



Vietnam Market Entry

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Content



KPMG in
Vietnam

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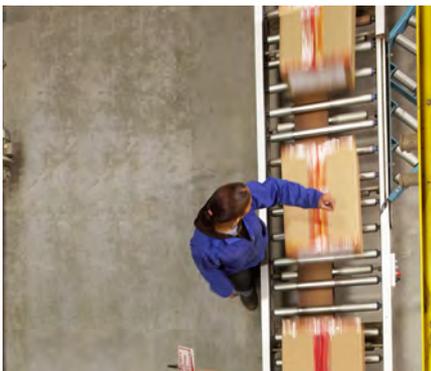
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KPMG in Vietnam

KPMG is the largest professional service firm in Vietnam. Partners in the Firm have been active in Vietnam since the country opened its doors to foreign investors in the 1990s and the Vietnam member firm was incorporated in 1994.

KPMG has active offices in Hanoi, Ho Chi Minh City, Da Nang, Thanh Hoa and Phnom Penh. With more than 1,000 professional employees in Vietnam, KPMG is proud of its ability to deliver international standard professional services encompassing:

- Audit
- Tax
- Legal
- Advisory
- Market Entry

KPMG is recognised by the Ministry of Finance (MOF) and Vietnam Association of Certified Public Accountants (VACPA) as Vietnam's largest Audit and Advisory firm in the terms of revenue, Partner numbers and overall human resources and has been honoured by the granting of awards by the Vietnamese government for its contribution to the nation's audit, tax, legal and advisory professions.

As a leader in the professional services industry, KPMG is an active participant in the reform programme, and regularly advises the Government and international organisations in support of Vietnam's reform and integration programme.



The Vietnam Value Proposition

The fast growing Vietnam market offers a number of attributes that make investing in Vietnam attractive to foreign investors:

- **Stability:** as one of Asia's and the world's fastest growing economies, Vietnam has remained a country with political and social stability.
- **Increasing Integration:** Vietnam has implemented a raft of legal reforms and is a member of ASEAN and the WTO, and is a foundation signatory to the Trans-Pacific Partnership. This helps provide a comprehensive roadmap towards economic prosperity in the next decade and provide enhanced Market Entry alternatives for both new and existing participants.
- **Unlimited Upside:** Vietnam has a young, educated and motivated population of 90 million people.
- **Geography:** Mekong Region (including Thailand, Cambodia, Laos, Myanmar and the southern provinces of China) providing an increasingly affluent market of over 250 million people. Vietnam's GDP growth averages 6-8% per year.
- **Transparency:** Vietnam is campaigning hard to combat corruption and enhance its reputation as a safe country for foreigners to live, work and invest. Bureaucratic reforms in recent years have been aiming at streamlining business processes and providing a more consistent interface between market participants and the Government.



Market Entry Group

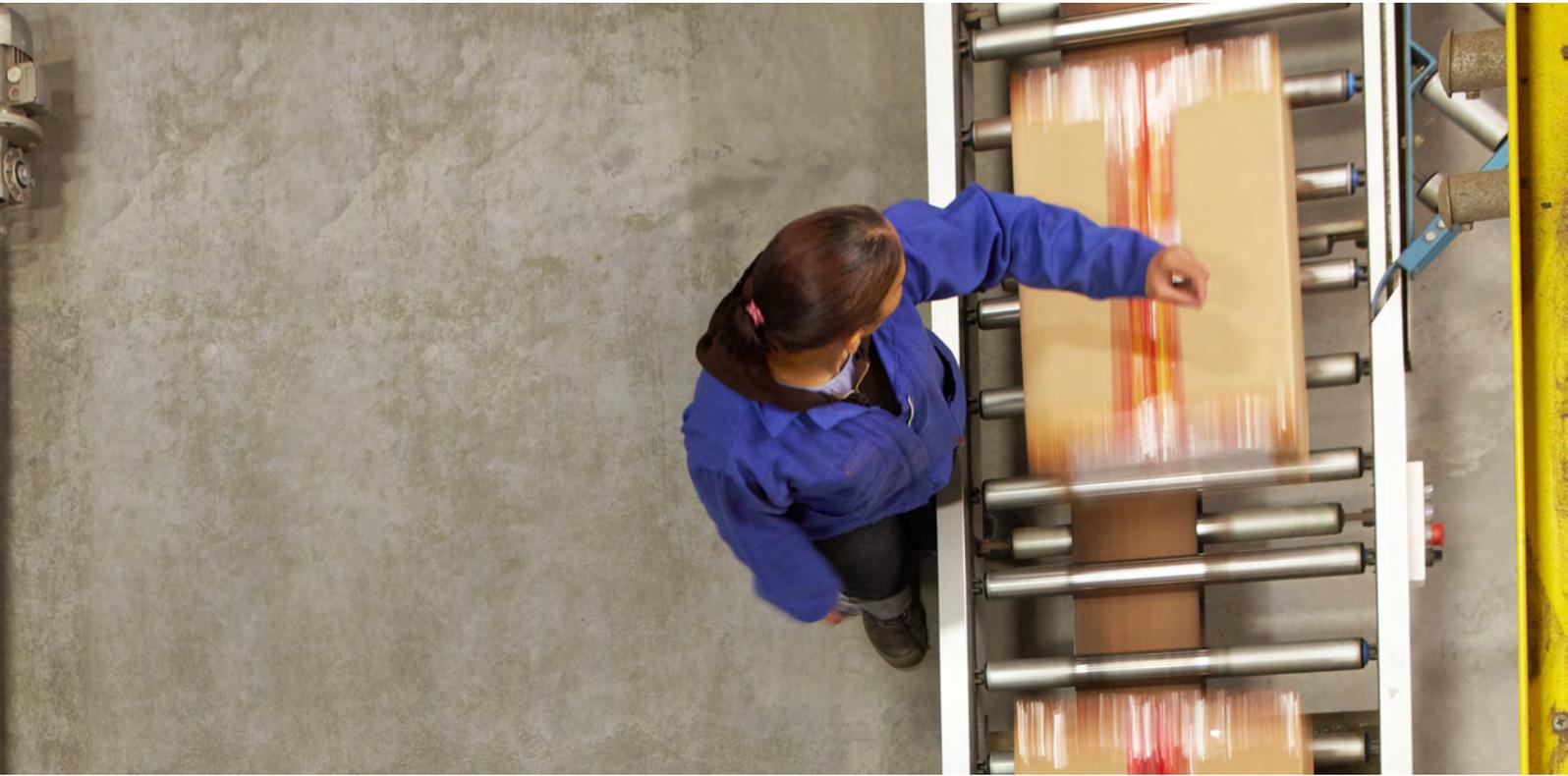
KPMG has responded to the need for comprehensive, reliable and quality Market Entry support by forming the Market Entry Group – a team of professionals drawn from KPMG’s Tax, Legal & Advisory divisions in Ho Chi Minh City and Hanoi.

Our KPMG experts come from various backgrounds including accounting, finance and law. They work together in order to share ideas and add values to your business.

The mission of this group is to provide international standard services to potential market participants. The group acts as a bridge between participants and Vietnam’s authorities and trading partners, providing intelligence, advice and support regarding Vietnamese regulatory, financial and commercial issues.

Where necessary and appropriate, KPMG will work with external partners, including Vietnamese consulting firms to ensure the success of Market Entry projects.

Whether providing a comprehensive “turnkey” market entry solution, or addressing a specific issue or problem in support of a larger project, KPMG has the resources and expertise to provide dedicated professional support to entities exploring, entering or altering their presence in the Vietnam market.



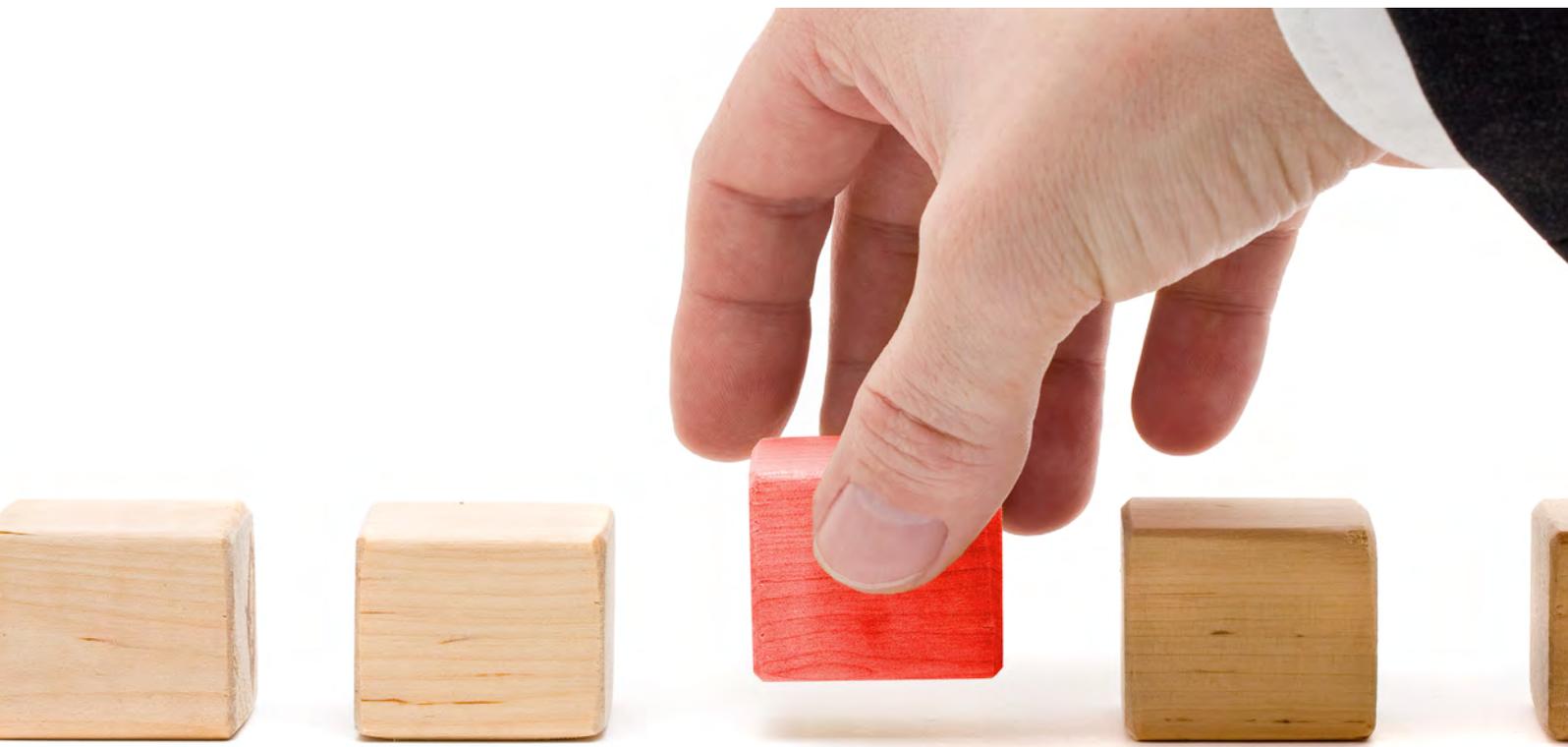
Market Entry Process

KPMG's Market Entry process recognises that the key to a successful project is rigorous enterprise and industry-specific research and analysis before decisions and commitments are made. This applies whether the Market Entry is conducted by way of an acquisition, greenfield investment, or third party contractual arrangement.

Understanding the market landscape is a key requirement for potential investors in strategic decision making.



- **Market Due Diligence:** We will provide advice on your proposed business activities, including the options available under Vietnamese investment regulations and international commitments.
- **Corporate Intelligence / Background check:** Our research team can provide market, government and competitor intelligence, relevant to your business decision.
- **Regional and location analysis:** Our expertise permits us to provide you specific advice concerning the geographical areas attracting investments incentives.



Market Entry Strategy

As a key component of KPMG's Market Entry Services offering, our Strategy team advises clients regarding the strategic and operational aspects of their business deals. We work closely with our clients and with KPMG's financial and tax advisory teams, providing a coordinated approach which centres on the issues that influence your investment decisions.

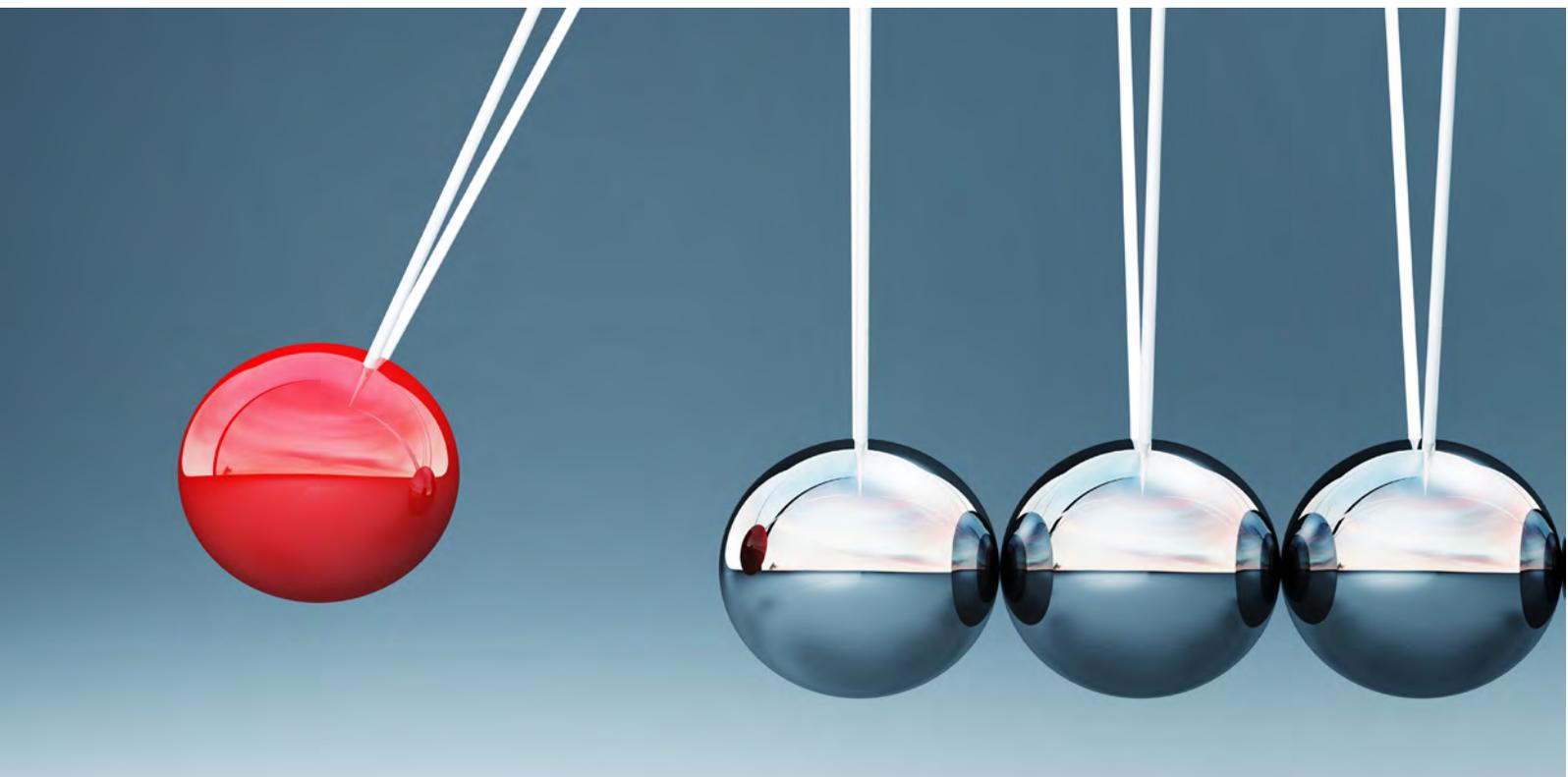
Strategy team's multi-disciplinary and industry- focused professionals work on both local and cross-border transactions, drawing upon KPMG's global network of industry specialists to advise on specific deal issues. We bring you the right mix of strategy skills, commercial knowledge and practical deal experience, whether you are considering an acquisition, expansion, divestment, merger, joint venture, 100% foreign invested enterprise or other strategic alliances.

Our services range across the deal spectrum from pre-deal investigations to post-transaction advisory. We highlight some of our key services below:

- **Market due diligence:** with a view on your planned investment, we study in detail the market size and growth potential, regulatory and competitive environment, key drivers and possible future developments. We help you assess the attractiveness of the

industry and evaluate whether the opportunity is realistic as you build a strategy to enter or expand in the market.

- **Commercial due diligence (CDD):** When you wish to enter the market through acquiring an existing market player ('the target'), we will assist you in the decision-making process by conducting a CDD. In brief, CDD is the process of appraising a target by reference to its market and above all, whether the company is positioned to succeed. We tackle the key issues such as market conditions and outlook, macroeconomic influences, industry structure, regulatory environment, competitive position and relationships with key customers and suppliers. Importantly, we will challenge the target company's forecast growth assumptions in light of market changes.



- **Corporate intelligence / background check:** keeping in mind that having the right partner in a new market is the key to success, we help you assess your business partner in Vietnam by evaluating their business licence, operations, financial situation, as well as the reputation of the management team.
- **Labour Issues:** Our consultants can advise you on wages salary requirements, social security, pensions, and unemployment insurance and health insurance. Since 1 November, 2013 obtaining a work permit for foreigners has become more difficult due to strict procedures. Our consultants can assist you to obtain a work permit.
- **Regional and location analysis:** choosing the right location for your operation can be a tricky process. Not only will you have to consider the costs involved, but also the plethora of regulatory complications of each province or locality. We can help you analyse and develop a series of financial and non-financial elements

for the specific factors that drive your investment decision.

- **Target identification and analysis:** When you wish to enter the market through acquiring an existing market player, we will help you in identifying a list of potential targets that may meet your investment criteria. We will then make initial contact with the potential targets to gain more information on their view on the potential investment opportunity as well as to obtain more detailed information on the targets' business. We will then report the results of the discussion to you for your further consideration.
- **Profit and capital repatriation strategies:** Profits can generally be repatriated, so long as all applicable taxes are paid and regulatory requirements are met.

Our research is conducted confidentially, and reports can be provided in English, Japanese, Chinese or Vietnamese.



Tax and Legal Analysis

KPMG can provide comprehensive analysis and advice regarding the regulatory, commercial and practical issues associated with entering the Vietnam market.

The purpose of our Pre-Entry Issues Advice is to ensure that decisions and market entry plans are made on an informed basis – with a “no surprises” approach covering:

- **Deal structuring and Corporate Structuring Options:** We analyse and provide you with a set of alternative structures for your deal and business presence in Vietnam. In our analysis, we will highlight the advantages and disadvantages of each particular structure.
- **Business licensing issues:** We will discuss the licensing body and licensing process, with a focus on restrictions, conditions and procedures and will highlight the practical issues associated with the process.

- **Vietnamese Tax Issues:** including corporate taxes, transaction taxes and import and export duties. Specifically, we will analyse and advise on ways to obtain maximum tax incentives.
- **Profit and capital repatriation strategies:** foreign exchange issues, as well as accounting and financial reporting issues.
- **Employee issues:** including the employment of foreign and local labour, and associated tax, and immigration issues.

This service can include “anonymous” discussions with or formal approaches to the relevant authorities to assess their attitude or approach in respect of uncertain or contentious issues.



Deal Execution

The licensing or deal execution phase will vary depending on the nature of the Market Entry strategy adopted.

Acquisitions will include comprehensive financial, tax and commercial due diligence;

- **Commercial due diligence (CDD).** In brief, CDD is the process of appraising a target by reference to its market and above all, whether the company is positioned to succeed. We tackle the key issues such as market conditions and outlook, macroeconomic influences, industry structure, regulatory environment, competitive position and relationships with key customers and suppliers. Our integrated approach, which combines commercial, financial and tax due diligence services, gives you a deeper understanding of the business.
- **Financial due diligence (FDD).** KPMG's Deal Advisory Services professionals will assist

you in evaluating the target's financial situation and assess the assumptions made in their projections.

- **Tax and Legal due diligence.** Tax and legal due diligence helps you evaluate the potential tax liability of the target by reviewing and assessing the past, present and future tax situation of the company. Our professionals may work in close co-operation with the client's team and may approach the local tax authorities if required.
- **Negotiation assistance.** We may assist you in negotiation with your target, the JV partner or licensing authorities, making use of our thorough understanding of Vietnamese law, culture and local expertise. This is to ensure that you will not experience any surprises in your negotiation with various parties in Vietnam.
- **Licensing support.** KPMG will assist you in having a clear

vision regarding Vietnamese legal requirements, licensing procedures as well as the latest policies from the Government by providing a regulatory research/analysis which is designed in conformity with your needs and business strategy. In addition, any deal made in Vietnam is subject to the approval of the licensing authorities, whether it is an acquisition or a joint venture contract. By using our well established network with Government agencies at various levels, we will support our clients in the preparation of JV contracts, a feasibility study and company charter and other documents necessary for an application file; hence, we will follow up with the authorities until the issuance of a full investment licence.

KPMG also provides support in liaising with authorised translation firms in Vietnam, obtaining domestic legalisation of foreign documentation and providing Vietnamese contacts and liaison personnel.



Post Deal Support

KPMG is committed to ensuring the ongoing success of projects that it is associated with. The issue of an investment licence or the conclusion of a deal signals the start - not the end of a successful market entry strategy:

- To help you realise value in your deal, our post-deal services start well before the transaction is concluded. Building on the pre-deal synergy evaluation, we validate and quantify the available synergies. Feeding these into our integration framework enables us to flag integration issues early and helps prepare the business for a smooth post-deal operation from day one. The framework defines the organisational, operational, employee, customer and regulatory concerns that must be addressed. We will also advise you on risky areas of the transition period which could erode the value of the combined business going forward.
- Immediate post-licensing services such as statutory establishment public notices, tax code and official seal applications, labour issues, key personnel registration and accounting system registration. Our post-licensing support effectively manages your compliance effort in a timely manner while saving your valuable time for business related work.
- Tax compliance as well as tax and regulatory advisory services. Our tax professional help our client meet the more demanding and more complicated requirements of the Vietnamese tax authorities in tax compliance obligations, including meeting the deadline for filing tax returns, paying the right amount of tax and enjoying the maximum tax incentives which are available in Vietnam.

In addition to the above services, KPMG offers Audit, Advisory, Transfer Pricing and Customs Advisory to our clients.

KPMG Team



Name and position	<p>Warrick Cleine</p> <ul style="list-style-type: none"> • Chairman & CEO – KPMG in Vietnam and Cambodia • Managing Partner – Tax & Legal, KPMG Vietnam and Cambodia • Head of Tax, KPMG Asia Pacific • Member, KPMG Asia Pacific Board and Executive Committee • Member, KPMG Global Council • Member, KPMG International Tax Steering Group
Qualifications	<ul style="list-style-type: none"> • Bachelor of Commerce, University of Canterbury, New Zealand • Member, Institute of Chartered Accountants of Australia and New Zealand (CA) • Member, Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) • Member, Certified Public Accountant (Registered Auditor), Ministry of Finance, Vietnam
Experience	<ul style="list-style-type: none"> • Warrick has been based in Vietnam since 1998. As the Head of Tax for KPMG’s Asia Pacific region and Chief Executive of KPMG’s member firm in Vietnam and Cambodia, Warrick Cleine has overseen the growth of KPMG in Vietnam to it’s present role as the largest professional services organisation in the country, with 27 Partners and over 1,000 employees. KPMG has been recognised for its contribution to the financial sector by Vietnam’s Ministry of Finance, and was named the inaugural Vietnam Tax Firm of the Year in 2010 by the independent International Tax Review. • Warrick, who began his career with KPMG in New Zealand, currently works with a wide range of major international and local corporations. He has an extensive knowledge of corporate governance and structuring issues and has advised on numerous corporate transactions in Vietnam and Cambodia. His clients include major international corporations operating in Vietnam from Europe, Asia and the United States, in the financial services, manufacturing, natural resources and consumer goods industries. • Outside of KPMG, Warrick is Chairman of the New Zealand Chamber of Commerce in Vietnam
Sector expertise	<ul style="list-style-type: none"> • Tax, Transaction Services, Banking and Insurance, Trade and Manufacturing, Infrastructure and Consumer Markets.



Name and position	Dr Nguyen Cong Ai Partner, Deal Advisory, Strategy – KPMG in Vietnam and Cambodia
Qualifications	<ul style="list-style-type: none"> • PhD in International Business, University of Economics, Bratislava, Slovak Republic • MA in International Economics
Experience	<ul style="list-style-type: none"> • Dr. Ai has been working for KPMG since 1998, in Slovakia and Vietnam of which he has been involved in providing market entry advisory services to many international companies seeking investment opportunities in Vietnam. • Dr. Ai's expertise lies in strategy formulation, market feasibility study, commercial due diligence, location search and analysis, acquisition target identification and analysis, and assistance with investment licensing and post-licensing compliance. • Being in contact with Government Agencies, the State Bank of Vietnam, local banks and business communities throughout Vietnam for years, Dr. Ai has extensive business and government network • Working from Ho Chi Minh City, Dr. Ai has participated in many international projects with participation of consultants from KPMG offices in Singapore, Hong Kong, Thailand, etc.
Sector expertise	<ul style="list-style-type: none"> • Food & Beverage, Retail, Banking and Finance, Healthcare, Textile and Garment, Government sector, Public Utilities, Infrastructure, Manufacturing, and other services



Name and position	Lam Thi Ngoc Hao Audit Partner – KPMG in Vietnam
Qualifications	<ul style="list-style-type: none"> • Bachelor of Business, HCM University of Economics • Fellow ACCA UK • Certified Public Accountant, Australia • Certified Public Accountant, Vietnam
Experience	<ul style="list-style-type: none"> • Hao is an audit partner in the Ho Chi Minh City office of KPMG Vietnam. She has been working with KPMG for more than 17 years and was involved in a wide range of external audit assignments which include statutory audits under local regulations and annual audits of financial statements of local and multinational clients which require awareness • Hao is currently leading Private Business which aims to support fast growing businesses to overcome challenges through planning and managing the growth. She manages a team consists of dedicated experts and professionals, with in depth global experience and local knowledge, who can assist fast growing businesses on growth strategy, corporate structure, process, procedures, system, and developing professional management practices. • Hao has extensive experience in providing auditing and advisory services to fast growing companies such as Novaland, Bitexco, Seagulls, Phuc Sinh Café, DatViet VAC and Trung Nguyen Group. Since appointment she has been actively advised and consulted with the owners and directors on different aspects of the businesses. • Hao has been leading approximately 40 advisory team members, including KPMG Vietnam and KPMG Global to support Novaland on its transformation project to facilitate its super growth. Hao has also personally been seconded to an large Vietnamese business for three months, to work collaborately with client team to design and implement internal control system and processes.
Sector expertise	<ul style="list-style-type: none"> • Credit institutions, investment funds, fund managers, real estate developers, food and beverage, trading and services entities.



Name and position	Nguyen Thanh Hoa Director - Legal Services, Vietnam
Qualifications	<ul style="list-style-type: none"> • Bachelor of Laws, University of Law, Ho Chi Minh City, Vietnam • Bachelor of Arts, University of Social Sciences and Humanities, Ho Chi Minh City, Vietnam
Experience	<ul style="list-style-type: none"> • Hoa is leading Legal Services of KPMG in Vietnam, both Ho Chi Minh and Hanoi offices • Hoa has over 18 years of professional experience in regulatory and tax sector in Vietnam, including 04 years holding senior legal and compliance positions in several leading multinational corporations in FMCG and life insurance sectors. • Hoa has been involved in providing a wide range of regulatory and tax advice and licensing assistance for many multi-national corporations in various business sectors. • Hoa also has extensive experience in working in international teams for many projects which include professional consultants from KPMG officers in Korea, Japan, UK, US, Thailand, etc. • Hoa's clients portfolio includes ABN-Ambro Bank, Acom, Agilent, AstraZeneca, Atotech, Avon, Bluescope, Bosch, British Telecom, Credit Agricole, Daiichi Sankyo, Fonterra, Gedeon Richter, GSK, Hitachi, Hilti, JACCS, JCB, Kato Sangyo, L'Oreal, Lotte, Merck, Mitsubishi, Mitsubishi, Omron, Roche, Servier, Shinryo, Sojitz, Sumitomo, TE Connectivity, Tetra Pak, Toshiba, Toyota Financial Services, Tyco, etc.
Sector expertise	<ul style="list-style-type: none"> • Banking & Financial Sector, Trading, Manufacturing, Pharmaceuticals, Consumer Products, and other services



Name and position	Pham Thi Quynh Ngoc Director - Legal Services, Vietnam
Qualifications	<ul style="list-style-type: none"> • Bachelor of International Business, Ha Noi Foreign Trade University, Vietnam
Experience	<ul style="list-style-type: none"> • Ngoc has been working for KPMG since 2009. Ngoc is Director in charge of Legal and Market Entry Services of KPMG in Vietnam, Ha Noi office. She has been involved in a wide range of advisory work for foreign Companies entering Vietnam in various sectors. • Ngoc has over 13 years of professional experience, including 07 years in the tax practice of another Big Four international accounting firm and in a local advisory firm in Vietnam where she advised various international companies on Vietnam taxation, investment and M&A. • Ngoc's clients portfolio includes Keysight, Agilent, Fuji Electric, Omron, ACOM, JCBI, Keyence, Kuwait Petroleum International, Mitsubishi UFJ Lease & Finance, Siam Commercial Bank, Sumitomo Mitsui Banking Corporation, Toyota Financial Services, Jaccs, Mitsubishi Corporation, Merck, ERIKS, etc.
Sector expertise	<ul style="list-style-type: none"> • Banking & Financial Sector, Insurance, Manufacturing, Trade, Consumer Markets



Name and position	Tran Thanh Tam Director - Markets & Strategic Pursuits
Qualifications	<ul style="list-style-type: none"> • Master of science in Business Administration, Nyenrode University, the Netherlands • Bachelor of engineering in Biochemistry, HAN University of Applied Sciences – Wageningen University & Research Centre, the Netherlands
Experience	<ul style="list-style-type: none"> • Tam has extensive experience in Strategy & operation, Market entry, Feasibility studies, Demand analysis, Competitive intelligence, Mergers and acquisitions profiling, Supply chain management and Value chain consulting. • Tam has been assisting MNCs looking to grow their market presence in the Asia Pacific, where he maintains a strong connection with local business partners, trade associations, and key opinion leaders across industries. • Before joining KPMG, Tam was country manager of one of the largest global Market Research companies in Vietnam, where he headed the B2B, Customized Research, and Business Consulting Practices of over 120 research professionals & consultants. Prior to his consulting experience, Tam was Researcher at the Netherlands Cancer Institute where he coordinated medical and research projects funded by the European Commissions and the Dutch Research Organizations. • As Director of Markets, Tam will be taking responsibility for work scoping, supervising the quality of our work for KPMG clients, and working closely with the engagement team to ensure that our work is delivered on time and addresses the agreed scope in full.
Sector expertise	<ul style="list-style-type: none"> • Agribusiness, Construction, Energy, Life sciences, Healthcare, Retail, Industrial manufacturing, and Life styles.

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