing bottles when ensuring the following requirements:

1. Having fully regulations on safety, process of manufacturing LPG-containing bottles and processes of checking quality, products after manufacturing which have been approved by leaders of establishments.
2. Having equipment of testing, which meet requirements of testing safety and quality of LPG-containing bottles after being manufactured, specifying:
 - a) System of pressure testing: Creating a pressure of not less than 3 MPa;
 - b) System of gas tightness testing:
 - c) Equipment of non-destructive testing: Equipment to test quality of weld, equipment to measure thickness by ultrasound;
 - d) Equipment to test component, mechanical nature of materials used for manufacture of bottles;
 - d) Equipment to measure weight;
 - e) Equipment to measure the tightening torque.
3. Having full human resources to operate equipment of testing and welder who meeting requirements:
 - a) Technical officers operating equipment of testing must be trained on profession, coached on technical safety as prescribed;
 - b) The LPG-containing bottle welders must have certificate of welding the pressure equipment as prescribed.
4. Having fully plans on fire prevention and fighting having been approved, devices of fire prevention and fighting as prescribed.

The administrative procedures involved in producing, repairing LPG-containing bottles: grant certificates of satisfaction of specified conditions to LPG bottle producing or repairing units

The legal basis of this procedure is:

- + Decree No. 107/2009/ND-CP of November 26, 2009, on trading of liquefied petroleum gas
- + Circular No. 41/2011/TT-BCT of December 16, 2011, stipulating on safe management in the field of liquefied petroleum gas.

• ***Conditions on LPG bottle testing***

The LPG-bottle testing stations shall be granted certificate of eligibility of LPG-bottle testing when ensuring the following requirements:

1. It must have fully safety regulations, process of testing bottles containing LPG having been approved by leaders as prescribed.
2. Having fully necessary equipment to service for testing, specifying:
 - a) Equipment to recapture LPG remained in bottle;

- b) Equipment to measure thickness of metal, equipment for ultrasound of weld;
- c) Equipment to assembly and disassembly valves of bottle;
- d) Equipment to test durability, tightness;
- dd) Equipment to remove water;
- e) Equipment for checking inside;
- g) Equipment to clean surface;
- h) Scales;
- i) Equipment for stamp;
- k) The vacuum-sucking equipment.

All above equipments must have technical parameters and output in conformity with the testing output of stations.

3. Having fully necessary human resource to service for testing.

The officers directly testing bottles must be trained on professional and safe skills in the bottle testing and have working experiences for at least 2 years.

4. Having fully plans on fire prevention and fighting having been approved, devices of fire prevention and fighting as prescribed.

The Administrative procedures related: *Granting certificates of satisfaction of specified conditions to LPG bottle inspection stations.*

The dossiers of application and procedures performed are detailed provisions in Articles 44, 45 Circular No. 41/2014 / TT-BCT stipulating on safe management in the field of liquefied petroleum gas.

II.3 The administrative procedures related to providing commercial assessment services

Foreign enterprises only perform assessment services when meet all fully provisions of law on investment in Vietnam in accordance with commitments in international treaties to which Vietnam is a member.

Foreign enterprises may only provide assessment services in the areas of expertise which they meet the conditions specified. They must register seals used in professional assessment certificate with the provincial-level Industry and Trade Department where traders providing assessment services business registration.

Conditions for providing commercial assessment services specified in Article 257, 259, 267 of the Commercial Law and of Article 5 of Decree No. 20/2006 / ND-CP.

- ***Conditions for providing commercial assessment services***

1. Being enterprises established according to the provisions of law;
2. Having assessors who have all the qualifications specified in Article 259 of this Law;
- 2.1 An assessor must fully satisfy the following criteria:

2.1.1 Possessing a university or college degree suitable to the requirements of the domain of assessment;

2.1.2 Having a professional certificate for the assessment domain in cases where such professional certificate is required by law;

2.1.3 Having worked for at least three years in the domain of assessment of goods or services.

2.2. Basing themselves on the criteria specified in Clause 1 of this Article, directors of enterprises providing commercial assessment services shall recognize assessors and be responsible before law for their decisions.

3. Being capable of carrying out procedures and methods for assessing goods or services under the provisions of law, the international standards or which are commonly applied by countries in assessment of such goods or services.

Provision of commercial assessment services by foreign traders

1. Foreign traders that establish enterprises for providing commercial assessment services under the law on foreign investment in Vietnam and in compliance with the provisions of treaties to which Vietnam is a contracting party shall be permitted to conduct the assessment and issue assessment certificates according to their business lines stated in their business registration certificates or papers of equivalent validity according to current provisions of law.

2. The provision of commercial assessment services under authorization of foreign traders stipulated in Article 267 of the Commercial Law shall comply with the provisions of Section 3, Chapter II of this Decree.

Administrative procedures related to commercial assessment services under the jurisdiction of the Ministry of Industry and Trade is stipulated in Circular No. 01/2015/TT-BCT dated January 12, 2015, regulations on procedures for registering stamps and seals with respect to commercial appraisal service businesses.

- *Registering professional stamps of commercial assessment*
- *Registering changes in professional stamps of commercial assessment.*

II.4 The administrative procedures related to trading in explosive precursors

The foreign investors when starting of trading, manufacturing, import and export of explosives precursors in Vietnam must comply with conditions and procedures of the system for legal documents about original line groups are promulgated Decree 76/2014/ND-CP guidelines for Ordinance on amendments to the Ordinance on management and use of weapons, explosive materials, and combat gear; Within the scope of its management, MOIT also issued Circular No. 61/2014/TT-BCT guidelines the implementation and specifies a number of articles of Decree No. 76/2014 / ND-CP

- ***Requirements for trading in explosive precursors***

1. Having a Certificate of Business registration or certificate of investment or Certificate of Business Registration that permits the operations pertaining to chemicals or industrial explosives.

2. Being approved by the Prime Minister at the request of the Ministry of Industry and Trade, the Ministry of Public Security, or the Ministry of National Defense.

3. Required facilities:

- a) The storage or port where explosive precursors are unloaded must comply with regulations on security and safety, have fire safety equipment as prescribed by the Law on Fire prevention and fighting; ensure a safe distance to the entities and objects that need protection under applicable standards, regulations of law on chemicals, and relevant regulations.

- b) Containers of explosive precursors must have satisfactory quality and ensure environmental hygiene; vehicles used for transporting explosive precursors must comply with regulations of law on transporting dangerous cargo;

- c) There is an explosive precursor warehouse or a contract to lease a warehouse that ensures the quality maintenance through out the business operation.

- d) There are documents proving the origins, importers, or suppliers of the explosive precursors;

- d) There are equipment to control, collect, and treat hazardous wastes, or there is a contract to transport, treat, and destroy hazardous wastes as prescribed in the Law on Environment protection.

4. Chemical safety requirements

Measure certified by competent authorities are taken to prevent and respond to chemical emergencies; or plans for preventing and responding to chemical emergencies are made and approved by competent authorities in accordance with the Law on Chemicals.

5. Personnel requirements

Managers, workers, and other employees working with explosive precursors must be trained in chemical safety.

The administrative procedures specified in this group include:

- + *Issuing a License for explosive precursor trading*

- + *Reissuing a License for explosive precursor trading*

- + *Issuing a adjusted License for explosive precursor trading*

- ***Conditions for producing, importing, exporting explosive pre-substances***

Organizations producing, importing, exporting, purchasing and selling explosive pre-substances must possess licenses granted by competent agencies.

No licenses are required for producing, importing, exporting, purchasing and selling explosive pre-substances of less than 5 (five) kilograms a year for teaching, research and testing purposes.

The administrative procedure prescribed in this group of MOIT include:

- + *Issuing a Certificate of eligibility to produce explosive precursors*
- + *Issuing a adjusted Certificate of eligibility to produce explosive precursors*
- + *Re-Issuing a Certificate of eligibility to produce explosive precursors*
- + *Issuing a License for export or import of explosive precursors*

These procedures are specified in Article 15 of Decree 76/2014 / ND-CP.

II.5 The administrative procedures related to trading chemical unless chemicals banned under the Convention on the prohibition of the development, production, stockpiling and use of chemical weapons and on their destruction

The foreign investors are permitted to trade chemical unless chemicals banned under the Convention on the prohibition of the development, production, stockpiling and use of chemical weapons and on their destruction must comply with legal provisions is promulgated Law on Chemicals; Decree No. 108/2008 / ND-CP detailing and guiding the implementation of a number of articles of the Chemical Law; Decree 26/2011 / ND-CP amending and supplementing a number of articles of the Government's Decree No. 108/2008/ ND-CP of October 7, 2008, detailing and guiding a number of articles of the chemical law and Circular 28/2010 / TT-BCT specifying a number of Articles of the law on chemicals and the Government's Decree No. 108/2008/ND-CP of October 7, 2008, detailing and guiding a number of articles of the law on chemicals; Decree No. 38/2014 / ND-CP on management of chemicals subject to the control of the Convention prohibits development, production, stockpiling, use and destruction of chemical weapons; Circular 55/2014 / TT-BCT specifying and guiding the implementation of some articles of Decree No. 38/2014 / ND-CP.

• Conditions on production or trading of chemicals subject to conditional production or trading in the industrial sector

1. Conditions for chemical production

a/ The director or technical deputy director or technical officer in charge of chemical production of an establishment producing chemicals subject to conditional production or trading in the industrial sector must hold a university or higher degree in a chemical discipline;

b/ The officer in charge of chemical safety control must be trained or re-trained in chemical safety techniques;

c/ Laborers in direct exposure to chemicals must be trained or re-trained in chemical safety techniques;

d/ The establishment's physical and technical foundations must satisfy the requirements specified in Article 12 of the Chemical Law;

e/ The establishment must have appropriate equipment and devices or enter into a contract with a capable unit accredited by a competent agency to test the concentration and components of chemicals;

f/ The establishment's chemical-related incident prevention and response measures or plans must be certified or approved by competent agencies;

g/ The establishment must have fire and explosion prevention and control devices and equipment according to the Law on Fire Prevention and Fighting; have devices and equipment for hazardous waste control, collection and treatment, or enter into contracts on hazardous waste transportation, disposal and destruction according to the Law on Environmental Protection.

2. Conditions for chemical trading

a/ The person in charge of chemical safety of a chemical trading establishment must hold an intermediate or higher degree in a chemical discipline;

b/ Persons in direct exposure to chemicals must be trained or re-trained in chemical safety techniques;

c/ The establishment's physical and technical foundations must satisfy the requirements specified in Article 12 of the Chemical Law;

d/ The establishment's chemical-related incident prevention and response measures or plans must be certified or approved by competent agencies;

e/ The establishment must have fire and explosion prevention and control devices and equipment according to the Law on Fire Prevention and Fighting; have devices and equipment for hazardous waste control, collection and treatment, or enter into contracts on hazardous waste transportation, disposal or destruction according to the Law on Environmental Protection.

The administrative procedures related to these activities including:

+ *Issuing a certificate applicable to producers of chemicals subject to conditional production and trading*

+ *Issuing modified and supplemented certificate applicable to producers of chemicals subject to conditional production and trading*

+ *Re-Issuing a certificate applicable to producers of chemicals subject to conditional production and trading*

+ *Issuing a certificate applicable to traders of chemicals subject to conditional production and trading*

+ *Issuing modified and supplemented certificate applicable to traders of chemicals subject to conditional production and trading*

+ *Re-Issuing a certificate applicable to traders of chemicals subject to conditional production and trading*

• ***Conditions on Production of and trading in chemicals on the list of those restricted from production and trading.***

The 2007 Chemical Law has provisions on Production of and trading of the chemicals in the list of restriction are issued in the Article 15 of this Law.

1. Chemicals on the list of those restricted from production and trading are hazardous chemicals which are subject to special control of safety techniques as well as production and trading scope, type, scale and duration in order to ensure that no harms are caused to national defense, security, human health, property and the environment.

2. Requirements on production of and trading in chemicals on the list of those restricted from production and trading are stipulated as follows:

a/ Complying with the provisions at Points a and b, Clause 2, Article 14, of this Law;

b/ Having a permit for production of and trading in chemicals on the list of those restricted from production and trading (referred to as permit).

3. The Ministry of Industry and Trade and concerned ministries and branches shall coordinate with one another in providing for production and trading conditions and elaborating a list of chemicals restricted from production and trading before submitting it to the Government for promulgation.

4. Line ministries are competent to grant permits and shall organize the grant of permits for production of and trading in chemicals on the list of those restricted from production and trading falling under their management scope.

The administrative procedures relating to these activity of MOIT include:

+ *Grant of licenses for production of industrial chemicals restricted from production and trading*

+ *Grant of modified and supplemented of licenses for production of industrial chemicals restricted from production and trading*

+ *Re-Grant of licenses for production of industrial chemicals restricted from production and trading*

+ *Grant of licenses for traders of industrial chemicals restricted from production and trading*

+ *Grant of modified and supplemented of licenses for traders of industrial chemicals restricted from production and trading*

+ *Re-Grant of licenses for trading of industrial chemicals restricted from production and trading*

+ *Grant of licenses to producers-cum-traders of chemicals restricted from production and trading*

+ *Grant of modified and supplemented of licenses to producers-cum-traders of chemicals restricted from production and trading*

+ *Re-Grant of licenses to producers-cum-traders of chemicals restricted from production and trading.*

• ***Conditions for Production Schedule 1 chemicals***

1. Organizations and individual must not produce the Schedule 1 chemicals, unless they are produced to serve the purposes of scientific research, maintenance of national defense and security, prevention and combat of epidemic diseases. Any Schedule 1 chemical producer must:

a) Have the Enterprise registration certificate or Investment certificate or Business registration Certificate which covers chemical business, issued by the competent authorities.

b) Have a written commitment on the production of the Schedule 1 chemicals in accordance with the regulations in Point b Clause 1 Article 8, Decree No. 38/2014/NĐ-CP.

c) Have the location, area, workshop, machinery, equipment, technological process and storehouse suitable to produce the Schedule 1 chemicals up to quality standards.

d) Have a laboratory for testing and analysis or having reached agreement with an appointed or accredited testing unit which has registered for testing in accordance with law on product and goods quality for the purpose of quality control.

dd) Have a waste treatment system to ensure that the waste treatment conformable with the national technical regulations and standards of environment;

e) Have transports to carry the chemicals from the production facility to the receivers suiting such chemicals. Sign a contract with a company eligible to provide transport services if the producer does not have means of transportation.

g) Satisfy all of the conditions for fire and explosion safety, environment protection, occupational safety and hygiene in accordance with the relevant law regulations.

d) Employ a technical director or deputy director having at least a Bachelor's Degree in chemistry. Employ the management, technology and administration personnel whose major is chemistry.

i) Provide the training in chemical safety for employees working in the Schedule 1 chemical production facility who directly contact with chemicals.

2. Any organization or individual producing the Schedule 1 chemicals satisfying all of the conditions prescribed in the Paragraph 1 shall be approved by the Prime Minister.

3. Applications, procedures and time for the approval of the production of the Schedule 1 chemicals are prescribed in the Article 17 of Decree No. 38/2014/NĐ-CP.

4. The Ministry of Industry and Trade shall give instructions on the implementation of the production conditions of the Schedule 1 chemicals which are prescribed in Points c, d, dd, e, g, h, i in Clause 1 Article Decree No. 38/2014/NĐ-CP.

The administrative procedures of MOIT related these activities are:

+ *The issuance of a Production Certificate of the Schedule 1 chemicals*

• ***Production conditions for Schedule 2 chemicals, Schedule 3 chemicals***

1. Any Schedule 2, Schedule 3 chemical producer must:

a) Have the Enterprise registration certificate or Investment certificate or Business registration Certificate which covers chemical business, issued by the competent authorities.

b) Have the written commitment on the production of the Schedule 2, Schedule 3 chemicals in accordance with the regulations in Points b and c Clause 1 Article 8 of Decree No. 38/2014/NĐ-CP

c) Satisfy the requirements for facilities in accordance with the regulations in Points c, d, dd, e, g Clause 1 Article 15 of Decree No. 38/2014/NĐ-CP;

d) Satisfy the requirements for manpower in accordance with the regulations in Points h and i Clause 1 Article 15 of Decree No. 38/2014/NĐ-CP;

2. Any Schedule 2 and Schedule 3 chemical producer satisfying all of the conditions prescribed in the Clause 1 shall be approved by the Prime Minister.

3. Applications, procedures and time for the approval of the production of the Schedule 2 and Schedule 3 chemicals are prescribed in the Article 17 of Decree No. 38/2014/NĐ-CP.

Corresponding to the above conditions, foreign investors will carry out administrative procedure: *The issuance of a Production Certificate of the Schedule 2, Schedule 3 chemicals.*

• ***Conditions for Import and Export of Schedule 1, Schedule 2, and Schedule 3 chemicals***

1. Any importer and exporter must:

a) Have either the Enterprise registration certificate or Investment certificate or Business registration Certificate which covers chemical business, issued by the competent authorities.

b) Be permitted by the Prime Minister to import or export the Schedule 1 chemicals;

c) Be issued with the Import Permit or Export Permit by the Ministry of Industry and Trade for the Schedule 2, and Schedule 3 chemicals.

The foreign investor will carry out perform the following administrative procedures:

+ *The issue of Import (or Export) Permit for the Schedule 1 chemicals*

+ *The issue of Import (or Export) Permit for the Schedule 2 chemicals*

+ *The issue of Import (or Export) Permit for the Schedule 3 chemicals;*

Each importer or exporter of Schedule 1, Schedule 2 and Schedule 3 chemicals shall file 1 (one) application and send it to the Ministry of Industry and Trade directly or by post;

The Ministry of Industry and Trade shall notify each importer or exporter of the sufficiency and validity of the application and request the importer or exporter to complete the application once within at most 03 (three) working days from the receipt of the application. The time for notification and completion of the application is not included in the processing

time of the issuance of the Certificates of import or export as prescribed in points a and b Clause 4 this Article.

The processing time for the issuance of a Certificate of import or export of the Schedule 1 chemicals is 10 (ten) days as a maximum, from the receipt of a valid application. The Ministry of Industry and Trade shall assess the application and request the Prime Minister to consider approving. In case of disapproval, the Ministry of Industry and Trade shall be authorized by the Prime Minister to send a written reply giving specific reasons;

The processing time for the issuance of a Certificate of import or export of the Schedule 2, Schedule 3 chemicals is 7 (ten) days as a maximum, from the receipt of a valid application. The Ministry of Industry and Trade shall assess the application and issue the Certification. In case of disapproval, the Ministry of Industry and Trade shall send a written reply giving specific reasons;

In case the Schedule 1, Schedule 2, Schedule 3 chemicals are imported or exported to serve the specialist purposes (medical, pharmaceuticals, agriculture, protection) the Ministry of Industry and Trade shall collect the written opinions of the regulatory Ministry before issuing the permits when necessary. The time for the opinion collection is not included in the processing time prescribed in Points and b this Clause.

- ***Conditions for Production of DOC and DOC-PSF***

Any organization and individual producing DOCs and DOC-PSFs must

- a) Have either the Enterprise registration certificate or Investment certificate or Business registration Certificate which covers chemical business, issued by the competent authorities.
- b) Have the written commitment on the production of the DOCs, DOC-PSFs in accordance with the regulations in Point dd Article 8 of this Decree.
- c) Satisfy the requirements for facilities in accordance with the regulations in Points c, d, dd, e, g Clause 1 Article 15 of this Decree;
- d) Satisfy the requirements for manpower in accordance with the regulations in Points h and i Clause 1 Article 15 of this Decree;

The administrative procedures related to manufacturing activities included:

+ *The issuance of a Production Certificate of DOC, DOC-PSF chemicals*

Applications, procedures and processing time are the same as those for the Schedule 2, Schedule 3 chemicals as prescribed in the Article 17 Decree No.38/2014/ND-CP.

II.6 The administrative procedures related to inorganic fertilizers trading

- ***Requirements for manufacturing fertilizers***

1. A Certificate of Business registration, Certificate of investment, or Certificate of Business registration that includes fertilizer manufacture is issued by a competent authority.
2. The infrastructure is satisfactory, in particular:
 - a) The location, area, workshops, and warehouses are suitable for the manufacturing capacity;

- b) The machinery, equipment, and technology process is suitable for the manufacturing capacity and categories of fertilizers;
- c) A quality control system is established and maintained; standards are applied to raw materials to ensure fertilizer quality;
- d) A laboratory is available, or a contract for quality control is concluded with an appointed or accredited laboratory that has been licensed for testing or analysis in accordance with the laws on goods quality;
- dd) A waste treatment system that meets national standards and norms for environment is available;
- e) All requirements regarding fire safety environment protection, occupational safety and hygiene according to relevant laws are satisfied.

3. Personnel:

- a) The managers, technicians, and operators of the fertilizer manufacturing process are accomplished in chemistry, physics, or biology. The Technical Director or Deputy Technical Director possess bachelor's degrees or higher;
- b) The workers that directly work with fertilizers are provided with knowledge or training in fertilizers.

4. The Minister of Industry and Trade shall specify the requirements for manufacturing inorganic fertilizers mentioned in Points a, b, c, and d Clause 2 of this Article. The Minister of Agriculture and Rural development shall specify the requirements for manufacturing organic fertilizers and other fertilizers mentioned in Points a, b, c, and d Clause 2 of this Article.

The administrative procedures related to this condition under the management of MOIT:

+ *Granting License for manufacture of inorganic fertilizers*

+ *Re-granting the License for manufacture of inorganic fertilizers*

+ *Adjusting the License for manufacture of inorganic fertilizers*

+ *Granting the license for manufacture inorganic fertilizer, organic fertilizer and other types of fertilizer*

+ *Re-granting the License for manufacture of inorganic fertilizers, organic fertilizer and other types of fertilizer*

+ *Adjusting the License for manufacture of inorganic fertilizers, organic fertilizer and other fertilizers*

- ***Conditions for automatic import fertilizers***

1. Having Certificate of Enterprise registration or Certificate of Business registration, or Investment certificate relating to fertilizer business

2. Having importing documents include: import contract or equivalent documents; commercial invoice; Letter of Credit (L/C) or payment document, or an original of the bank payment confirmation letter; the bill of lading or transport document of imported goods

The above condition is the required component of the administrative procedure documents which foreign enterprises must submit to the MOIT to permit applicants. There are 03 administrative procedures related to this activity:

- + *Issuance of automatic import license with respect to some fertilizer products*
- + *Re-issuance of automatic import license with respect to some fertilizer products*
- + *Revision of automatic import license with respect to some fertilizer products*

II.7 The administrative procedures related to alcohol trading

• *Requirements for production of alcohol*

1. The requirements for issuing the License for mass production of wine comprise:

- a) The enterprise has registered the wine production.
- b) The mass production of wine must be congruent with the approved Master planning for the development of the beer - wine - beverage industry.
- c) Having machinery, equipment, technological lines for wine production. All machinery and equipment used for wine production must have legal origins
- d) Satisfying the requirements for labor hygiene and safety, fire and explosion prevention, and environment protection.
- e) Having the right to own or to use the brand name of wine in Vietnam.
- f) Having technicians proficient in wine production.
- g) The people directly participating in wine production must be healthy without suffering from infectious diseases.

2. The requirements for issuing the License for small-scale production of wine for sale:

- a) Having registered the small-scale production of wine.
- b) Comply with the regulations on environment protection, food safety, food quality, and wine labels as prescribed by current laws.

3. Conditions for The small-scale production of wine for selling to enterprises licensed to produce wine further processing

The organizations and individuals engaged in small-scale production of wine for selling to the enterprises licensed to produce wine for further processing must register with the local authority.

They are responsible for the environment protection during the production of wine and just selling to the enterprises licensed to produce wine.

The administrative procedures relating to production of wine operations implemented by the Ministry of Industry and Trade:

+ *Issuing the License for mass production of wine that reach at least 3 million liters per year*

+ *Amending the License for mass production of wine that reach at least 3 million liters per year*

+ *Re-Issuing the License for mass production of wine that reach at least 3 million liters per year*

+ *Issuing the License for mass production of wine that reach under 3 million liters per year*

+ *Amending the License for mass production of wine that reach under 3 million liters per year*

+ *Re-Issuing the License for mass production of wine that reach under 3 million liters per year*

+ *Issuing the License for small-scale production of wine for sale*

+ *Amending the License for small-scale production of wine for sale*

+ *Re-issuing the License for small-scale production of wine for sale*

• ***Conditions for issuing the License for alcohol trading***

1. The requirements for issuing the License for wine trading include:

a) The enterprise is established in accordance with law, and has registered the sale of alcoholic drinks or wine;

b) Having fixed business premises with clear addresses; satisfying the requirements for technology and equipment as prescribed;

c) Having a system of wine distribution on at least 06 provinces (there must be at least 03 wine wholesalers in each province);

d) Having the letter of introduction and sale contracts of the wine producers or other wine distributors;

dd) Owning or co-owning warehouses according to joint-venture contracts or contribution contracts; or having warehouse lease contracts that suit the business scale of the enterprise (the minimum area is 300 m², or the minimum volume is 1,000 m³) and satisfy the requirements for preserving the quality of wine while being stored therein.

e) Owning or co-owning means of transports according to joint-venture contracts or contribution contracts; or having the contracts to hire such vehicles that suit the business model of the enterprise (there must be at least 03 trucks having capacity of at least 500 kg), and satisfy the requirements for preserving the wine quality during the transport;

g) Being financially capable of ensuring the normal operation of the entire distribution system (having the Certificate of at least 01 billion VND);

- h) Having a commitment made by the enterprise on the compliance with the requirements for fire prevention and fighting, and environment protection as prescribed by law;
- i) Conformable with Article 18 of Decree No.94/2012/NĐ-CP.

The Administrative procedures related to wine trading activities:

- + *Issuing the License for wine trading*
- + *Amending the License for wine trading*
- + *Re-issuing the License for wine trading*
- + *Issuing the License for wine wholesaling*
- + *Amending the License for wine wholesaling*
- + *Re-issuing the License for wine wholesaling*
- + *Issuing the License for wine retailing*
- + *Amending the License for wine retailing*
- + *Re-issuing the License for wine retailing*

II.8 The administrative procedures related to the sale of tobacco and tobacco ingredients, machinery and equipment for tobacco manufacturing

• *Conditions for the issuance of the License to manufacture tobacco*

1. Enterprises that manufacture tobacco before the issuance of date of the Government's Resolution No. 12/2000/NQ-CP dated August 14, 2000 on National Policy on prevention of tobacco harm 2000 – 2010, or the enterprises that have their investment policies agreed by the Prime Minister when merging or cooperating in tobacco manufacturing
2. Conditions of investment and use of tobacco ingredients planted at home
 - a) Enterprises must participate in investment in tobacco cultivation in the form of direct investment or cooperation with enterprises that have the Certificate of eligibility to invest in tobacco cultivation in accordance with the approved Planning for tobacco ingredient area;
 - b) Tobacco ingredients planted at home must be used for tobacco manufacturing. Where ingredients at home are not sufficient, the needed quantity may be imported according to the annual import plan made by the Ministry of Industry and Trade, except for the manufacture of tobacco bearing foreign makes or exported tobacco. This plan must be conformable with the Tobacco manufacturing and tobacco ingredient area planning.
3. Requirements of machinery and equipment:
 - a) Adequate machinery and equipment are used for rolling and packaging cigarettes;
 - b) Cigarettes must be rolled and packaged by automated lines, except for traditional products that need manual works;
 - c) Adequate devices are used for measuring and inspecting quality criteria, such as weight, circumference, and depression of the cigarettes. Enterprises may hire other capable service providers to inspect other physical, chemical, and hygiene criteria of cigarettes. The

inspection results must be systematically kept for a longer period of time than the shelf life of products (06 months);

d) All machinery and equipment used for tobacco manufacturing have legal origins.

4. Technical regulations and standards of tobacco.

Enterprises must comply with standards and National Technical Regulations on tobacco.

5. Requirements of brand ownership.

Enterprises must acquire legal ownership or right of use of the brands registered and protected in Vietnam.

6. Requirements of environment protection and fire and explosion prevention.

Vehicles and equipment serving fire prevention and fighting and environment protection must be adequate.

Administrative procedures of manufacture tobacco operation performed by MOIT:

+ *Issuing the license to manufacture tobacco*

+ *Re – issuing the License to manufacture tobacco*

+ *Amending the license to manufacture tobacco*

• ***Requirements of the issuance of the License to trade in tobacco***

1. Requirements of the issuance of the License to distribute tobacco:

a) The enterprise is established within the law and the tobacco wholesaling is registered;

b) The business location is fixed and clear, the technical requirements are satisfied;

c) The system of tobacco distribution covers at least 02 provinces is established (at least 02 tobacco wholesalers in each province);

d) Letters of introduction or sale contracts signed with tobacco suppliers are presented;

dd) The warehouses under their ownership (or co-ownership) according to the joint venture contract or capital contribution contract, or the warehouse lease contracts are suitable for the business model (the minimum area is 100 m²) and the preservation of tobacco during the storage period;

e) The means of transport under the ownership or co-ownership according to the joint venture contract or capital contribution contract, or the contracts to hire means of transport are suitable for the business scale (at least 02 vehicles capable of at least 500 kg) and the preservation of tobacco in transit;

g) The financial capacity is able to ensure the normal operation of the entire distribution system (a certification of at least 02 billion VND is issued by a bank);

h) A written commitment to comply with the requirements for fire prevention and fighting and environment protection is made by the enterprise;

i) The Planning for tobacco trading network approved by competent authorities is complied with.

2. Requirements for the issuance of the License for tobacco wholesaling:

a) The enterprise is established within the law and the tobacco wholesaling is registered;

b) The business location is fixed and clear, the technical requirements are satisfied;

c) A system of tobacco wholesaling is established in the province where the head office is situated (at least 02 tobacco retailers in the province);

d) Letters of introduction or sale contracts signed with tobacco suppliers or tobacco product distributors are presented;

dd) The warehouses under their ownership (or co-ownership) according to the joint venture contract or capital contribution contract, or the warehouse lease contracts are suitable for the business model (the minimum area is 50 m²) and the preservation of tobacco during the storage period;

e) The means of transport under the ownership or co-ownership according to the joint venture contract or capital contribution contract, or the contracts to hire means of transport are suitable for the business scale (at least 01 vehicle capable of at least 500 kg) and the preservation of tobacco in transit;

g) The financial capacity is able to ensure the normal operation of the entire wholesaling system (a certification of at least 01 billion VND is issued by a bank);

h) A written commitment to comply with the requirements for fire prevention and fighting and environment protection is made by the enterprise;

i) The Planning for tobacco trading network approved by competent authorities is complied with.

3. Requirements for the issuance of the License for tobacco retailing:

a) The tobacco retailing is registered;

b) The business location is fixed and clear, the technical requirements are satisfied;

c) The area of tobacco sale is at least 03 m² or larger;

d) Letters of introduction or sale contracts signed with tobacco wholesalers are presented;

dd) The Planning for tobacco trading network approved by competent authorities is complied with

Corresponding this line MOIT specified 9 administrative procedures, included:

+ *Issuing the license to trade in tobacco*

+ *Amending the license to trade in tobacco*

+ *Re-issuing the license to trade in tobacco*

+ *Issuing the license for tobacco wholesaling*

+ *Re-issuing of the license for tobacco wholesaling*

+ *Amending the license for tobacco wholesaling*

+ *Issuing the license for tobacco retailing*

+ *Re-issuing of the license for tobacco retailing*

+ *Amending the license for tobacco retailing*

• ***Conditions for the issuance of the License to trade in tobacco ingredients***

1. The enterprise is established within the law and the trade in tobacco ingredients is registered.

2. The business location is definite.

3. Infrastructure, equipment, and personnel:

a) The means of transport are suitable for the business scale and the preservation of tobacco ingredients during the transport;

b) The area of the tobacco ingredient warehouse is at least 1000 m². The warehouse must have a ventilation system and equipment that suitable for the preservation of the tobacco ingredients, including: thermometer and hygrometer to monitor the temperature and relative humidity of the air in the warehouse, equipment for pest prevention; the shelves and platforms where tobacco ingredients are put must be installed at least 20 cm from the ground and 50 cm from the walls and pillars;

d) Employees are proficient and hold at least intermediate degrees in agriculture or above.

4. Contracts to entrust the import of tobacco ingredients are signed with tobacco manufacturers, enterprises that process tobacco ingredients, or contracts to entrust the export of tobacco ingredients signed with enterprises eligible to invest in tobacco cultivation or enterprises that process tobacco ingredients.

5. Environment protection and fire and explosion prevention.

Vehicles and equipment serving fire prevention and fighting and environment protection must be adequate.

The administrative procedures of this activity is:

+ *Issuing the license to trade in tobacco ingredients*

+ *Re-issuing the license to trade in tobacco ingredients*

+ *Amending the license to trade in tobacco ingredients*

• ***Conditions for the issuance of the License to process tobacco ingredients***

1. The enterprise is established within the law and the tobacco ingredient processing is registered.

2. Infrastructure, equipment, and personnel:

a) The area of the processing facility, including the classification sector, processing sector, packaging sector, and ingredient storage, must suit the business scale. The total area must not be smaller than 5,000 m²;

b) Unprocessed tobacco ingredients and processed tobacco ingredients are stored in separate warehouses. The warehouse must have a ventilation system, thermometer and hygrometer to monitor the temperature and relative humidity of the air in the warehouse, equipment for pest prevention; the shelves and platforms where tobacco ingredients are put must be at least 20 cm from the ground and 50 cm from the walls and pillars;

c) Synchronous machinery and equipment are used to produce shredded tobacco, tobacco flakes and other substitute ingredients used for manufacturing tobacco. The ingredient processing line must be specialized and meet standards of industrial hygiene, occupational safety, and environmental hygiene;

d) Adequate devices are used to inspect the quality of ingredients before and after processing;

dd) All machinery has legal origins;

e) Contracts are signed with employees that hold at least college degrees in mechanics and technologies.

3. Contracts to invest in tobacco cultivation are signed with tobacco planters, or ingredient sale contracts are signed with enterprises that invest in tobacco cultivation.

4. Standards of tobacco ingredients

The quality must meet the national technical standards and current regulations on quality.

5. Environment protection and fire and explosion prevention.

Vehicles and equipment serving fire prevention and fighting and environment protection must be adequate.

6. Location of the processing facility

The location of the processing facility must conform with the Strategy and Planning for tobacco production and tobacco ingredients areas that are approved by competent authorities.

This industry group defined by 3 corresponding administrative procedures due to MOIT provisions, included:

+ *Issuing the license to process tobacco ingredients*

+ *Amending the license to process tobacco ingredients*

+ *Re-issuing the license to process tobacco ingredients*

• ***Conditions for the import of tobacco ingredients and cigarette paper***

a) The License to manufacture tobacco or License to process tobacco ingredients is obtained;

b) The tobacco ingredients and cigarette paper imported must be suitable for the production of the enterprise (for production serving domestic sale);

c) Contracts to manufacture or processing tobacco or tobacco ingredients for export are signed (production or processing for export)

d) The import is approved by the Ministry of Industry and Trade.

For this group 1 occupations regulations administrative procedure: *Notification of the import quota of tobacco ingredients and cigarette paper.*

• ***Conditions for the issuance of the Certificate of eligibility to invest in tobacco cultivation.***

Conditions for the issuance of the Certificate of eligibility to invest in tobacco cultivation:

1. The trade in tobacco ingredients is registered.

2. Investment scale, infrastructure, equipment, and personnel:

a) The area for tobacco cultivation is at least 100 hectares a year

b) The premises where ingredients are sold include the classification sector, packaging sector, and storage sector that suit the business scale;

c) The area of the warehouse of tobacco ingredients must not be smaller than 500m². The warehouse must have a ventilation system and equipment that suitable for the preservation of the tobacco ingredients, including: thermometer and hygrometer to monitor the temperature and relative humidity of the air in the warehouse, equipment for pest prevention; the shelves and platforms where tobacco ingredients are put must be installed at least 20 cm from the ground and 50 cm from the walls and pillars;

d) Employees are proficient and experienced in investment management, technical support, and ingredient purchase. Every employee must hold at least an intermediate degree in agriculture. Each technician is in charge of no more than 50 hectares of tobacco plantation.

3. Condition for trading in tobacco ingredients.

Contracts to invest in tobacco cultivation signed with planters must be suitable for the business scale.

4. Environment protection and fire and explosion prevention.

Vehicles and equipment serving fire prevention and fighting and environment protection must be adequate.

For group 3 occupations prescribed administrative procedures, including:

+ *Issuing the Certificate of eligibility to invest in tobacco cultivation.*

+ *Amending the Certificate of eligibility to invest in tobacco cultivation.*

+ *Re-issuing the Certificate of eligibility to invest in tobacco cultivation.*

• ***Conditions for Import of machinery and equipment for tobacco manufacturing.***

Any enterprise that imports machinery and equipment for tobacco manufacturing must satisfy the requirements below:

a) The License to manufacture tobacco or License to process tobacco ingredients is obtained;

- b) The imported machinery and equipment for tobacco manufacturing are suitable for the capacity of the enterprise, which is announced by the Ministry of Industry and Trade;
- c) The investment policies (if any) are approved by the Ministry of Industry and Trade.

The conditions of this industry group are defined in Article 34 of Decree No. 67/2013 / ND-CP, administrative procedures prescribed respectively: *Import of machinery and equipment for tobacco manufacturing.*

- ***Requirements and procedure for investment in upgrading equipment and technologies; investment in manufacture and processing of tobacco for export; moving; investment in tobacco ingredient processing***

The investments in upgrading equipment and technologies; investments in manufacturing and processing tobacco for export must comply with the principles below:

- a) Investments in tobacco manufacturing must be conformable with Tobacco manufacturing and tobacco ingredient area planning and business plans of enterprises;
- b) Do not make new investment, expand the scale or capacity of tobacco factories that exceed the total capacity of the tobacco industry, which is determined by the Ministry of Industry according to Article 21 of Decree 67/2013/ND-CP;
- c) The investment in machinery and equipment and tobacco manufacturing technologies must be suitable for the scale and production plan of the enterprise.

The administrative procedures related to these activities is: *Approving of investment in upgrading equipment and technologies; investment in manufacture and processing of tobacco for export; moving; investment in tobacco ingredient processing*

II.9 The administrative procedure related to the goods exchange

- ***Conditions for establishment of the Goods Exchange***

The Goods Exchange is established when the following conditions are satisfied:

1. Its legal capital is one hundred and fifty billion dong or more;
2. Its operation charter is compliant with this Decree;
3. Its director or general director possesses bachelor or higher degree and has worked in the economic-financial domain for at least five years; has full civil act capacity and is not banned from corporate administration according to the provisions of the Enterprise Law;
4. Other conditions specified by the Enterprise Law.

The conditions of this industry group are defined in Article 8 of Decree No. 158/2006 / ND-CP; Article 1 of Circular 03/2009 / TT-BCT, for specified occupations group 3 corresponding administrative procedures, including:

- + *Issuing the establishment license of the Goods Exchange*
- + *Amending the establishment license of the Goods Exchange;*
- + *Re-issuing the establishment license of the Goods Exchange*

II.10 The administrative procedure related to food trading

• *Conditions for food producers and traders*

An establishment shall be granted a certificate of food safety eligibility when it fully meets the following conditions:

- 1.1. Having adequate conditions for assuring food safety suitable to each type of food production and trading as prescribed in Chapter IV of Law on food safety;
- 1.2. Having registered for food production and trading as indicated in its business registration certificate.
- 1.3. Food safety assurance conditions for food producers and traders
 - a/ Having suitable venues with appropriate areas and safety distance from toxic and contaminating sources and other harmful factors;
 - b/ Having sufficient technically qualified water for food production and trading;
 - c/ Having adequate appropriate equipment to process materials and process, package, preserve and transport different types of food: having adequate washing and sterilization equipment and tools, disinfecting fluid, and equipment for preventing and controlling insects and harmful animals;
 - d/ Having a waste treatment system which operates regularly under the law on environmental protection;
 - e/ Maintaining food safety assurance conditions and keeping records of source and origin of food materials and other documents on the entire food production and trading process;
 - f/ Complying with regulations on health, knowledge and practices of persons directly engaged in food production and trading.

Administrative procedures on issuance and revocation of certificate of food safety under the management of the Ministry of Industry And Trade:

- + *Issuing the certificate of food safety for producing establishment*
- + *Re-Issuing the certificate of food safety for producing establishment*
- + *Issuing the certificate of food safety for trading*
- + *Re-Issuing the certificate of food safety for trading establishment*
- + *Issuing the Certificate of food safety knowledge validation*

The Ministry of Industry and Trade is entitled to carry out the issuance to:

The establishments that produce:

- Alcohols: at least 03 million liters per year;
- Beer: at least 50 million liters per year;
- Soft drinks: at least 20 million liters per year;
- Processed milk: at least 20 million liters per year;

- Vegetable oil: at least 50 thousand tones per year;
- Confectionery: at least 20 thousand tones per year;
- Flour and starch: at least 100 thousand tones per year;
- Instruments and materials particularly for wrapping of such products.

Food-trading establishments inferior to the establishment defined in point a of this Clause; food trading establishments of traders who distribute, trade or act as agent in multiple provinces.

Provincial-level Industry and Trade Departments is entitled to carry out the issuance to: - Food producers whose production is lower than the one of the establishments defined in the above list;

- Food sellers of traders who trade or act as agent in single province; establishment retailing food in single province

With regard to establishment that is within the power of issuance of both the Ministry of Industry and Trade and the Service of Industry and Trade, the application shall be handled by the Ministry of Industry and Trade according to the regulation.

• ***Conditions for food advertisement***

Food advertisement shall be carried out by food producers and traders or advertisement service providers under the law on advertisement. Before registering for food advertisement, organizations and individuals that have food to be advertised shall send dossiers to competent state management agencies for certification of advertisement contents. Advertisement makers, advertisement service providers and organizations and individuals with to-be-advertised food may only make advertisement after the advertisement contents are appraised, and must strictly comply with certified contents. Conditions for being issued with the Certificate of advertisement contents:

- The dossier of application is complete and valid as prescribed in Article 8 of this Circular.
- Food products are not in the list of products banned from advertising as prescribed by current law.
- Food products satisfy the regulations on food safety conditions, or products of a producer/country of which the fulfillment of food safety requirements is certified by competent authorities of Vietnam as prescribed by current law.
- The advertisement contents must be accurate and consistent with the quality. Food safety must be ensured as announced and registered.

Relating administrative procedures:

- + *Issuing the food advertisement content certification under the management of the ministry of industry and trade*
- + *Re-Issuing the food advertisement content certification under the management of the ministry of industry and trade*

The Department of Science and Technology – The Ministry of Industry and Trade shall receive applications, carry out examinations, notify results, and issue Certificates of advertisement contents to imported and exported food products, food products of the applicants issued with Certificates of Fulfillment of food safety conditions; and report the implementation of this Circular nationwide.

Provincial Services of Industry and Trade shall receive applications, carry out examinations, notify results, and issue Certificates of advertisement contents to foods sold in Vietnam by the local applicants that have been issued with Certificates of Fulfillment of food safety conditions by Services of Industry and Trade; and send periodic and irregular reports on the implementation of this Circular in their localities to provincial People’s Committees and the Ministry of Industry and Trade.

II.11 The administrative procedure related rice export business

- *Conditions for rice export business*

To export rice, a trader must fully satisfy the following conditions:

a/ Being established and registering business under law.

b/ Having at least 1 (one) warehouse which can store at least 5,000 (five thousand) tons of paddies and meets general regulations promulgated by the Ministry of Agriculture and Rural Development.

c/ Having at least 1 (one) rice mill with an hourly capacity of at least 10 tons of paddies which meets general regulations promulgated by the Ministry of Agriculture and Rural Development.

When the trader applies for a certificate, the rice warehouse and mill mentioned must be owned by the trader and located in a province or centrally run city which has export commodity rice or an international seaport with rice export activities.

The administrative procedures that traders have to make in this area include:

+ *Issuing the certificate of eligibility for rice export business*

+ *Re-Issuing a new certificate of eligibility for rice export business substitute the certificate expires.*

+ *Re-issuing and modification of certificates of eligibility for rice export business*

II.12 The administrative procedure related to trading in temporary import for re-export of frozen foods

- *Conditions for trading in temporary import for re-export of frozen foods*

Enterprises trade in temporary import for re-export of frozen foods must satisfy the following conditions:

1. Be established at least 2 (two) years, have had activities of goods export, import or temporary import for re-export.

2. Paid a deposit of VND 10 billion (ten billion Vietnam dong) at the provincial-level State Treasuries or branches of Commercial banks in provinces or cities where enterprises have warehouses, yards as prescribed at Clause 3 this Article.

3. Have warehouses, yards for trading in temporary import for re-export of frozen foods, specified:

a) Warehouses, yards must have minimum containing power of 100 (one hundred) cold containers of 40 (forty) feet, minimum area of 1,500 m² (one thousand five hundred meter square).

Warehouses, yards are isolated with outside by hard fences, built with minimum height of 2.5m (two point five meter); have way for vehicles transporting containers out and in warehouses and yards; have gate and signboard of enterprise using warehouses, yard;

b) Warehouses and yards must have sufficient power (including network electricity and backup generators with equivalent capacity) and the enclosed specialized equipment to operate the cold containers by capacity of warehouses, yards;

c) Warehouses and yards must be owned by enterprises or enterprises signed contracts to rent them with the minimum rent term of 3 (three) years, they must locate in areas already been planned for system of warehouses and yards in serve of trading in temporary import for re-export of frozen foods or in areas prescribed by the boundary provincial People's Committees to build warehouses and yards in serve of trading in temporary import for re-export of frozen foods.

The boundary provincial People's Committees shall discuss and unify with the General Department of Customs, Command of Border Guard, the Ministry of Industry and Trade and issue decision on areas planned and prescribed in provinces; notify the Ministry of Industry and Trade and relevant agencies for coordination;

d) Warehouses and yards which enterprises have declared to apply for code number grant of temporary import for re-export are banned leasing entirely or partly to other enterprises for use in purpose of applying for code number grant of temporary import for re-export.

The administrative procedures in the business of temporary import for re-export of frozen food is:

+ *Issuing the certificate of code number for trading in temporary import for re-export of frozen goods.*

II.13 The administrative procedure related to trading in temporary import for re-export for goods subject to excise tax

- ***Conditions for trading in temporary import for re-export for goods subject to excise tax***

Enterprises trading in temporary import for re-export for goods subject to excise tax must satisfy the following conditions:

1. Be established at least 2 (two) years, have had activities of goods export, import or temporary import for re-export.

2. Paid a deposit of VND 7 billion (seven billion Vietnam dong) at the provincial-level State Treasuries or branches of Commercial banks in provinces or cities where enterprises have been granted certificate of business registration or certificate of enterprise registration.

When fully meet the above conditions, the enterprise will be considered and grant a code of certificate for temporary import and re-export of goods (hereinafter referred to as the Code of temporary import for re-export)

The administrative procedures in this area under the jurisdiction of MOIT

+ *Issuing the certificate of code number for trading in temporary import for goods subject to excise tax.*

The effective duration of the Code of temporary import for re-export of 3 years from the date of issue.

II.14 The administrative procedure related to trading in temporary import for re-export for the used goods

- **Conditions for trading in temporary import for re-export for the used goods**

Enterprises trading in temporary import for re-export for the used goods must satisfy the following conditions:

1. Be established at least 2 (two) years, have had activities of goods export, import or temporary import for re-export.
2. Paid a deposit of VND 7 billion (seven billion Vietnam dong) at the provincial-level State Treasuries or branches of Commercial banks in provinces or cities where enterprises have been granted certificate of business registration or certificate of enterprise registration.

When fully meet the above conditions, the enterprise will be considered and grant a code of certificate for temporary import and re-export of goods (hereinafter referred to as the Code of temporary import for re-export).

Administrative procedures should be taken when traders do bussiness in Vietnam:

+ *Issuing the certificate of code number for trading in temporary import for the used goods.*

II.15 The administrative procedure related to franchising

- ***Conditions for franchising***

- Conditions for the franchisor

A trader shall be permitted to grant commercial rights when fully satisfying the following conditions:

1. The business system intended for franchise has been in operation for at least one year.

Where a Vietnamese trader is the primary franchisee of a foreign franchisor, such Vietnamese trader must conduct business by mode of franchising for at least one year in Vietnam before sub-franchising.

2. Such trader has registered franchising with the competent agency defined in Article 18 of this Decree.
3. The in-business goods and/or services covered by commercial rights do not violate the provisions of Article 7 of this Decree.

- Conditions for the franchisee

A trader shall be permitted to receive commercial rights when having the registration of business lines subject to commercial rights.

Goods and services permitted for franchising business are those not on the list of goods and services banned from business. Enterprises shall be permitted to deal in goods and/or services on the list of goods and services restricted from business or those on the list of goods and services subject to conditional business only after being granted business licenses or papers of equivalent value by the branch-managing agencies or fully satisfying business conditions.

MOIT managing franchise operations by issuing Circular No. 09/2006 / TT-BTM on guiding the commercial franchising registration. In this circular has specified a number of administrative procedures that traders will carry out.

+ *Procedures for commercial franchising registration from overseas into Vietnam*

+ *Procedures for the change of registered information on commercial franchising from overseas into Vietnam*

II.16 The administrative procedures related to trading in industrial precursor chemicals

For business industrial precursors have 3 groups of business investment conditions are conditions to produce industrial precursors; Conditions for business industrial precursors; Conditions for the import and export of industrial precursors but MOIT only managed 02 related administrative procedures Conditions for import and export industrial precursors.

• *Conditions for export and import of industrial precursor chemicals.*

Only the following agencies and organizations are allowed to import and/or export narcotics, pre-substances, addictive drugs and psychotropic medicines (hereinafter referred to as the import/export):

1. Enterprises which are allowed by the Ministry of Health to import and/or export them for medical use, analysis, test and scientific research.
2. Enterprises which are allowed by the Ministry of Industry to import and/or export pre-substances for use in production domains.
3. Units under the People's Police which are designated by the Ministry of Public Security to import and/or export them for use in combating crimes.

Exporters and importers of industrial precursor chemicals shall comply with Government's Decree No. 58/2003/ND-CP dated May 29, 2003 on controlling import, export and transit narcotics, precursors, addictive drugs and psychotropic medicines, and the regulations in this Circular. The Ministry of Industry and Trade shall issue licenses for export and import of industrial precursor chemicals. Any entity in an export-processing zone must obtain a license from the Ministry of Industry and Trade when importing precursor chemicals from domestic companies. The entities that export of precursor chemicals from the domestic market to export-processing zones are not required to obtain this license.

The administrative procedures relating to carry out conditions for export and import of industrial precursor chemicals:

+ *Issuing the license to export and import of industrial precursor chemicals*

+ *Extend the license to export and import of industrial precursor chemicals*

II.17 The administrative procedures related to the goods trading and directly related activities of foreign-invested enterprises

- ***Conditions for a foreign-invested enterprise to be granted a permit for dealing in goods purchase and sale activities or goods purchase and sale related activities in Vietnam:***

Conditions for a foreign-invested enterprise to be granted a permit for dealing in goods purchase and sale activities or goods purchase and sale related activities in Vietnam include:

- a/ Being an investor from a country or territory which has acceded to a treaty to which the Socialist Republic of Vietnam is a contracting party and under which Vietnam has committed to open its market for goods purchase and sale activities or goods purchase and sale related activities;
- b/ Making investment in a form conformable with the roadmap already committed in treaties to which the Socialist Republic of Vietnam is a contracting party and compliant with Vietnamese law;
- c/ Dealing in goods or services in accordance with Vietnam's market-opening commitments and Vietnamese law;
- d/ Operating within a scope compliant with Vietnam's market-opening commitments and Vietnamese law;
- e/ Obtaining approval from a competent state agency defined.

- ***Foreign-invested enterprises already licensed to exercise the right to export, are entitled to purchase goods in Vietnam for export, including goods imported in Vietnam by them or other enterprises already finished tax liability and other financial obligations, under the following conditions:***

- a. Export goods which are not in the list of those banned from export, list of those temporarily suspended from export, list of those of which the right to export is not granted according to international commitments;
- b. For export goods in the list of conditional export goods, enterprises must meet conditions as prescribed by law;
- c. For export goods in the list of goods to be exported under roadmaps specified in international commitments, enterprises must comply with the committed roadmap;
- d. The export commodities must be suitable with content of the right to export which enterprises have been licensed for implementation.

- ***Foreign-invested enterprises already licensed to exercise the right to import, are entitled to import goods from other countries in Vietnam under the following conditions:***

- a. Export goods which are not in the list of those banned from import, list of those temporarily suspended from import, list of those of which the right to import is not granted according to international commitments;

b. For export goods in the list of conditional import goods, enterprises must meet conditions as prescribed by law;

c. For export goods in the list of goods to be imported under roadmaps specified in international commitments, enterprises must comply with the committed roadmap;

d. The import commodities must be suitable with content of the right to import which enterprises have been licensed for implementation.

• ***Foreign-invested enterprises already licensed to exercise the right to distribution, are entitled to distribute goods which are produced in Vietnam and legally imported in Vietnam under the following conditions:***

a. The distributed goods are not in the list of those banned from business and list of those of which the right to distribution is not granted under international commitments;

b. For goods restrained for business or goods of conditional business, enterprises must meet conditions as prescribed by law;

c. For distribution goods in the list of goods to be distributed under roadmaps specified in international commitments, enterprises must comply with the committed roadmap;

d. The distribution commodities must be suitable with content of the right to distribution which enterprises have been licensed for implementation.

• ***Conditions on setting up of retail establishments:***

1. The foreign-invested enterprises will be establish the first retail facility when licensed distribution rights. Conditions licensing distribution rights as stipulated in Decree 23/2007 / ND-CP and Circular 08/2013 / TT-BCT

2. The setting up of retail establishments including the first retail establishments must abide by law regulations on state management for retail activities and be conformable with the related master plans of central-affiliated cities and provinces, where are expected for setting up of retail establishments..

3. The setting up of retail establishments in addition to the first retail establishments are considered for each specific case based on the examination on economic demand of each locality where place retail establishment under the criteria: Quantity of retail establishments, stability of market, residential density and scale of district-level localities where are expected for the setting up of retail establishments.

Moit have 8 administrative procedures about dealing in goods purchase and sale activities or goods purchase and sale related activities in Vietnam:

+ *Issuing the license to foreign-invested enterprise for dealing in goods purchase and sale activities or goods purchase and sale related activities in Vietnam*

+ *Amending the license to foreign-invested enterprise for dealing in goods purchase and sale activities or goods purchase and sale related activities in Vietnam*

+ *Re-Issuing the license to foreign-invested enterprise for dealing in goods purchase and sale activities or goods purchase and sale related activities in Vietnam*

- + *Issuing the license to foreign-invested for retail establishment in addition to the first retail establishment in Vietnam*
- + *Amending registration inform of the license to foreign-invested retail establishment in addition to the first retail establishment in Vietnam*
- + *Amending the size of retail establishment in addition to the first retail establishment of foreign-invested in Vietnam*
- + *Supplementing content related activities for retail establishment in addition to the first retail establishment of foreign-invested in Vietnam*
- + *Re-Issuing the license to foreign-invested for retail establishment in addition to the first retail establishment in Vietnam*

II.18 The administrative procedures related to e-commerce activities

- ***Conditions for setting up sales e-commerce websites***

Traders, organizations or individuals may set up sales e-commerce websites if satisfying the following conditions:

1. Having relevant functions and tasks, for traders and organizations, or having been granted personal tax identification numbers, for individuals.
2. Having websites with valid domain names and complying with regulations on management of information on the Internet.
3. Having notified the Ministry of Industry and Trade of the set-up of sales e-commerce websites

The administrative procedures which trader will realize business activity

- + *Notifying online shopping websites*

- ***Conditions for setting up e-commerce service provision websites***

Traders and organizations may set up e-commerce service provision websites when fully satisfying the following conditions:

1. Having relevant business lines or functions and tasks.
2. Having websites with valid domain names and complying with regulations on management of information on the Internet.
3. Having a service provision plan clearly stating the following:
 - a/ Model of organization of operations, including service provision, promotion and marketing both online and offline;
 - b/ Structure, utilities and main information sections on the service website;
 - c/ Rights and responsibilities of the trader or organization providing e-commerce services and service users.
4. Having registered for setting up e-commerce service provision websites and having their registrations certified by the Ministry of Industry and Trade :

- + *Registering websites providing e-commerce services*
- + *Re-registering websites providing e-commerce services*
- + *Registration modification or supplementation of registered information websites providing e-commerce services*

- ***Conditions for conducting credit rating of e-commerce websites:***

- a/ Being a trader or an organization established under Vietnamese law and having relevant functions and tasks;
- b/ Being organizationally and financially independent from traders, organizations or individuals owning e-commerce websites to be rated;
- c/ Having a set of criteria and process for rating e-commerce websites which are publicly and transparently announced and uniformly applicable to to-be-rated subjects;
- d/ Having registered the operation of credit rating of e-commerce websites with the Ministry of Industry and Trade and having its registration certified.

The Ministry of Industry and Trade shall specify the operation of credit rating of e-commerce websites, the content of dossiers, order and procedures for registration, registration modification, supplementation or invalidation, and deregistration of traders and organizations engaged in this operation.

- + *Registering e-commerce websites rating activities*
- + *Re-Registering e-commerce websites rating activities*
- + *Amending the registered information of websites rating activities*

II.19 The administrative procedures related to Petroleum activities

For business in this field, the trader must comply with the conditions stipulated in the Law on Petroleum

- ***Conditions for Petroleum activities***

1. Organizations and individuals conducting petroleum activities must establish safety zones for works in service of petroleum activities as provided for by the Vietnamese Government.
2. Organizations and individuals conducting petroleum activities must buy insurance for means and facilities in service of petroleum activities, environmental insurance and other insurances as provided for by Vietnamese law, in accordance with international practices in petroleum industry.
3. In the course of carrying out oil and gas activities, after completing a work step, a work phase or an entire oil and gas contract, organizations and individuals carrying out oil and gas activities shall clear up fixed works, equipment and means for oil and gas activities no longer in use and restore the environment according to law
4. Organizations and/or individuals wishing to sign petroleum contracts shall have to go through biddings under the specific regulations on bidding for projects on petroleum prospection, exploration and exploitation, promulgated by the Vietnamese Government.

In special cases, the Prime Minister may appoint bidders in order to select partners for signing petroleum contracts

MOIT manage petroleum activities through only one administrative procedure follows:

+ *Acceptance of materials safety on Petroleum*

II.20 The administrative procedures related to multi-level marketing activities

• *Conditions for registration of multi-level marketing activities*

An organization registering multi-level marketing activities must satisfy the following conditions:

1. It is an enterprise established in Vietnam in accordance with law which has registered the retail business by the mode of multi-level marketing.
2. Its legal capital complies with Article 8 of this Decree.
3. Goods traded by the mode of multi-level marketing conform with the enterprise registration certificate or the investment certificate.
4. It satisfies the business conditions or has obtained a certificate of eligibility for business as prescribed by law in case it trades in goods subject to conditional business.
5. It opens an escrow account at a commercial bank operating in Vietnam under Article 29 of this Decree.
6. It has rules of operation, bonus payment program and basic training program in accordance with law.
7. Partnership members, for partnerships; private enterprise owners; members, for limited liability companies; founding shareholders, for joint stock companies; and at-law representatives, for limited liability and joint stock companies, must be those who have not held one of the above positions at a multi-level marketing business which has its multi-level marketing registration certificate
8. The legal capital of a business registering retail by the mode of multi - level marketing is VND 10 billion.

• *Conditions for Objects of multi-level marketing*

1. Goods traded by the mode of multi-level marketing must comply with provisions of relevant laws.
2. The following goods must not be traded by the mode of multi-level marketing:
 - a/ Goods on the list of goods banned from trading and the list of goods restricted from trading, goods currently subject to urgent measures of forcible recall, circulation ban or suspension as prescribed by law;
 - b/ Medicines; medical equipment; veterinary drugs (including aquatic veterinary drugs), plant protection drugs; chemicals, insecticidal and germicidal preparations for domestic and medical use; dangerous chemicals and products containing dangerous chemicals as prescribed by law.

3. All types of service or forms of business other than goods trading must not be traded by the mode of multi-level marketing, unless permitted by law.

The Ministry of Industry and Trade shall provide the form of the multi-level marketing registration certificate through administrative procedures listed

- + *Grant of multi-level marketing registration certificates*
- + *Modification and supplementation of multi-level marketing registration certificates*
- + *Re-grant of multi-level marketing registration certificates*
- + *Extension of multi-level marketing registration certificates*
- + *Revocation of multi-level marketing registration certificates*
- + *Notification of suspension of multi-level marketing activities*
- + *Notification of resumption of multi-level marketing activities*
- + *Termination of multi-level marketing activities*
- + *Granting trainer certificates*
- + *Revocation of trainer certificates:*
- + *Withdrawal of escrow money*
- + *Use of escrow money*
- + *Notification of multi-level marketing activities*
- + *Notification of organization of conferences, seminars and training courses*

III. RECOMMENDATION

Vietnam has been successful in attracting FDI inflows since the inception of economic reform in 1986. The inflow of FDI has significantly contributed to the economic development of Vietnam. This report has provided a comprehensive review of the administrative procedures within the competence of industry and trade, which affect foreign direct investment and showcases the importance of administrative procedures in attracting FDI.

Reforming administrative procedures is key to the improvement the investment environment with the focuses on the implementation of the policy of decentralization of state management of FDI; simplification and publication of administrative procedures for foreign investment; and the implementation of the "single window mechanism" in the settlement of investment procedures.

Along with the improvement of the administrative procedures, there is a need for the staff capacity enhancement of public authorities to resolve the issues relating to investment procedures. In addition, the propaganda of administrative procedures in order to raise awareness of business entities and individuals, the application of science technology to reform administrative procedures should also be accelerated. Furthermore, the maintenance of communications between the state agencies and business communities will be also a good channels to take comments, feedback enterprises to enhance the effectiveness of the legal system related administrative procedures.