Updates to Vietnam’s Standard Industrial Classification

Businesses that seek to register their economic activities with the authorities must refer to the Vietnam Standard Industrial Classification ("VSIC") as guidance. On 6 July 2018, the Government of Vietnam issued Decision No. 27/2018/QD-TTg ("Decision No. 27") to update the provisions of the old VSIC.

The new VSIC appears to be structurally better than its predecessor, Decision No. 10/2007/QD-TTg dated 23 January 2007 ("Decision No. 10").

Similar to Decision No. 10, VSIC’s list of industry classes are classified into 5 levels. Following the updates to Decision No. 27, the number of industries in Level 4 and 5 has increased by 49 and 92 respectively.

Additionally, Decision No. 27 now provides a clearer explanation on the details of each relevant economic industry. Under Decision No. 27, each economic industry is accorded its corresponding economic activity. Decision No. 27 also makes a clearer distinction between the definition of, “economic activities” and “economic industries” for avoidance of doubt.

As an attempt to better the business environment, Decision No. 27 also introduces marked improvements to VSIC. The VSIC of today is noticeably more organized than the VSIC under Decision No. 10.

The changes introduced by Decision No. 27 come into effect on 20 August 2018.

As guidance for Decision No. 27, the Business Registration Management Bureau of the Ministry of Planning and Investment issued Official letter No. 234/DKKD-NV on 20 August 2018. According to this letter, the following types of applications are required to comply with the changes introduced by Decision No. 27:

- Applications submitted on or after 20 August 2018; and
- Applications submitted before 20 August 2018, but have not yet received approval by this date.

Enterprises that receive their enterprise registration certificate before 20 August 2018 are exempt from the requirement of updating their registered economic activities to comply with Decision No. 27.

If you have any questions or require any additional information, please contact Loan Danh or the ZICO Law partner you usually deal with.

This alert is for general information only and is not a substitute for legal advice.