

Vietnam Business Structures 2026: Which One Fits You?

Vietnam has made it easier thanever for foreign investors to enter the market.You can now incorporateda company before securing an Investment Registration Certificate, the list of restricted sectors has shrunk from 236 to 198, and Representative Office licensing now takes just 14 working days. But picking the wrong structure can cost you time, money, and flexibility. Here's how the four main options compare – so you can choose the one that actually fits your business goals.

Criteria	LLC	JSC	Branch Office (BO)	Representative Office (RO)
Definition	Limited Liability Company with 1–50 members. Can be single-member or multi-member.	Company with at least 3 shareholders. Capital is divided into shares.	Dependent unit of a foreign company permitted to conduct commercial activities in Vietnam.	Dependent unit of a foreign company established for market research and liaison activities.
Common Purpose	Conduct business	Conduct business and raise capital	Carry out the parent company's business activities	Market research and business promotion
Key Benefits	•Easy to establish •Less paperwork •Flexible management	•Easy to transfer shares •Suitable for raising capital	•Similar structure to the parent company •Can conduct business	•No capital requirement •Low operating cost •Can hire employees
Pros	•Limited liability •No restriction on business scope	•Limited liability •Can issue shares and go public •Unlimited number of shareholders	•Can generate revenue •Simple registration process	•Simple setup •Low compliance burden
Cons	•Cannot issue shares •Maximum 50 members	•Minimum 3 shareholders •May require a Supervisory Board	•Limited to the parent company's business scope •Parent company is liable for obligations	•Cannot generate revenue •Limited business scope
Minimum Capital	No statutory requirement (industry-specific requirements may apply). Service companies typically register around US\$10,000.	No statutory requirement (industry-specific requirements may apply).	N/A	N/A
Minimum Members/ Shareholders	≥ 1	≥ 3	N/A	N/A
Parent Company Operating History	Not required	Not required	≥ 5 years	≥ 1 year
License Validity	Permanent	Permanent	5 years (renewable)	5 years (renewable)
Accounting Status	Independent	Independent	Dependent or independent	Dependent only
Capital Contribution Deadline	Within 90 days of ERC issuance	Within 90 days of ERC issuance	N/A	N/A
Foreign Ownership	Up to 100% (most sectors)	Up to 100% (most sectors)	100% foreign-owned	100% foreign-owned
Can Go Public	✗ No	✓ Yes	✗ No	✗ No
UBO Disclosure Required	✓ Yes (from 1 July 2025)	✓ Yes (from 1 July 2025)	✗ No	✗ No
Can Transfer Profits Overseas	✓ Yes	✓ Yes	✓ Yes	✗ No
Taxes Payable	VAT, CIT, Business License Tax, PIT	VAT, CIT, Business License Tax, PIT	VAT, CIT, Business License Tax, PIT	Business License Tax (if applicable) and PIT
Typical Setup Timeline	Approximately 2–4 months	Approximately 2–3 months	Approximately 15–21 working days	Approximately 15–21 working days
Applicable Business Lines	Most permitted business sectors	Most permitted business sectors	Same business scope as the parent company	Market research and trade promotion activities only

Key 2026 Updates You Should Know

What Changed	Old Rule	New Rule
Incorporation sequence	Must get IRC first	Can incorporate before IRC (effective 1 March 2026)
Foreign ownership cap	30% for listed firms	Under review for removal
Rep. Office licensing	30 working days	Now just 14 working days (effective 1 March 2026)
Beneficial ownership	Not required	Now mandatory disclosure (effective 1 July 2025)
Branch/RO regulations	Scattered rules	Consolidated under Circular 15/2026/TT-BCT (effective 25 March 2026)
Conditional business lines	236 sectors	Reduced to 198 sectors (effective 1 July 2026)
Investment procedures	Governed by Decree 31/2021	Governed by Decree 96/2026/ND-CP (effective 31 March 2026)

Which One Should You Choose?

Your Situation	Best Choice	Why
First entry into Vietnam, seeking full control	LLC	Simple structure, flexible management, and up to 100% foreign ownership
Planning to raise capital or pursue an IPO	JSC	Can issue shares and has no limit on the number of shareholders
Already operating overseas and want to conduct direct sales	Branch Office	Can conduct commercial activities directly (subject to sector eligibility)
Testing the Vietnam market before investing	Representative Office (RO)	Low cost, low risk, and quick setup (approximately 14 working days)

How Ascentium Vietnam Can Help

Picking the right structure is just the start – the paperwork, licensing, and ongoing compliance can be a maze. Ascentium Vietnam's team of nearly 150 professionals across Ho Chi Minh City, Hanoi, and Danang handles everything from entity selection and registration to tax filings and regulatory updates. We track every 2026 change (ERC-first incorporation, Decree 96/2026, Circular 15/2026, new 14-day RO timeline, beneficial ownership disclosure) so you don't have to. Whether you choose an LLC, JSC, branch, or rep office, we turn complex procedures into simple, actionable steps – and keep you compliant from day one.

