CONTENTS

Introduction ................................................... 4
UNIDO’s technical assistance .......................... 6
Main achievements ...................................... 8
• Legal framework .................................... 9
• Institutional reform ................................. 10
• Streamlining & Standardization ........ 11
• Computerisation .................................... 12
• Multi Co-operation ................................ 13
Future challenges ....................................... 14
INTRODUCTION

To address the economic crisis in which the country found itself in the course of the 1980s, the Communist Party and the Government of Viet Nam engaged in comprehensive economic reforms known as Doi Moi (“renovation”), implying a shift to a market economy with a socialist orientation.

As part of reforms, the Government of Viet Nam undertook in the years 1990s remarkable efforts to reform its business environment. The country is today among the world’s fastest-growing economies and Small and Medium Enterprises (SMEs) are considered key actors in Viet Nam’s socio-economic development.

Business Registration Reforms (BRR) are among the priorities of the Government of Viet Nam to further improve the country’s business environment. Correspondingly, UNIDO assistance covered various complementary and consecutive large-scale projects operating both at the central and provincial levels to improve the processes and procedures involved in starting a business in Viet Nam, including business, tax, statistics and seal registration.

Key Pillars of Business Registration Reforms

- **Objective:** Simplified procedures and processes
- **Objective:** Harmonized business registry

**SIMPLIFIED PROCEDURES AND PROCESSES**
- **Objective:** Reduce time and cost to register a business entity or to process amendments.

**HARMONIZED BUSINESS REGISTRY**
- **Objective:** A reliable, legally valid and easily accessible system that is the same for all enterprises.

**INTERVENTIONS NEEDED**

- Changes in the legal framework
- Changes in institutional mandates and inter-institutional linkages
- Changes in organizational capabilities

**Changes in the legal framework**
- Laws, decrees, circulars, etc. pertaining to BR

**Changes in institutional mandates and inter-institutional linkages**
- Institutional responsibilities in regard to BR and specification of institutional interactions (horizontally and vertically) to ensure effective inter-institutional linkages

**Changes in organizational capabilities**
- Human, technological, financial and other physical resources combined with internal management processes and procedures to ensure effective functioning of the institutions involved in BR

In Viet Nam, the National Business Registration System (NBRS) was launched in 2010.
For more than 20 years, UNIDO has been the privileged partner of Viet Nam Government in the field of Business Registration Reform (BRR) as part of its long historic support in the field of SME and private sector development for the country.

The support package provided by UNIDO is comprehensive, including policy advice, institutional reform and technical assistance to support Viet Nam in BRR. It addresses obstacles faced by entrepreneurs in completing business, tax, statistics and seal registration requirements. The main focus is on simplifying and standardizing business registration procedures, thus making the registration of businesses less cumbersome, less costly and more efficient.

UNIDO’s achievements are well respected in the donor community and highly appreciated by the Government of Viet Nam.

**UNIDO’S MAIN INTERVENTIONS**

**1996-2000**

The roots of UNIDO’s BRR support go back to the project ‘Assistance to industrial SMEs in Viet Nam’ (1996-2000), funded by Germany.

1. Policy advice in establishing a private sector enabling legal and institutional framework.
2. Key recommendations to update the Amended Company and Private Enterprise Laws (1994) and to establish a publically accessible, centralized database of registered enterprises.

**2004-2007**

The successor project ‘Assistance to establish the national and provincial SME infrastructure’ continued SME policy advice.

2. Assistance to design a nationwide BRR program aimed at a computerized single-point business, tax and statistics registration system.

**2008-2013**

The project ‘Technical assistance to Business Registration Reform in Viet Nam’ commenced in 2008, providing policy and technical assistance towards the achievement of nationwide business registration reform.

1. Support the establishment of a computerized National Business Registration System containing registration information on enterprises nationwide which is operational in 63 provinces.
2. Support the integration of a computerized financial statements filing and information dissemination system in the NBRS.
3. Advice in legal and administrative reform, in inter-ministerial collaboration, and in institutional strengthening and capacity building of ABR and BROs.
4. Promotional and awareness raising activities.

**2014-2018**

UNIDO continues its contribution to an enabling business environment for private sector by strengthening the ability of the ABR and BROs to provide high quality services through the project ‘Expansion of the NBRS to new business entities’.

1. Address the need for further simplification of business registration process (recommendations to implement reduction of the statutory time-limit for registration to three working days; separation of licensing and business registration of FIEs).
2. Support the Government of Vietnam in expanding the NBRS to include additional type of commercial entities (FIEs, SOEs, credit institutions...).
3. Capacity building of ABR staff and BROs through training to improve productivity and efficiency.

**UNIDO’S TECHNICAL ASSISTANCE**

1996-2000

Policy advice in establishing a private sector enabling legal and institutional framework.

Key recommendations to update the Amended Company and Private Enterprise Laws (1994) and to establish a publically accessible, centralized database of registered enterprises.

2004-2007

Support the preparation of an SME Development Action Plan 2006-2010 with the former “Agency for SME Development (ASMED)” as a counterpart.

Assistance to design a nationwide BRR program aimed at a computerized single-point business, tax and statistics registration system.

2008-2013

Support the establishment of a computerized National Business Registration System containing registration information on enterprises nationwide which is operational in 63 provinces.

Support the integration of a computerized financial statements filing and information dissemination system in the NBRS.

Advice in legal and administrative reform, in inter-ministerial collaboration, and in institutional strengthening and capacity building of ABR and BROs.

Promotional and awareness raising activities.

2014-2018

Address the need for further simplification of business registration process (recommendations to implement reduction of the statutory time-limit for registration to three working days; separation of licensing and business registration of FIEs).

Support the Government of Vietnam in expanding the NBRS to include additional type of commercial entities (FIEs, SOEs, credit institutions...).

Capacity building of ABR staff and BROs through training to improve productivity and efficiency.

For more than 20 years, UNIDO has been the privileged partner of Viet Nam Government in the field of Business Registration Reform (BRR) as part of its long historic support in the field of SME and private sector development for the country.

UNIDO’s achievements are well respected in the donor community and highly appreciated by the Government of Viet Nam.
UNIDO has been assisting policy makers in the implementation and revision of the Enterprise and Investments Laws, as well as in the preparation of subsequent legislation to simplify and standardize business registration procedures. The spirit of reform of these Laws has strongly promoted the business environment and encouraged entrepreneurship of the business community.

- Enterprise Law 2005
- Investment Law 2005
- Inter-ministerial Circular 02 & 03 on the cooperation mechanism between MPI, MOF and MPS and data exchange between Tax and BR authorities
- Decree 43 on BR
- Circular 14 guiding Decree 43
- Decree 05 amending Decree 43
- Circular 01 replacing Circular 14
- Inter-ministerial Circular 62 & 63 on the cooperation mechanism between MPI, MOF and MPS and data exchange between Tax and BR authorities
- Decree 78 on BR
- Decree 96 guiding Decree 78, Inter-ministerial Circular 01...
- Decree 78 guiding Decree 96
- Circular 20 guiding Decree 78, Inter-ministerial Circular 02...
- Circular 176 on fees & charges
- Project on state management over corporate governance and compliance
- One-stop shop mechanism (manual process)
- Registration time-limit: 10 days
- Resolution 59 on BRR Program
- Circular 76 on fees & charges
- Project on state management over corporate governance and compliance
- Registration time-limit: 3 days
UNIDO has been supporting institutional arrangements to support the establishment of an efficient NBRS.

By 2018, the ABR and BROs will be able to provide accurate, legally binding information on commercial entities to the business community, government agencies and the general public without further international donor support, which will in turn contribute to an enabling business environment for the private sector of Viet Nam.

**CENTRAL LEVEL**
- Under the Ministry of Planning and Investment (MPI)

**LOCAL LEVEL**
- Under Departments of Planning and Investment (DPIs)

**63 PROVINCIAL BUSINESS REGISTRATION OFFICES (BROs)**
- Register enterprises at the provincial level
- Support and guidance

**Mandate**
- Manage business registration nationwide, operate and maintain NBRS and support BROs

**Standards**
- Same service nationwide regardless of the business location

**Capacity Building**
- Smooth and efficient implementation of new regulations

**PR Activities**
- Enhanced visibility of BRR undertaken in Vietnam (both domestically and abroad)

**Training**
- Highly skilled ABR and BROs staff members

By 2018, the ABR and BROs will be able to provide accurate, legally binding information on commercial entities to the business community, government agencies and the general public without further international donor support, which will in turn contribute to an enabling business environment for the private sector of Viet Nam.
The NBRS provides full public access to legally valid and binding information on Vietnamese domestic and foreign-invested enterprises via the National Portal on Business Registration at https://dangkykinhdoanh.gov.vn.

Gender information about enterprise owners and legal representatives is also available in the NBRS.

As of September 2016, there are nearly 200,000 legal representatives and more than 170,000 enterprise owners are women.

From the 1999 study recommending the need of a computerized enterprise register at the national level, until the implementation of the NBRS in 2010, UNIDO assisted the government of Viet Nam in developing a less cumbersome, less costly and thus more efficient business registration system.

► DATA EXCHANGED IN REAL-TIME WITH TAX SYSTEM FOR UNIQUE ENTERPRISE CODE GENERATION
► STREAMLINED AND COMPUTERISED REGISTRATION WORKFLOW
► SINGLE-POINT REGISTRATION

Nearly 600,000 records of legacy data were converted and transferred to the national database.

Over 500,000 new enterprises registered through the NBRS from launch to Dec. 2016.

Over 1.2 million business entities recorded in the National Database on Business Registration as of Dec. 2016.

In 2016, Viet Nam reached a record-breaking number of more than 110,000 newly incorporated enterprises (+16.2% vs 2015).

Effective inter-institutional linkages have been a key factor for putting in place a common process.

► VERTICAL MANAGEMENT WITH PROVINCIAL BROS
► UNIQUE ENTERPRISE CODE & EXCHANGING DATA WITH TAX AUTHORITY
► EXCHANGING/SHARING DATA WITH OTHER STATE AGENCIES (PUBLIC SECURITY, STATISTICS OFFICE)
Currently, all enterprise types regulated in the Enterprise Law 2014 are included in the National Database on Business Registration, including banks and credit institutions. Further inter-ministerial cooperation with other line ministries is needed for further integration of other types including law firms, insurance companies. For the long term, a business entity should be able to register for business registration to establish a legal entity separately prior to obtaining the necessary operating certificate from the relevant ministry.

The NBRS shares and exchanges data in real-time with the General Department of Taxation for issuing tax code (which is also unique enterprise code). In the future, linkages with other State agencies, organizations and third parties could be made, possibly by developing a common platform for sharing data (such as Enterprise Service Bus), supported by a sound legal framework on sharing data between government agencies.

It is estimated that in Vietnam, there are about 5 million semi-formal businesses (household businesses), established by an individual or a group of individuals, but no more than ten employees. These entities contribute significantly to the economic development as they create jobs, increase income and GDP and also create a wide business network to remote areas where enterprises are not developed. Despite their significant role, state management for household businesses has been unfocused and lacks policies that properly promote and support household businesses. Therefore, it is necessary to have sound policies and solutions that promote their contributions and make it easier for these businesses to register and transform into enterprises.