

CHAPTER 9

THE SPECIAL STATUS OF AMERICANS IN VIETNAM

On November 31, 1961, a treaty between the United States and the Republic of Vietnam, sometimes referred to as the Treaty of Amity and Economic Relations, became effective. The goals of the treaty are to promote trade and friendly relations between the citizens of the signatory countries. Below is an examination of the provisions of the treaty and of their importance to Americans interested in undertaking investment in Vietnam.

A. INDIVIDUAL RIGHTS AND LIBERTIES

Americans are permitted entry into Vietnam and the freedom to travel and reside therein. This general right is emphasized when entry, residence, or travel are for the purpose of operating a business or overseeing substantial capital investments. In practice, the Government of Vietnam issues limited duration visas, but there is little real difficulty in having these permits renewed or extended.

Under the treaty, Vietnam guarantees many of the personal rights to which Americans have long been accustomed, but which do not appertain in many countries of the world. In the case of criminal arrest by Vietnamese authorities, for example, diplomatic access is granted by the Treaty. The right to legal representation, notice of charges and a prompt and fair hearing are also provided for. It must be noted that the Vietnamese criminal concept is significantly different from that in effect in America. For example, it is not at all unusual for there to be a criminal aspect to many disputes which Americans are used to treating as purely civil in nature: e.g. an action for damages for negligence (normally a civil suit in the United States) may be at once both civil and criminal in nature under Vietnamese law. Further, the Vietnam legal system uses the French system as its model, and adversary proceedings as known in the United States are not common. Rather, the positions of the contesting parties are set forth almost entirely in the exchange of pleadings by the opposing attorneys.

There are no restrictions on the exercise of religion. The Treaty provides also for free and open communication within and

outside of the country. The free communications guarantee must, however, be viewed in the context of the especially acute need at this moment to maintain public order. In any event, it is generally agreed that limitations in this regard have little impact, except perhaps on privacy, in the commercial sphere.

While there are restrictions upon the ownership of real property, as discussed elsewhere in this text, Americans in theory receive full national treatment (meaning they have the same rights as Vietnamese citizens) in leasing real property, in purchasing personal property rights, and in disposing of them. Protection of intangible rights, such as patents, copyrights, and trademarks is recognized and protected if the relevant laws and regulations concerning registrations are followed. Article VI of the Treaty, which appears to assure Americans of full national treatment in regard to real estate leasing transactions, has in practice never been tested. Accordingly, until such a test develops, the practice will continue to be that acquisition of an interest in land for a period of more than ten (10) years is normally accomplished only with the consent of the Government of Vietnam.

B. GENERAL BUSINESS CONSIDERATIONS

The status of an American business entity (individual or juristic, profit or non-profit) is recognized to precisely the same extent that such an entity has legal force and effect in its place of origin. Its access to the courts of Vietnam is guaranteed to the same extent that proceedings by similar Vietnamese businesses are permitted, and its rights are the same as those of Vietnamese organizations. The investor may wish to note that as a general rule, when a dispute arises, the law of the place where the dispute is submitted for determination is applied to the case. This, of course, would mean Vietnamese law, for cases submitted in Vietnam. It is interesting to remark, however, that in some instances the Vietnamese courts have applied the law of the disputing parties, which may be the law of one of the United States. Additionally, Vietnam recognizes the non-judicial settlement of disputes through such means as conciliation and arbitration.

Property owned by American business entities is considered to be on a parity with property owned by local businesses. That is to say, no discrimination is permitted against the property of American entities. The Treaty provides that their property will not be seized by the Government except for a public purpose, and in that event there is provision for payment of fair value without delay. This requirement is virtually identical with United States practice.

Businesses formed or acquired in Vietnam by Americans will not be subject to any regulations to which Vietnamese firms are not subject, and the owners shall be permitted to conduct their

operations in the same manner as Vietnamese. The Treaty provides that there will be no interference with ownership rights in these businesses. In this regard, the internal affairs of a business are the concern solely of its owner, and non-Vietnamese personnel, including professionals, may be engaged to oversee the affairs of the entity.

Americans working in Vietnam are extended the benefits of Vietnamese workman's compensation laws and the labor code. While compensation benefits are not as large as in most of the United States, the labor code itself is a progressive document, modern in its approach.

C. FOREIGN TRADE FACTORS

In general, Vietnam will grant most favored nation consideration for customs storage, distribution, sale and regulatory treatment of American products entering Vietnam and for Vietnamese products destined for the United States. In practice, this means that Americans enjoy rights no less favorable than those which might be accorded any third country. In the event that any quantitative restriction is imposed upon any American imports, public notice must be given concerning the time and amount of this limitation. As far as foreign exchange matters are concerned, it should be noted that the Government of Vietnam reserves the right to regulate the use of its foreign currency services for purchases abroad, in order to control its balance of payments position.

The Republic of Vietnam also reserves the right to protect its fishing industry, to give special advantages to adjacent countries in order to facilitate traffic among them, and likewise, it reserves the right to follow and take advantage of any customs or free trade unions of which it may become a member.

Free commerce and navigation between the United States and Vietnam is guaranteed. Except for fishing vessels, American vessels (private and public) may come and go on equal terms with Vietnamese vessels, and are granted the added advantage of being accorded national treatment with regard to the use of port facilities. Similarly, American ships are given national treatment with regard to the right to carry goods — an especially important privilege when considered in reference to duties and customs. However, national treatment is not granted in situations where Vietnam has reserved rights over coastal trade, inland navigation, and national fisheries. It should be observed that Vietnam, in practice, has reserved these rights.

D. VIETNAMESE GOVERNMENT ACTIVITIES

Vietnam agrees that its own publicly owned enterprises and those enterprises granted government monopolies shall, when dealing in imports and exports affecting the commerce of the

United States, deal solely according to the prevailing market considerations. That is to say that Vietnam will not press its monopolistic advantage in a commercially destructive manner, and it will accord adequate opportunity for Americans to compete in those areas in which the Government of Vietnam is active. An example of the practical application of this principle is the granting of landing rights by the Vietnamese Government (which beneficially owns Air Vietnam) to American air lines. There is no reciprocity involved in this situation as Air Vietnam does not, at this writing, have landing rights in the United States.

The Treaty provides that the Vietnamese Government will give American firms national and most favored nation treatment with regard to purchases and awards of concessions that it makes. Similarly, it will maintain competitive equality with Americans in Government controlled trading and manufacturing enterprises. This means that American private entities will be entitled to the same special economic privileges given to similar Vietnamese Government enterprises, with the imposition only of certain specific and limited exceptions.

CHAPTER 10

INVITED DEFENSE CONTRACTORS

The term «invited defense contractor» is somewhat misleading, for it applies not only to firms working under contract to the United States military establishment in a manner directly supportive of the war effort, but also to those firms which, having no military role to play, are performing work in connection with reconstruction and resettlement or are working on civilian-oriented projects financed either by the military, USAID, or some other U.S. Government agency. The treatment of firms having invited contractor status has, in a general way, been agreed upon by the United States and Vietnamese Governments, although there is no formal country-to-country convention covering the matter. Non-Vietnamese companies whose activities are in direct support of Free-World efforts in Vietnam, and whose existence in Vietnam can be said to have come about only as a result of the war, are essentially those which may qualify as invited contractors, and they are thus treated differently from those companies which develop commercial business locally and which compete with Vietnamese business firms. As a general rule, it may be stated that if a company is not in Vietnam by reason of the war and reconstruction effort, and if it competes commercially on the local economy, it has no right to invited-defense-contractor status. The position of being an invited contractor is an advantageous one, and firms awarded the privilege should respect it scrupulously.

No single U.S. Government, Vietnamese Government or U.S. military regulation establishes a definition of invited-contractor status. Indeed, various agencies define the position in different ways. This state of affairs, however, has caused little difficulty, as the Government of Vietnam has left the appropriate American authorities free to award such status as they see fit, and the contracting officers of the various agencies, as the men who determine the award of the status, seem more or less to see eye-to-eye. Once granted by one agency, the status is generally considered valid by all agencies, except in unusual circumstances. A current master list of invited contractors is maintained by the U.S. Embassy.

A variety of criteria is employed by contracting officers for the purpose of measuring whether or not the presence in Vietnam of the contracting firm is due uniquely to the war and reconstruction effort. One such criterion is the question of whether the

contractor is doing business on the local economy. If the firm is not doing business on the local economy, and its presence otherwise is due only to the war and reconstruction efforts, then normally it can be accorded invited-contractor status. Invited contractors wishing to pursue local business often form another company whose operations are kept quite separate from those of the invited firm. An important point to note is that invited status is usually not granted until the contractor has in fact obtained a contract.

In order to perform services for non-appropriated fund activities such as military clubs and messes, a contractor must be granted the express permission of the Military Assistance Command Vietnam (MACV). Indeed, a firm may not even solicit such business without this permission. Obtaining the permission may take as long as 6-8 months and involves an inquiry into the background, reputation and financial abilities of the company itself, and of its principals. The stated purpose of this investigation is to establish the company's financial capability and the moral character of its principals.

From time to time the Government of Vietnam has questioned whether companies selling to clubs, messes, and post exchanges should actually be accorded all of the privileges of invited contractors, but to date it has not refused their recognition as such. In questioning whether these companies should enjoy invited-contractor status, the Government is most probably motivated by the understandable desire to limit the privileges granted to contractors to those companies actually helping the war and reconstruction effort.

Research has revealed only one document which is broadly concerned with the question of the status of invited contractors. The Memorandum of Meeting of the Joint Committee of the Ministries of Economy and Finance of the Government of Vietnam dated May 4, 1967, goes far to describe the privileges accorded to companies having invited-contractor status. Firms qualifying for such status may receive payment for their work in U.S. dollars. They may import, on a duty-free basis, both equipment necessary to service their contracts and a variety of items for personal use. They are subject to no corporate income taxes and are exempt from most other taxes including the business license tax (patente), although they are required to withhold taxes on the salaries of their Vietnamese employees. Their non-Vietnamese employees are subject to no income taxes. The companies are exempt from paying stamp duties and registration fees in most cases. Indeed, in a general way, the Government of Vietnam considers that they do not exist on the territory of Vietnam. The U.S. Government, for its part, attempts to insure that the contractors do not abuse the privileges granted by the Government of Vietnam and allows them certain other privileges, as within its power. Specifically it makes available American postal facilities (APO) (the alternative is to use the international

mail) and limited shopping privileges in the post exchanges. It is not necessary that a company be American in ownership in order to be granted invited-contractor status, and although most such companies are American, there are numerous French, Chinese, Japanese, Korean, Filipino, and other companies which have qualified.

Generally, in order to make its compliance with Vietnamese law more meaningful, the United States Government has, almost without exception, excluded from consideration for invited-contractor status, those companies in which there is any portion of Vietnamese ownership. One of the major reasons for this decision may be the fact that payment to the contractor, when made in dollars, could be illegally distributed to the Vietnamese partners. This would cause problems of surveillance for Vietnamese Government officials charged with enforcement of exchange control regulations, as such regulations forbid the possession of foreign exchange by Vietnamese, except in a limited number of special cases. It should be pointed out that there are exceptions to the general rule, and some Vietnamese companies are accorded status as « invited » contractors by the United States Government. Normally, however, the only substantive benefit which such companies receive in being so designated is that they are exempt from the 6 % production tax on work they perform, and in some cases, exempt also from customs duties on construction components.

The Government of Vietnam has stated that if a foreign company is doing business both as an invited contractor and on the local economy in competition with Vietnamese companies, and is conducting this work through the same business vehicle, the company is taxable not only upon the income generated from its local activity, but also on all income generated by its activities in Vietnam. Such taxability would extend as well to that income which would ordinarily be classified as exempt by virtue of the corporation's invited-contractor status.

At this writing, there are perhaps more foreign companies in Vietnam functioning under invited-contractor status than there are operating on the local economy with long-range programs. This situation is explained by the fact that to date the major procurements for the war and reconstruction effort have been made by the U.S. Government. This state of affairs has begun to change, however, as responsibility for the war and reconstruction is, more and more, being placed upon the Vietnamese. It is not known whether following the war, U.S. invited-contractor status will remain in force. It is probable, however, that to a greater or lesser extent there will always be a special legal category for invited contractors whose task will be to furnish products and services not readily available locally. It is also true, however, that this category will be examined more and more closely by the United States and Vietnamese Governments so as to restrict its use to those entities for which the enjoyment of such status is a strong necessity.

CHAPTER II

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT GUARANTY PROGRAMS

The United States Government, through its various departments and agencies, sponsors a variety of programs to assist investors interested in doing business in friendly, less developed countries. The Department of Commerce, for example, provides information and services to Americans contemplating business ventures in such areas. Additionally, there are numerous private and semi-private agencies whose interest is directed towards assisting private investors in high or medium risk areas. Private banks, private international development banks, institutions authorized financial assistance by AID (e.g. the Industrial Development Center in Vietnam), the Export-Import Bank of Washington, the International Bank for Reconstruction and Development (World Bank), the International Finance Corporation (IFC), the International Development Association (IDA), and the International Executive Service Corps (IESC, which provides certain enterprises with qualified personnel on a temporary basis) are all examples of such agencies.

The United States Agency for International Development (AID) itself sponsors several programs which are of particular interest to the investor operating in Vietnam or planning projects for Vietnam. These programs are now in the process of being transferred to the control of the Overseas Private Investment Corporation (OPIC), a U.S. Government corporation whose establishment is authorized by the Foreign Assistance Act of 1969. As the corporation is not yet functional, however, the administration of investor-assistance programs remains in the hands of AID. The OPIC is expected to become operational during the Summer of 1970.

Picking up from AID, OPIC programs will provide United States Government financing to companies in which American investment is substantial and which are desirous of making equity investments in or loans to foreign businesses. In the case of equity investment, the company receiving the investment may have substantial foreign ownership, and in the case of loans, no American ownership at all is required. It should be stressed that large foreign ownership of a company does not preclude it from making application to these programs. The availability of these

dollar development and « Cooley » loans (loans of local currency) is mentioned only in passing. Their discussion is not the purpose of this chapter. Interested parties seeking further information should explore the question with AID (Private Investment Center). This chapter will be devoted to a discussion of AID programs available for providing Market Surveys of investment opportunities, Specific Risk Insurance (also referred to as Political Risk Insurance), and Extended Risk Investment Guaranties for both loans and equity investments. The United States Government has authorized various of these programs in Vietnam under the Foreign Assistance Act of 1961 as amended (22 USC 2151 *et seq.*).

I. MARKET SURVEYS

The purpose of this program is to underwrite investigation into the potential of private investment opportunities in certain friendly foreign countries. The Republic of Vietnam is included among the countries covered by this program. Until this year's revision of the Foreign Assistance Act, the program provided that if a prospective survey of a particular investment opportunity were approved by AID, and if the investor, upon completion of the survey, decided not to proceed with the investment, AID, after substantiating relevant expense details, would pay 50 % of the survey costs. If, on the other hand, the investor decided to proceed with the investment, the total survey cost was to be borne by him. The 1969 Foreign Assistance Act deleted the statutory provision that required the investor to bear 50 % of the survey costs if he completed the survey but did not undertake the investment. It also deleted the requirement that to be eligible for the benefits of this program, the investor must be a United States investor.

Note that the previous controlling legislation defined « United States investor » as including both private individuals and juristic persons existing under the law of any free world country but substantially beneficially owned by Americans. Thus, where the previous law expressly extended the benefit of the Market Survey Program to free world foreign subsidiaries of a United States firm, the current law makes no such specific provision. The legal gap thus created will present the newly authorized Overseas Private Investment Corporation with a policy question for resolution. The only other condition which the prospective investor interested in embarking upon a survey under the AID program must meet is that of establishing his ability, either privately or in concert with others, to proceed ultimately with the investment.

The survey itself may be conducted either by the prospective investor or by his independent contractor. Assistance under the Act, however, is not available for ascertaining the existence, location, extent, quantity or quality of any deposit of oil, gas, or other mineral. In short, the extractive industries are not entitled to assistance under the program.

II. SPECIFIC RISK INSURANCE

(Political Risk Insurance)

The most popular and usual form of guaranty available through AID is granted under the Specific Risk Insurance Program. Ventures in the Republic of Vietnam may be covered under this program.

Specific Risk Insurance provides coverage as follows :

1. Inability to convert for repatriation of actual profits or earnings or return of the original investment. For equity investments, additional coverage normally has been available for earnings actually reinvested up to an amount equalling the original investment.

2. Loss of investment due to expropriation, nationalization, or confiscation by the Government of Vietnam.

3. Default on loans and damage to or destruction of tangible property attributable to the investment, when such default, damage, or destruction is the result of war, revolution, or insurrection.

Eligibility for insurance is extended to :

1. a citizen of the United States, or
2. a corporation, partnership, or other association, created under the laws of the United States or of any state or territory of the United States, which is substantially beneficially owned by citizens of the United States, or
3. foreign business wholly owned by one or more of the investors eligible under (1) or (2) above.

Ordinarily, a corporation organized under the laws of any state or territory of the United States will be considered to be substantially owned by United States citizens if a majority of each class of its issued and outstanding stock is owned by United States citizens either directly or beneficially.

To qualify for coverage, the investment itself must be new. That is to say that the Act specifically does not allow risk insurance for an investment already in being. However, the Act does permit risk insurance for investment in the extension and for modernization of current holdings and activities. A businessman will normally wish to invest immediately, while at the same time requesting insurance from AID. The Specific Risk Insurance Program, however, requires that he delay his investment until he has sought and received an AID « Assurance-Against-Prejudice letter ». With such a letter, investment plans may proceed and the investment will be considered as new, while AID deliberates approval of the insurance application.

While the insurance program imposes no period of time during which the investment must be maintained, it is generally intended

that no investment will be eligible for insurance if it does not remain in the foreign enterprise for a period of at least three years. Investments qualifying for insurance may take many forms: a loan (in either dollars or another currency), an equity purchase, a license for a patent process, a technical assistance agreement, a construction contract, materials and equipment, and long term credit are only a few of the many possibilities.

There are a variety of reasons why an investment might not qualify for risk insurance. These include: (1) the country is ineligible by reason of its not having signed the necessary agreements with the United States (Vietnam has signed the necessary agreements); (2) the nature of the project; (3) the manner in which the investment itself is made; (4) the project's effect upon the economy of the host country; and (5) the project's effect upon the economy of the United States. Almost all of these factors require subjective evaluations by AID.

Finally, it should be noted that before any insurance contract may be issued, the investor must secure, from the Government of Vietnam, approval of the project in which the investment is being made. Review of applications for this purpose in Vietnam is normally made by the Ministry of Economy, 59 Gia Long Street, Saigon. The requirement for Vietnamese project approval is contained in the Investment Guaranty Agreement concluded between the United States and Vietnam.

It will be useful at this point to examine briefly the details of the coverage available under the Specific Risk Insurance Program.

A. EXPROPRIATION GUARANTY

1. Nature of Protection

Specific Risk Insurance offers investors protection against loss due to expropriation, confiscation, or nationalization of their property by the Government of Vietnam.

2. Cost

The fee for this coverage on a per annum basis is one-half of one percent ($1/2\%$) of the current amount of the coverage. A standby fee of one-tenth of one percent ($1/10\%$) per annum is charged for the difference between the maximum amount and the current amount for each annual contract period.

As with the other types of insurance, a current amount and a maximum amount of coverage is established. The current amount of coverage represents the amount of protection in force for a given contract period and may be changed from year to year. The maximum amount is the limit beyond which the current amount may not ever be increased.

B. CONVERTIBILITY GUARANTY

1. Nature of Protection

Many potential investors in Vietnam, as in many other less-developed countries, are concerned that the government or the central bank might prevent them from converting into United States dollars their dividends, interest, principal, or other payments arising out of their investments. To alleviate this concern, the convertibility contract assures the investor that his piasters will continue to be convertible into dollars for the duration of the insurance contract. Specific legal provisions of the contract state that such convertibility is assured by equivalent means, to the extent that at the time of the execution of the contract there was a means available for converting piaster payments into dollars. This insurance, of course, does not itself afford protection against the effects of a currency devaluation or inflation. (A loan obligation denominated and payable in dollars would, however, afford such protection, and the piaster equivalents of the dollar installments would be convertible.) Neither may the investor rely upon the guaranty to counter any exchange regulation or practice that was in effect at the time of the execution of the guaranty contract.

2. Cost

The cost of this particular coverage is one fourth of one percent ($1/4\%$) per year of the current amount of the contract. The current amount of the contract is the amount established as the risk during any one particular year, plus an additional cost of one tenth of one percent ($1/10\%$) of the difference between the current amount of contract and the maximum risk under the contract.

C. WAR, REVOLUTION AND INSURRECTION GUARANTY

1. Nature of Protection

Under this coverage, compensation is paid for loss of an equity investor's interest in the tangible property of the foreign enterprise if that loss is caused directly by war, revolution or insurrection, or is the result of default on a loan when the default arises from causes similar to these. There is no requirement that there be a formal declaration of war. Hostile acts of any national or international organized force are covered, as are hostile acts of organized revolutionary or insurrectionary forces, including acts of sabotage. The guaranty also includes protection against injury to tangible property which injury is a direct result of actions taken in hindering, combating, or defending against a hostile act, whether in a war, revolution, or insurrection. AID has not said that it will not issue such coverage in Vietnam.

2. Cost

The annual fee for the war, revolution, and insurrection insurance is one-half of one per cent ($1/2\%$) of the current amount of coverage, plus a standby fee of one tenth of one percent ($1/10\%$) of the difference between the current amount and the maximum amount of coverage.

It should be noted that a lower premium is charged if the expropriation and the war risk insurance are combined.

III. THE EXTENDED RISK GUARANTY PROGRAM

The law under which AID operates provides that it can extend a guaranty of a loan either to a U.S. institutional lender or to a U.S. parent corporation making a foreign investment. The guaranty itself may be given for up to 75 % of that part of the total project financing contributed by eligible U.S. investors. The ultimate borrowing company itself may be wholly owned by Vietnamese.

An institutional loan guaranty offers the investor in the foreign enterprise considerable benefits. In the event of default, it provides a guaranty of prompt payment of principal and interest to the date of settlement. For institutional loans, AID generally will apply the guaranty against the later maturities of a loan so as to permit, for example, the last 75 % of the maturities to be 100 % guaranteed.

With respect to a loan from a U.S. parent corporation to its foreign subsidiary, the extended risk guaranty will usually apply to 75 % of each maturity.

To be eligible for an extended risk guaranty, a loan must :

1. Be part of a sound financial plan and in support of a guaranty-eligible project ;
2. Be made and repayable in United States dollars ;
3. Be expended for goods and services of U.S. origin ;
4. Be amortized over a period reasonably related to : (a) the purpose of the loan, (b) the ability of the borrower to repay, and (c) the ability of the Republic of Vietnam to service the debt. Generally, the term should not be less than seven years.

The foregoing is intended to acquaint the reader with the fact that the United States Government is prepared, under certain circumstances, to assume many of the risks attendant upon private investment in less developed countries such as Vietnam. More details on available assistance may, of course, be obtained from AID.

APPENDIX A

Industries Having Investment Preference

I. LIST OF INDUSTRIES HAVING PRIORITY INVESTMENT PRIVILEGES

1. Manufacture of tractors, ploughing machines, auxiliary agricultural equipment for ploughing and harrowing, and automatic irrigation equipment.
2. Manufacture of insecticide sprayers and atomizers for crop protection.
3. Manufacture of bulk fertilizers from raw materials (not including products for blending and conditioning fertilizers).
4. Extraction and refining of edible oils, industrial oils, and such by products from domestic raw materials.
5. Manufacture of paper pulp employing domestic raw materials.
6. Manufacture of newsprint employing domestic paper pulp.
7. Manufacture of artificial threads such as rayon, nylon, and synthetic wool employing domestic raw materials.
8. Extraction of sugar cane juice for producing sugar.
9. Exploitation of molybdene.
10. Exploitation of white sand for export.
11. Exploitation of salt.
12. Processing cement from domestic limestone.
13. Manufacture of pharmaceutical raw materials.
14. Catching fish from the sea.
15. Processing fish by canning, salting, drying, preparation of nuoc mam (fish sauce), freezing and refrigeration of sea products.
16. Processing industries for export of various domestic raw materials.
17. Processing rubber and latex for export.
18. Manufacture of plywood and veneer employing domestic raw materials.

19. Canning industry employing domestic raw materials.
20. Processing tea for export.
21. Manufacture of tires and inner tubes for cars, scooters, and tri-scooters.
22. Basic engineering and electrical industries.
23. Oil refinement.
24. Base chemical processing for such chemical compounds as pigment, PVS, and resin extracted from raw materials.
25. Jute sack industry employing domestic raw materials.
26. Construction including canal dredging, road building, and bridge building.
27. Large scale assembly-plant industries following the program set forth by the Ministry of National Economy.

II. LIST OF INDUSTRIES IN WHICH INVESTMENT IS ENCOURAGED

1. Processing animal food employing domestic raw materials.
2. Production of animal vaccines and serums.
3. Production of monosodium glutamate employing domestic materials.
4. Production of powdered milk.
5. Glass (such as plate glass) production.
6. Handicrafts for export made from domestic raw materials, to wit :
 - Ceramics ;
 - Bamboo and rattan ;
 - Tortoise shell ;
 - Lacquerware ;
 - Puppets.
7. Production of pharmaceutical products with a justifiable economic utility.
8. Ocean-going ship transport industry for vessels over 10,000 tons.
9. Processing various domestic raw materials with a justifiable economic utility.

The above lists are not inclusive and are altered depending upon the prevailing economic and financial conditions in Vietnam.

APPENDIX B

List of Banks Operating in Vietnam

1. Bangkok Bank LTD.	44 Nguyễn-công-Trứ	Saigon
2. Banque Française de l'Asie	29 Bến Chương-Dương	Saigon
3. Banque Française pour le Commerce	32 Hàm-Nghi	Saigon
4. Banque Nationale de Paris	36 Tôn-thất-Đạm	Saigon
5. Bank of America	16-32 Phan-văn-Đạt	Saigon
6. Bank of China	11 Bến Chương-Dương	Saigon
7. Bank of Communications	87 Hàm-Nghi	Saigon
8. Đại-Á Ngân-Hàng	61-65 Hàm-Nghi	Saigon
9. Đại-Nam Ngân-Hàng	17 Công-trường Lam-Sơn	Saigon
10. Đồng-Nai Ngân-Hàng	14 Đại-lộ Nguyễn-Huệ	Saigon
11. Đông-Nam-Á Ngân-Hàng	13-15 Phú-Kiệt	Saigon
12. Đông-Phước Ngân-Hàng	35-37 Pasteur	Saigon
13. Hongkong and Shanghai Banking Corporation	9 Bến Chương-Dương	Saigon
14. Korea Exchange Bank	25 Võ-di-Nguy	Saigon
15. Kỹ Thương Ngân-Hàng	422 Trần-Hưng-Đạo	Saigon
16. Nam-Đô Ngân-Hàng	20-24 Nguyễn-công-Trứ	Saigon
17. Nam-Hải Ngân-Hàng	68 Đại-lộ Nguyễn-Huệ	Saigon
18. Nông-Công-Thương Ngân-Hàng	115-119 Nguyễn-công-Trứ	Saigon
19. Saigon Ngân-Hàng	102 Đại-lộ Nguyễn-Huệ	Saigon
20. The Bank of East Asia LTD. ..	6 Võ-di-Nguy	Saigon
21. The Bank of Tokyo LTD.	12-22 Hàm-Nghi	Saigon
22. The Chartered Bank	3-5 Võ-di-Nguy	Saigon
23. The Chase Manhattan Bank ...	28-30 Nguyễn-văn-Thịnh	Saigon
24. Tín-Nghĩa Ngân-Hàng	50 Bến Chương-Dương	Saigon
25. Việt-Nam Công-Thương Ngân-Hàng	93-95 Hàm-Nghi	Saigon
26. Việt-Nam Ngân-Hàng	117 Đại-lộ Nguyễn-Huệ	Saigon
27. Việt-Nam Thương-Tín	17 Bến Chương-Dương	Saigon

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INDEX

- Acquisition and transfer of interest in realty, methods of, 38-39.
- Allowances, wages, pay periods and raises, 51-52.
- Americans in Vietnam, special status of, 95-98.
- Assistance, technical, 60.
- Banking considerations, miscellaneous, 80.
- Banking facilities, loans and other, 76-77.
- Banking operations, 71-80.
- Banks operating in Vietnam, list of, 112.
- Branches of foreign companies, 11.
- Business banned to Foreigners, 18.
- Business concern, formalities for establishing a, 13-18.
- Business concern, legal formalities for creating a, 14-18.
- Business, general considerations, 96-97.
- Business license, 15.
- Business organization, forms of, 1-12.
- Business profits tax, 81-82.
- Buying an enterprise, land purchase authorization and, 17.
- Capital, 59-60.
- Capital, external, nature of, 64-65.
- Capital, repatriation of, 57-58.
- Commercial court and the tax office, registration with, 17-18.
- Companies, 2-11.
- Consumption taxes, 89.
- Convertibility guaranty, 107.
- Collective relationships, 46-47.
- Construction permit, 15-17.
- Contractors, Invited Defense, 99-101.
- Copyrights, 30-31.
- Copyrights, trademarks, patents and, 19-31.
- Corporation, 4-8.
- Creating a business concern, legal formalities for, 14-18.
- Defense contractors, invited, 99-101.
- Direct taxes, 81-88.
- Dividends tax, 82-83.
- Duties, see stamp duties, 92-93.
- Employment, conditions of, 49-54.
- Entertainment tax, 89-90.
- Exchange, see Foreign exchange regulations, 69-71.
- Exchange privileges, 56-60.
- Excise tax, 91.
- Export-import procedures, 77-80.
- Expropriation guaranty, 106.
- Extended risk guaranty program, 108.
- External capital, nature of, 64-65.
- Foreigners, business banned to, 18.
- Foreign companies, branches of, 11.

- Foreign currency accounts, non-resident, 71-72.
- Foreign exchange regulations, 69-71.
- Foreign personnel, status of, 58.
- Foreign trade factors, 97.
- Foreign trademark, special provision for registration of, 26.
- Foreigners' rights, 30.
- Foreign workers, employment of, 54.
- Government and labor, 43-45.
- Guaranty programs, US agency for International Development, 103-108.
- Guaranty, war, revolution and insurrection, 107-108.
- Guaranty program, extended risk, 108.
- Guaranty, expropriation, 106.
- Hours of work and premiums, 49-51.
- Implementation of investment in VN, 60-65.
- Import-export procedures, 77-80.
- Incentives, 55-60.
- Income tax, general, 84-85.
- Indirect taxes, 88-92.
- Industrial enterprises, special procedures for, 18.
- Industries in which investment is encouraged, list of, 110.
- Insurance, social, 54.
- Insurance, specific risk, 105-108.
- Interest in realty, methods of acquisition and transfer of, 38-39.
- Inventions, protection of, 27-28.
- Inventions, supplementary certificates for improvement of, and addition to, 29.
- Investment bill, new, 58.
- Investment, forms of, 65.
- Investment for which no investment privileges are requested, 61-63.
- Investment, see list of industries in which investment is encouraged, 110.
- Investment in Vietnam, 55-65.
- Investment privileges, application for, 64.
- Investment privileges, eligibility for, 63-64.
- Investors seeking investment privileges, 63-65.
- Invited defense contractors, 99-101.
- Joint stock companies, 4-8.
- Labor, see Government and labor, 43-45.
- Labor laws, enforcement of, 44-45.
- Labor law and regulations 41-54.
- Labor-management relations, 45-49.
- Labor-management relations, individual, 47-49.
- Land, limitation on the rights of foreigners in, 40.
- Land purchase authorization and buying an enterprise, 17.
- Land regimes, 33-34.
- Land, rights in, 34-39.
- Legislation, 43-44.
- Liaison offices, representative offices and, 12.
- License, business, 15.
- Limited liability company, 2-4.
- Limited partnership, 1.
- Limited partnership with shares, 1-2.
- List of industries having priority investment privileges, 109-110.
- Loans and other banking facilities, 76-77.

- Management, see Labor-management relations, 45-49.
- Manpower resources in Vietnam, 41-43.
- Market surveys, 104.
- Miscellaneous taxes, 94.
- Monetary considerations, 67-80.
- Non-resident foreign currency accounts, 71-72.
- Non-resident piaster accounts, 72-75.
- Organizational options, 14-15.
- Ownership and other real estate interests, 34-38.
- Partnership, 1-2.
- Partnership, general, 1.
- Partnership, limited, 1.
- Partnership, limited, with shares, 1-2.
- Patents, 27-30.
- Patents, application for, 28-29.
- Patents and copyrights, trademarks, 19-31.
- Patents, publication of, 29-30.
- Patent rights, assignment of, 29.
- Patente tax, 85-86.
- Pay periods; see Wages, allowances, pay periods and raises, 51-52.
- Permit, construction, 15-17.
- Permit, Work, 14.
- Personnel, status of foreign, 58.
- Power of attorney, specimen, 21-22.
- Precious metals tax, 91.
- Premiums, hours of work and, 49-51.
- Priority, see List of industries having priority investment privileges, 109-110.
- Privileges, exchange, 56-60.
- Privileges, tax, 56.
- Production tax, 88.
- Profits tax, business, 81-82.
- Profits, repatriation of, 56-57.
- Property rights, protection of, 19.
- Property tax, 86-88.
- Proprietorship, see Sole proprietorship, 1.
- Protection of inventions, 27-28.
- Protection of property rights, 19.
- Publication of patents, 29-30.
- Raises, wages, allowances, pay periods and, 51-52.
- Real estate, availability of information concerning the status of, 39.
- Real estate interests, ownership and other, 34-38.
- Real estate law, 33-40.
- Realty, methods of acquisition and transfer of interest in, 38-39.
- Registration, 20-23.
- Registration tax, 93-94.
- Registration of trademark assignment, specimen application for, 24.
- Registration with the commercial court and tax office, 17-18.
- Repatriation of capital, 57-58.
- Repatriation of profits, 56-57.
- Representative offices and liaison offices, 12.
- Residence, 13-14, 68-69.
- Restaurant tax, 90-91.
- Rights of foreigners in land, limitation of, 40.
- Rights in land, 34-39.
- Rights and liberties, individual, 95-96.
- Risk, see Extended risk guaranty program, 108.
- Risk, see Specific risk insurance, 105-108.
- S.A., 4-8.
- S.A.R.L., 2-4.

- S.A. and S.A.R.L., 8-11.
- Salary tax, 83-84.
- Social insurance, 54.
- Sole proprietorship, 1.
- Special status of Americans in Vietnam, 95-98.
- Specific risk insurance, 105-108.
- Specimen agreement for assignment of trademark, 24-26.
- Specimen application for registration of trademark assignment, 24.
- Specimen of power of attorney, 21-22.
- Stamp duties, 92-93.
- Status of real estate, availability of information concerning, 39.
- Subsidiaries, 11.
- Surveys, market, 104.
- Taxation, 81-94.
- Tax, business profits, 81-82.
- Tax, consumption, 89.
- Taxes, direct, 81-88.
- Tax, dividends, 82-83.
- Tax, entertainment, 89-90.
- Tax, excise, 91.
- Tax, general income, 84-85.
- Tax, indirect, 88-92.
- Taxes, miscellaneous, 94.
- Tax office, see Registration with the commercial court and the tax office, 17-18.
- Tax, patente, 85-86.
- Tax, precious metals, 91.
- Tax, privileges, 56.
- Tax, production, 88.
- Tax, property, 86-88.
- Tax, registration, 93-94.
- Tax, restaurant, 90-91.
- Tax, salary, 83-84.
- Tax, vehicle registration, 89.
- Technical assistance, 60.
- Trade, see Foreign trade factors, 97.
- Trademarks, 19-26.
- Trademark assignment, 23-26.
- Trademark, foreign, special provision for registration of, 26.
- Trademark, goods for which a trademark may or must be registered, 19-20.
- Trademark, specimen application for, 22-23.
- Trademark, specimen agreement for assignment of, 24-26.
- Trademarks, patents and copyrights, 19-31.
- US Agency for International Development guaranty programs, 103-108.
- Vehicle registration tax, 89.
- Vietnamese government activities, 97-98.
- Wages, allowances, pay periods and raises, 51-52.
- War, revolution, and insurrection guaranty, 107-108.
- Withholding tax, 84.
- Work conditions, 52-53.
- Workers, foreign, employment of, 54.
- Work permit, 14.

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