



Vietnam Market Entry

# Make in Vietnam

2019 and beyond





## **KPMG was established in Vietnam in 1994, at a time when Vietnam was opening its doors to foreign investment.**

KPMG is one of the largest professional-service firms in Vietnam with offices in Hanoi, Ho Chi Minh City and Da Nang. KPMG also has an office in Cambodia's capital city Phnom Penh. With more than 1,600 professionals in Vietnam, KPMG has ability to deliver full range of international-standard professional services encompassing:

- Audit
- Consulting
- Deals, Tax & Legal

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 terms of revenue, partner numbers, and overall human resources. KPMG has also received awards and accolades from 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 regularly advises the Government of Vietnam and international organisations in support of Vietnam's reform and integration programmes.

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# Why Vietnam?

**The fast growing market offers a number of attractive attributes for both domestic and foreign investors:**

## ● **Fast Growing Economy:**

As one of Asia's and the world's fastest growing economies, Vietnam's GDP is estimated to have grown at 7.08% in 2018.

## ● **Integration to Global Economy:**

Vietnam's participation in 13 signed FTAs including the CPTPP has led to increased investment in recent years. These agreements bind Vietnam to a multilateral rules-based trading system, and have been incredibly successful at powering Vietnam's export story

## ● **Strategic location:**

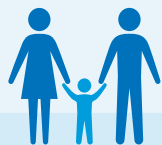
The Mekong Region (including Vietnam, Thailand, Cambodia, Laos, Myanmar, and the southern provinces of China) provides access to a market of over 250 million people.

Vietnam also enjoys regional connectivity with Association of Southeast Asian Nations (ASEAN) economies and a strategic position on the Eastern Sea with existing transportation routes to the world.

# Vietnam in numbers



Land area  
Approximately  
**330,000km<sup>2</sup>**  
Capital City  
**Ha Noi**  
Provinces  
& Cities **63**



Population  
**96.4** (2018)  
million  
**98.2** (2020(f))  
million



Avg annual Income  
**US\$2,200-2,500**



**69.9%**  
is working age  
Average age  
**32**



Total FDI registered  
capital  
**US\$35.5** billion (2018)  
New FDI projects  
**3,046** (2018)



GDP Growth %  
**7.08%** (2018e)  
**6.2%** (2020(f))



GDP  
**US\$239**  
billion (2018)  
**US\$270**  
billion (2020(f))



GDP/capita  
**US\$2,587**  
(2018)  
**US\$2,752**  
(2020(f))



GDP by sector (2018e)  
**41.17%** Service  
**34.28%** Industry  
**14.57%** Agriculture



Inflation  
**3.54%** (2018)

Source: GSO, EIU, Worldbank

## Import (\$billion) 2018

Total **\$237.5 billion USD**



**42.5**  
Computers,  
Electronics

**12.5%** ↑



**33.7**  
Machinery,  
Instruments

**0%** ↑



**16.0**  
Telephones and  
parts thereof

**2.6%** ↓



**15.3**  
Textiles and fabrics

**35.4%** ↑



**9.8**  
Iron, Steel

**9%** ↑

(year to year growth)

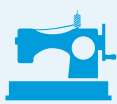
## Export (\$billion) 2018

Total **\$244.7 billion USD**



**50.0**  
Telephones and  
parts thereof

**10.5%** ↑



**30.4**  
Textiles  
and garments

**16.6%** ↑



**29.4**  
Computers,  
Electronics

**13.4%** ↑



**16.3**  
Footwear

**11%** ↑



**16.5**  
Machinery,  
Instruments

**28%** ↑

(year to year growth)

Source: GSO

Why KPMG

# Why KPMG is the Clear Choice for foreign investors

**KPMG can provide foreign investors knowledge and advices on:**



**The business environment**



**Dealing with the government**



**Operating procedures for foreign companies**



**Adapting the business model**



**Cultural sensitivity and adeptness**



**Anti-Bribery and Corruption policies**



**Talent acquisition and retention**



**Capital investment and management**



**Local and foreign leadership integration**



**Local business practices**



**On the ground trusted advisor**



**Time expectations for returns**

Why KPMG

# Market Entry Group

“

We have responded to the need for comprehensive, reliable and quality Market Entry support through compiling a team of professionals drawn from KPMG's Deal Advisory - Tax & Legal in Ho Chi Minh City and Hanoi.

”

## Warrick Cleine

Chairman & CEO

KPMG in Vietnam and Cambodia



**Vietnam M&A Forum 2018** (August) in HCM City

KPMG's Chairman and CEO **Warrick Cleine** (speaking),

Vuong Dinh Hue, H.E, Deputy Prime Minister (fourth from the right),

Nguyen Chi Dung, Minister of Ministry of Planning & Investment (third from the left)

Coming from various backgrounds including accounting, finance, tax and law, our experts 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 Vietnamese market.

# Market Entry Group

“

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

**Dr. Nguyen Cong Ai**

Senior Partner

Head of Strategy Group

KPMG in Vietnam



## Market due diligence

We will provide advice on your proposed business activities, including the options available under Vietnamese investment regulations and international commitments.

## Regional and location analysis

Our expertise permits us to provide you specific advice concerning the geographical areas attracting investments incentives.

## Corporate intelligence / Background check

Our research team can provide market, government and competitor intelligence, relevant to your business decision.



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.

# Market Entry Strategy

“

Our Strategy team advises clients on the issues that influence their investment decisions.”

## Luke Treloar

Director, Strategy Group  
KPMG in Vietnam



The 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.

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

### Market due diligence

With your planned investment in mind, we study the market size and growth potential, regulatory and competitive environment, key drivers and possible future developments in detail. 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.

### Corporate intelligence / background check

Keeping in mind that having the right partner in a new market is the

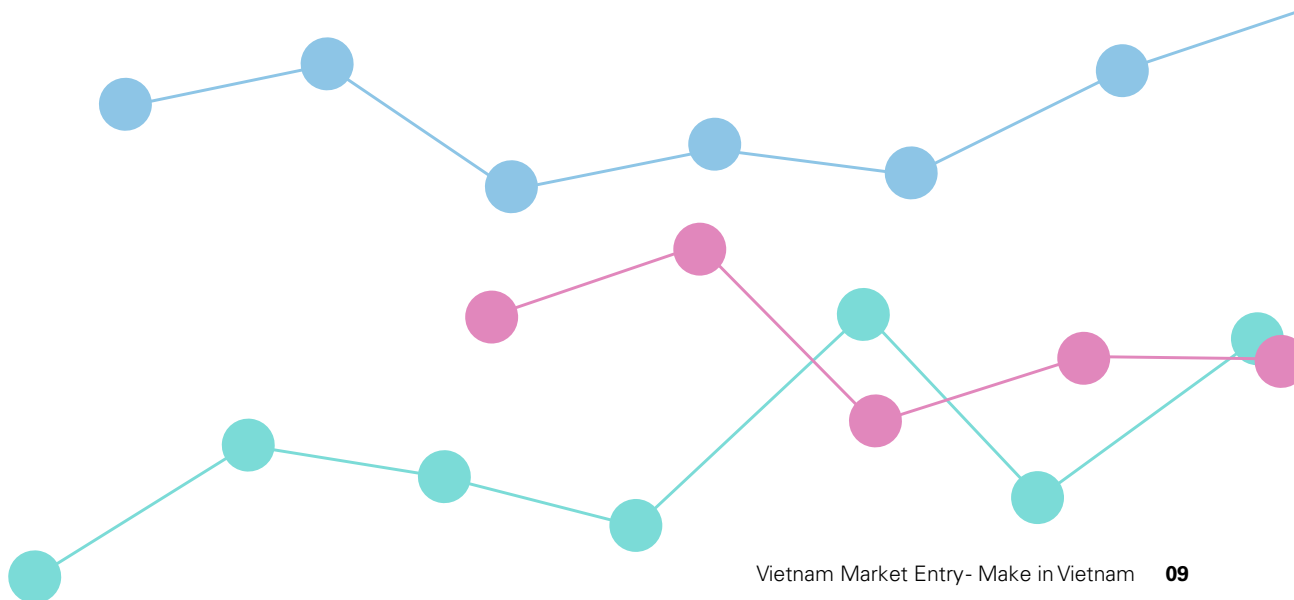
key to success, we help you assess your business partner in Vietnam by evaluating their business licence, operations, and financial situation, as well as the reputation of the management team.

### 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 short, a CDD is the process of evaluating a target in 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. Most importantly, we will challenge the target company's forecast growth assumptions in light of market changes.

### Regional and location analysis

The process of choosing the right location for your operation can be tricky. 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.

### Profit and capital repatriation strategies

Profits can generally be repatriated, and without the imposition of additional capital repatriation taxes or the like, so long as the company is profitable and has fulfilled all applicable taxes and financial obligations and has met certain regulatory requirements. Conversely, retained earnings can be reinvested into the company or be used to make further investments per the business plan of the company.

### 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.

### Labour issues

Our consultants can advise you on salary requirements, social security, pensions, and unemployment and health insurance. In 2018, obtaining a work permit for foreigners has become more and more difficult and time consuming, due to the more stringent regulations as well as stricter licensing practice applied by the local labour authorities in the past few years. Our consultants can assist you to obtain a work permit.

### Our deliverables

Our research is conducted discreetly and on a confidential basis, and our reports can be provided in English, Japanese, Korean, Mandarin or Vietnamese.

### Japanese Desk:

**Taninaka Yasuhisa (HN)**  
yasuhisataninaka@kpmg.com.vn

### Chinese Desk:

**Chang Hung Chun**  
chchun@kpmg.com.vn

### Korean Desk:

**Won Il**  
ilwon@kpmg.com.vn

## New approved FDI by sector in 2018

### Industrial Manufacturing

\$5,883 million of total capital,  
585 new projects

### Real estate and Construction

\$5,101 million of total capital,  
203 new projects

### Textiles & Garments

\$2,279 million of total capital,  
352 new projects

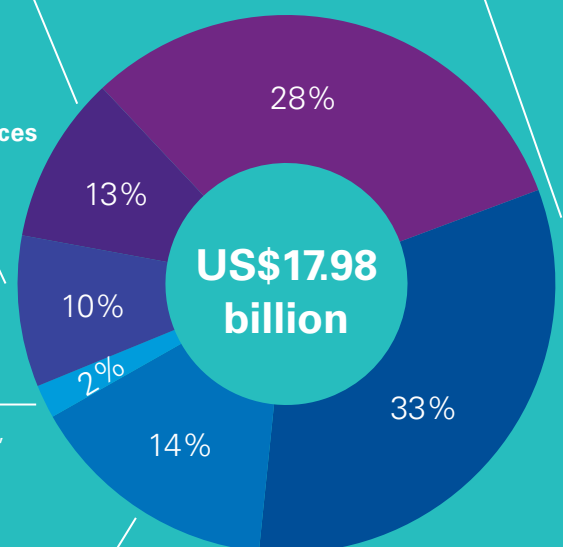
### Energy & Natural Resources

\$1,731 million of total capital,  
26 new projects

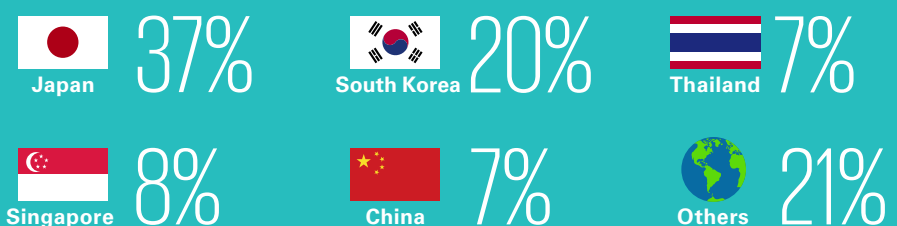
### Food & Drink

\$391 million of total capital,  
121 new projects

### Other



## FDI By Country in 2018 (by value)



How we can help

# Tax and Legal Analysis

“

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

”

## Richard Arthur Mark Stapley-Oh

Partner, Head of Legal  
KPMG in Vietnam



**The purpose of our Pre-Entry Issues Advice is to ensure that decisions and market entry plans are made based on all available information to avoid any surprises, and covers:**

### **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.

### **Vietnamese tax issues**

This includes discussions of corporate taxes, transaction-related taxes and import/export duties. Specifically, we will analyze and advise on ways to avail of applicable tax incentives.

### **Business licensing issues**

We will discuss the applicable licensing process, with a focus on Restrictions or conditions on foreign participation and procedures, and will highlight the practical issues associated with the process based on actual experience.

We can assist in discussing with the relevant licensing or tax authorities, either on a “no names” basis or in a formal manner, to obtain their view, or to assess their general attitude, on unclear or contentious issues, such as licensing procedures or tax treatment with respect to certain transactions.

### **Customs and supply chain analysis**

In conjunction with our Customs colleagues, we can discuss and rationalize your global supply chain and management of the same with reference to domestic customs regulations and applicable bilateral or multilateral free trade agreements.

### **Employee issues**

This includes employing foreign and domestic labour force, and associated tax and immigration concerns relating to the same.

### **Foreign exchange management:**

We detail foreign exchange issues and how to manage the same, as well as applicable accounting and financial reporting requirements



**International Tax Review, 2017**

# Managing Trade & Customs

“

Skillfully managing the customs-related elements of international trade requires special knowledge. And we have it! ”

## Nhan Huynh

**Partner, Integrated International Tax**  
KPMG in Vietnam



Multinational businesses must deal with a host of customs-related challenges regarding their cross-border operations. Customs rules can present complex challenges in any jurisdiction. However, if these rules are understood and managed, they can enable organizations to reduce operational risks, manage costs, yield savings and improve bottom line.

Vietnamese customs rules can be complicated and companies may only become aware of the complexity of the rules after they are approached by Customs authorities for potential violations. Most customs activities has been focusing on post-entry audits, mainly on customs valuation, harmonized code (HS) classification, and processing trade.

As Vietnam’s customs regulatory framework evolves, it becomes increasingly important for organizations to manage their customs strategies in a coordinated manner that is aligned with their overall business objectives. A proactive and cost-effective customs management plan involves opportunity planning and risk management, including compliance assurance, to ensure the business is open to various duty savings opportunities, and business operation is subject to customs’ close supervision.

### Background

The central government authority with respect to import and export management in Vietnam is the General Department of Customs (GDC). In addition, there are provincial customs offices that handle day-to-day customs matters and are subordinate to the GDC.

Since Vietnam becomes the official member of the World Trade Organization (WTO), transaction value has been applied as the primary method of appraisal for imports. Vietnam is also using the Harmonized System for tariff classification of imports and exports, being a member of the World Customs Organization (WCO).

Non-tariff barriers such as import restrictions, import licensing

requirements, complex customs regulations, stringent quality and quarantine procedures, and other administrative requirements continue to remain a concern for companies importing into and exporting from Vietnam.

### **The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) provides golden opportunity for Vietnam**

Vietnam has been very active in international trade for the past 25 years, negotiating trade agreements with its important trading partners, entering into multilateral arrangements such as the WTO and the ASEAN Economic Community (AEC), and more recently entering into the Vietnam-EU FTA and the CPTPP. These agreements bind Vietnam to a multilateral rules-based trading system, and have been incredibly successful at powering Vietnam’s export story, creating career opportunities and prosperity for Vietnamese people, and contributing to macroeconomic stability.

The CPTPP is incredibly important for Vietnamese exporters, as it will enable them to sell Vietnamese commodities and manufactured goods to other member firms, often free of duty. This should give Vietnamese exports an advantage when selling into markets such as Canada, Australia or Japan over exports from non-CPTPP countries, such as China or the US, or even other ASEAN members, such as Thailand or Indonesia.

The important thing for Vietnamese exporters to understand is that the CPTPP is a new-generation FTA, which imposes greater requirements on exporting countries to qualify for concessional treatment. Customs duties are a principal focus of trade agreements, and particularly the reduction or elimination of duties, provided conditions are met. This can extend to environmental, labour, and intellectual property issues. *It is not simply good enough to obtain a Vietnamese Certificate of Origin.*

“

### Impact of US-China trade dispute on Vietnam

The Trump administration is challenging multi-lateral rules-based trade policy, questioning the effectiveness of the World Trade Organization and imposing actual or threatened tariffs on certain trading partners, especially China. The US-China trade war creates significant long-term risks for Vietnam as the "America First" premise is based on a desire to move manufacturing jobs to the US, not to other countries, and because it undercuts the basis and importance of multilateral trading agreements, which have been very beneficial to Vietnam.

In the short term, though, manufacturers are seeking to move capacity out of China, avoiding punitive US tariffs

that will attach to a "Made in China" label, and Vietnam is a significant beneficiary of this trend. But this ought to be viewed in the context of a larger trend, now relevant for 25 years, of export manufacturers investing in Vietnam to utilise its famously productive labour, increasingly suitable physical infrastructure, and quality trade agreements. Vietnam is now one of the world's most important exporting nations, both in relation to commodities such as rice, coffee, pepper, and seafood, and more recently manufactured goods such as footwear, garments, and electronics.

**Warrick Cleins**, Chairman & CEO,  
on *Vietnam Investment Review*, December 19, 2018

”

## “Made in Vietnam” gets a boost

**“China Plus”**  
Model

**“Relocation”**  
Greenfield, M&A

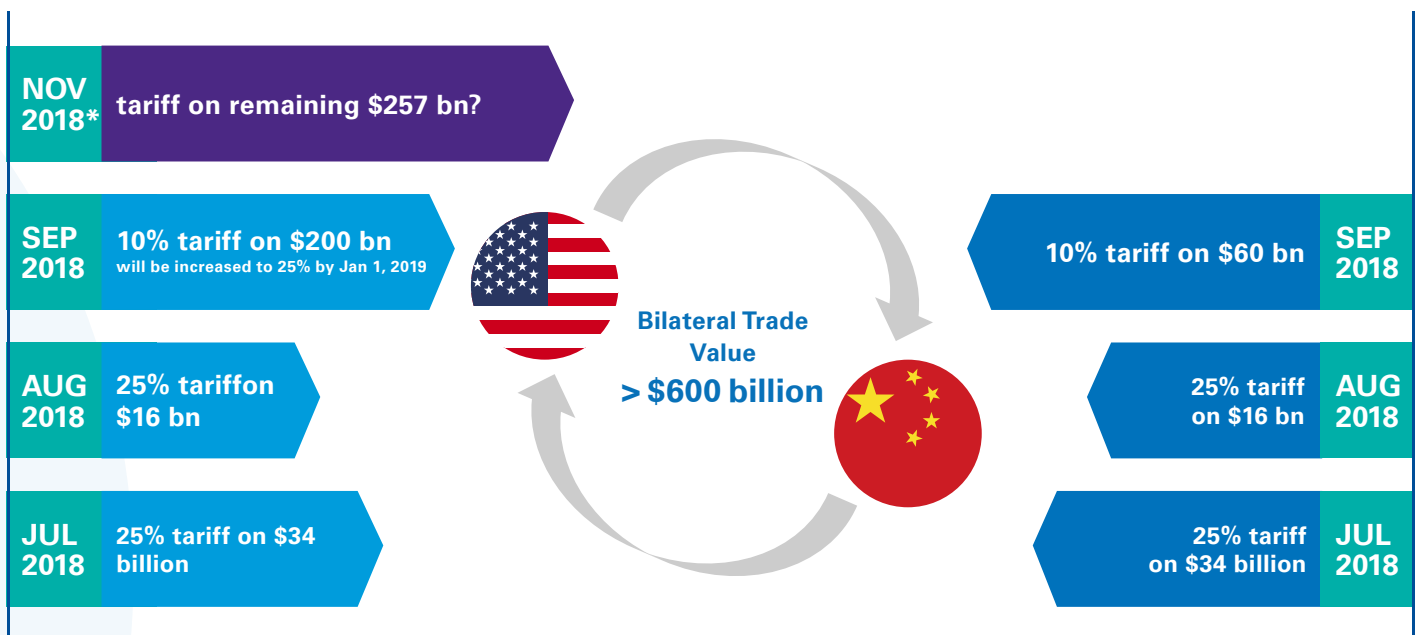
**“Southeast Asia”**  
Vietnam?



Tax imposed on China's  
Export goods



Tax imposed on US's  
Export goods



\*as at December, 2018

# Deal Execution



Global M&A Professionals, 2018

Year		Ranking
2018	KPMG	1 <sup>st</sup>
2016	KPMG	1 <sup>st</sup>
2015	KPMG	1 <sup>st</sup>
2014	KPMG	2 <sup>nd</sup>
2013	KPMG	2 <sup>nd</sup>
2012	KPMG	1 <sup>st</sup>

Source: Thomson Reuters SDC and Mergermarket

KPMG global M&A platform continue to be the leading choice for Deal Advisory.

**Which approach is taken in the licensing or deal execution phase will depend on the nature of the Market Entry strategy adopted. Acquisitions will include comprehensive financial, tax and commercial due diligence.**

## Commercial due diligence (CDD)

As we already mentioned, a CDD is the process of evaluating a target in 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.

## Tax and legal due diligence

Tax and Legal due diligence helps you to evaluate the potential tax liabilities of the target by reviewing and assessing the past, present and future tax situation of the company. Our professionals will work in close co-operation with your team and may approach the local tax authorities if required.

## Financial due diligence (FDD)

KPMG's Deal Advisory Services professionals will assist you in evaluating the target's financial situation and assessing the assumptions made in their projections.

## Licensing support

KPMG will help you to get a clear Deal Execution view of Vietnamese legal requirements, licensing procedures, as well as the latest policies from the Government by providing you with our research and analysis of current regulations tailored to your business needs and 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 that includes 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 required to be included in an application file; hence, we will follow up with the authorities until a full investment licence is issued.

## Negotiation assistance

We will assist you in negotiations 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 negotiations with various parties in Vietnam.

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.



# Vietnam M&A landscape



estimated total value of M&A transactions in 2017



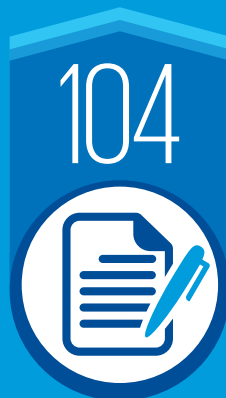
of 2017 M&A transactions in terms of value involve FDI



largest M&A deal in 2017



double-digit growth rate in M&A (2007-2017)



number of closed M&A Deals in 2017



expected number of deals in 2018 and 2019 combined



deal size range for 90% of total deal volume in 2017

## A big push in the Vietnamese M&A market

The privatization of SOEs such as Sabeco and Vinamilk has been a big push for the Vietnamese M&A market and is expected to continue in coming time with the upcoming privatization of PVOil, Genco3, Habeco, etc.

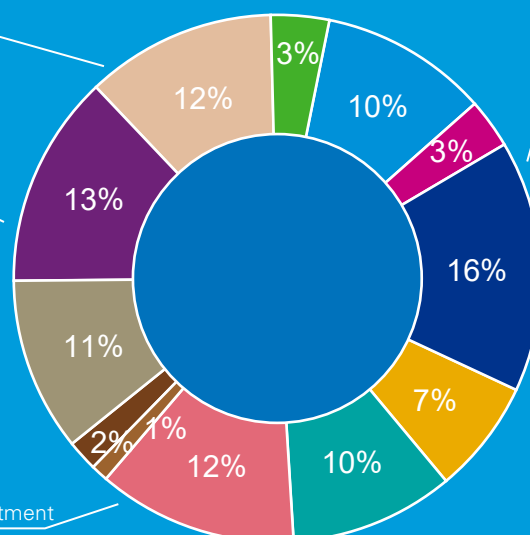
The positive macro picture of Vietnam in recent years has attracted significant cash inflow from global investors, which seek to capitalize on the growth of middle class and consumer market.

## Industrials, Consumers and Real Estate are among the most attractive target sectors.

Consumer Staples: Packaged Foods and Meats

Consumer Discretionary: Home Furnishing

Real Estate: Office & Apartment



Industrials: Construction & Engineering

- Industrials
- Consumer Discretionary
- Materials
- Energy
- Utilities
- Others
- Financials
- Consumer Staples
- Information Technology
- Healthcare
- Telecommunication
- Real Estate

Source: KPMG analysis, Capital IQ, accessed on 05 January 2018

Deal volume breakdown by sector from 2007 – 2017



## Japan leads with volume, Thailand leads with value...

The recent highlighted M&A transactions in Vietnam are the government's divestment in Sabeco; the acquisition of Big C Vietnam and Metro Cash & Carry Vietnam.

By Volume	2007- 2017
Japan	169
Singapore	82
United States	80
South Korea	52
Malaysia	46
Thailand	43
United Kingdom	34
Denmark	26
Taiwan	22
France	21

By Value (USDm)	2007- 2017
Thailand	9,484
United States	2,235
Japan	2,120
Singapore	1,788
France	1,176
Netherlands	895
Taiwan	656
Malaysia	597
United Kingdom	570
Hong Kong	472

Source: KPMG analysis Capital IQ

## Key deal considerations

### 1. Transaction process matters

Agreements/contracts (with other business partners, suppliers and customers) that prohibit the Target(s) from entering the potential transaction or working with other partners

Extended, inefficient process - expect delays

Short term business planning by the Target(s)

Unrealistic pricing expectations / lack of basis for pricing

Changing deal structure and parameters

### 2. Financial due diligence matters

Two accounting books (for tax purpose and management purpose)

Accounting errors

Non-compliance with international accounting policies (e.g. IFRS)

Inadequate records, controls, governance

Real underlying earnings of the business/ impact of one-off/non-recurring items

Related party transactions

Funding - cost and availability of debt, business impacts

Instituting change post deal

Commitments and contingencies

### 3. Taxation and structural matters

Non-compliant tax practices and tax payments

Unreliable indication of the future rate based upon historical effective tax rate

Lack of legitimate supporting documents to determine actual deductibles

### 4. Legal and regulatory matters

Changing/inconsistent regulatory landscape

Foreign ownership restrictions/limitation

Nominee structures / legal and beneficial ownership

Lock-up period / Right of first refusal

Lacking licenses and permits

Unenforceable commercial contracts

No culture of compliance

Contingent liabilities from commercial disputes

Ownership to immovable property not reflected in Land-use-right

Mortgaged assets / immovable property

Present and future environmental obligations

### 5. Valuation matters

Income approach is the primary valuation approach for companies which generate a steady income stream that provides an adequate return on the capital employed

The quality of the financial projections prepared by management of the Target(s) and/or Acquirer ("Management") will largely determine the robustness of the valuation result

In order to estimate the fair value of the Target(s), minority interests should be identified and deducted (if any)

# 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. ”

## Nguyen Minh Hieu

**Partner, Due Diligence**

KPMG in Vietnam



### **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.



**Global Sourcing Association, 2018**



**Global Sourcing Association, 2018**



**Ministry of Planning and Investment, 2007 - 2017**

# Post Deal Support

“

Our team works closely together to help you focus on key questions at each stage of the process, working with you to overcome even the most challenging aspects of the integration.”

## Macallister, Ross

**Managing Partner  
Head of Consulting Services**

KPMG in Vietnam



### Consulting Services

It is critical that integrations or divestitures are planned and implemented effectively so that they can realize their stated goals that led them to the transaction in the first place. Companies are seldom able to sustain an internal group to facilitate this whilst also maintaining business as usual. Our Consulting Services team can provide the necessary experience and effectively support you in realizing value as quickly as possible, while meeting statutory requirements.

Our professionals combine strong technical capabilities with relevant industry experience and the ability to offer practical advice with draws on our extensive domestic and international resources.

### By smoothly consolidating operations and streamlining processes

during the transaction closing process and in the months after a merger, we can help you realize the expected benefits of the deal. These benefits include both cost and revenue synergies related to rationalized organization structures, consolidating back-office, information technology, supply chain and operational functions, and optimized sales channels.

### Some of the services we provide are:

- Integration/Divestiture Management Office services and change and communications management
- Preparation for “Day One”
- Target operating model and organizational design
- Functional integration including: Finance; IT; HR; Supply Chain; Procurement; Sales & Marketing; Customer Services
- Risk & Compliance



**Ministry of Finance (2016),  
Alphabe (2018)**



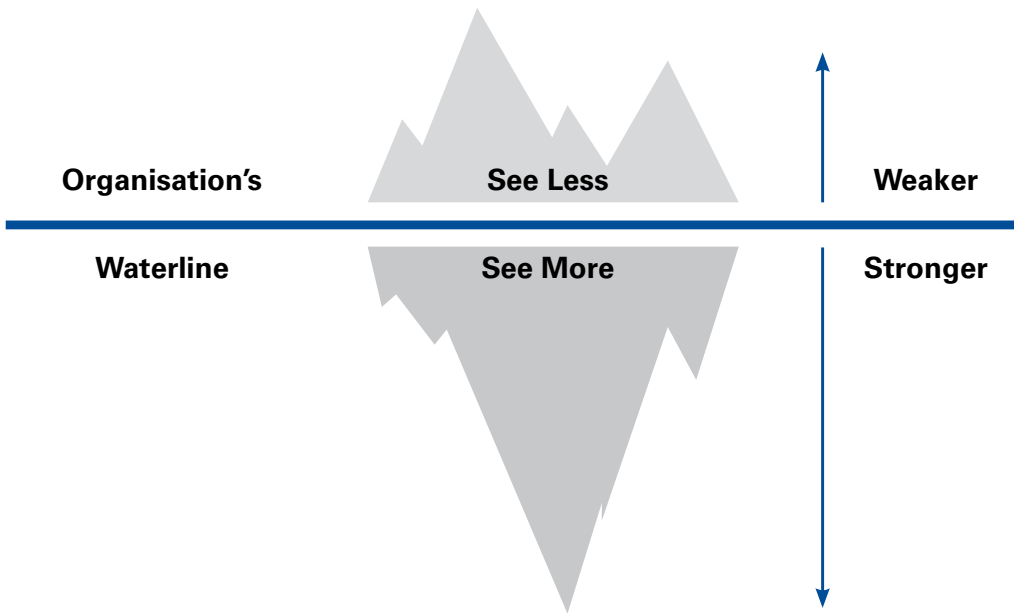
**Vietnam Economic Times,  
2006 - 2018**



Ready to trade

# Protecting your business from fraud, misconduct and noncompliance

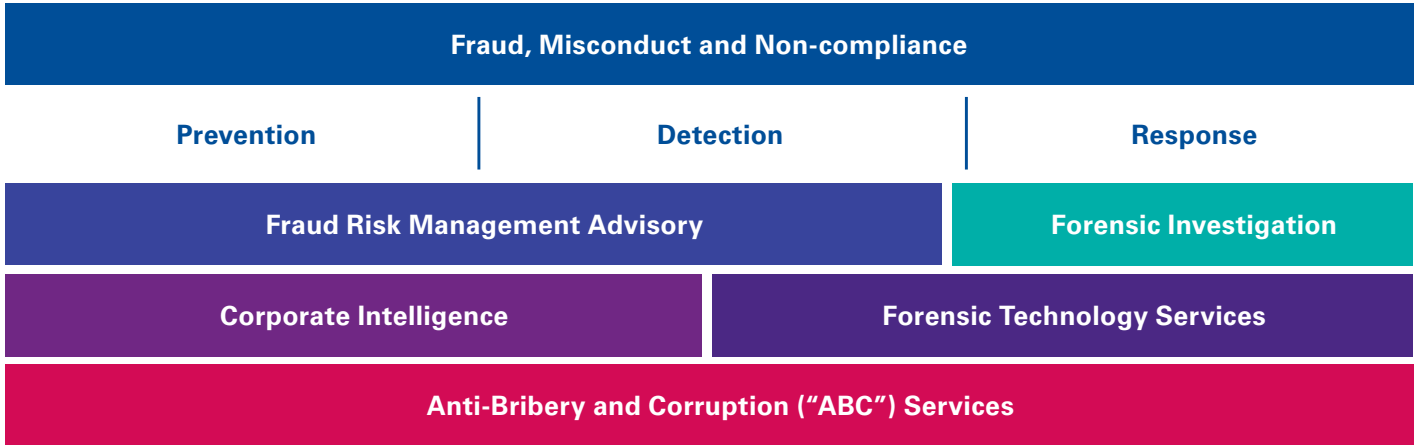
Do you know the monetary value of what is hidden beneath the ‘waterline’? An organization cannot manage the risks it cannot “see”.



## Fraud Risk Management Strategy Antifraud Program and Controls

We deal with all aspects of misconduct, fraud and infringements of regulations in organizations. We provide our clients with support in the prevention, detection and handling of fraud, misconduct and non-compliance. Our aim is to reduce risk for our clients and to minimize potential damage arising from fraud and misconduct. We work discreetly and in

close cooperation with our clients and their advisors, based on the facts and in compliance with official regulations. We provide expert support using the latest tools within the scope of our investigations and offer quick, professional approaches to prevent fraud, misconduct and non-compliance wherever necessary.





## Anti-Bribery & Corruption (“ABC”) Services

We have a full suite of services related to helping organizations prevent, detect, and respond to ABC concerns. Our ABC compliance methodology shows how an individual, solid compliance program is devised and tailored to the size and risk factors of the organization in question. We work proactively with clients and support clients in fulfilling their compliance obligations. We also help clients respond to official measures or investigations. We support clients in design and implementation of ABC measures as well as auditing existing compliance programs and use our knowledge to establish where improvements.

### ABC Compliance Program Design and/(or) Evaluation

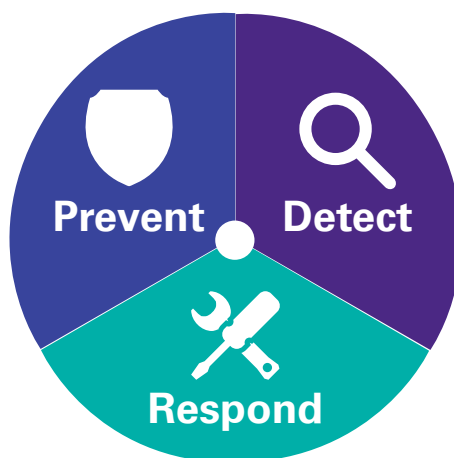
We help clients understand the bribery and corruption risks they face, evaluate existing ABC measures, train staff and develop effective ABC controls. We have in place a highly experienced and committed team, led by professionals who have ‘been there, done that’ and will work collaboratively with the organizations to strengthen and improve their organization’s ABC risk management framework based on related Vietnamese laws/decrees/circulars and other “better” practices (e.g. guidance implicit in the US FCPA and/or the UK Bribery Act).

### ABC Acquisition Due Diligence

KPMG assist clients in identifying and assessing bribery and corruption risks within acquisition targets as well as evaluating the policies and procedures, internal controls, and books and records in place within the targets to mitigate the possible bribery and corruption risks in order to inform the M&A process.

### Bribery and Corruption Investigations

We support clients in investigations into allegations or suspicions of violations of bribery and corruption laws (e.g. U.S. Foreign Corrupt Practices Act) and related anti-bribery and corruption statutes, regulations and codes.



### Third Party Intermediary Management

We help clients to conduct risk-based due diligence on potential or existing third-party relationships using our global network of Corporate Intelligence professionals to identify potential fraud, bribery and corruption risk issues and formulate risk mitigation techniques.

### ABC Compliance Review (Continuous Monitoring)

ABC Compliance Continuous Monitoring –We help clients to develop and deploy internal audit plans and strategies that leverage KPMG’s sophisticated data analytic capabilities designed to prioritize testing approaches for areas of heightened risk.

Third-Party Compliance and Assessments –We help clients to test third-party compliance with the terms of contracts and other business standards that govern their Conduct.

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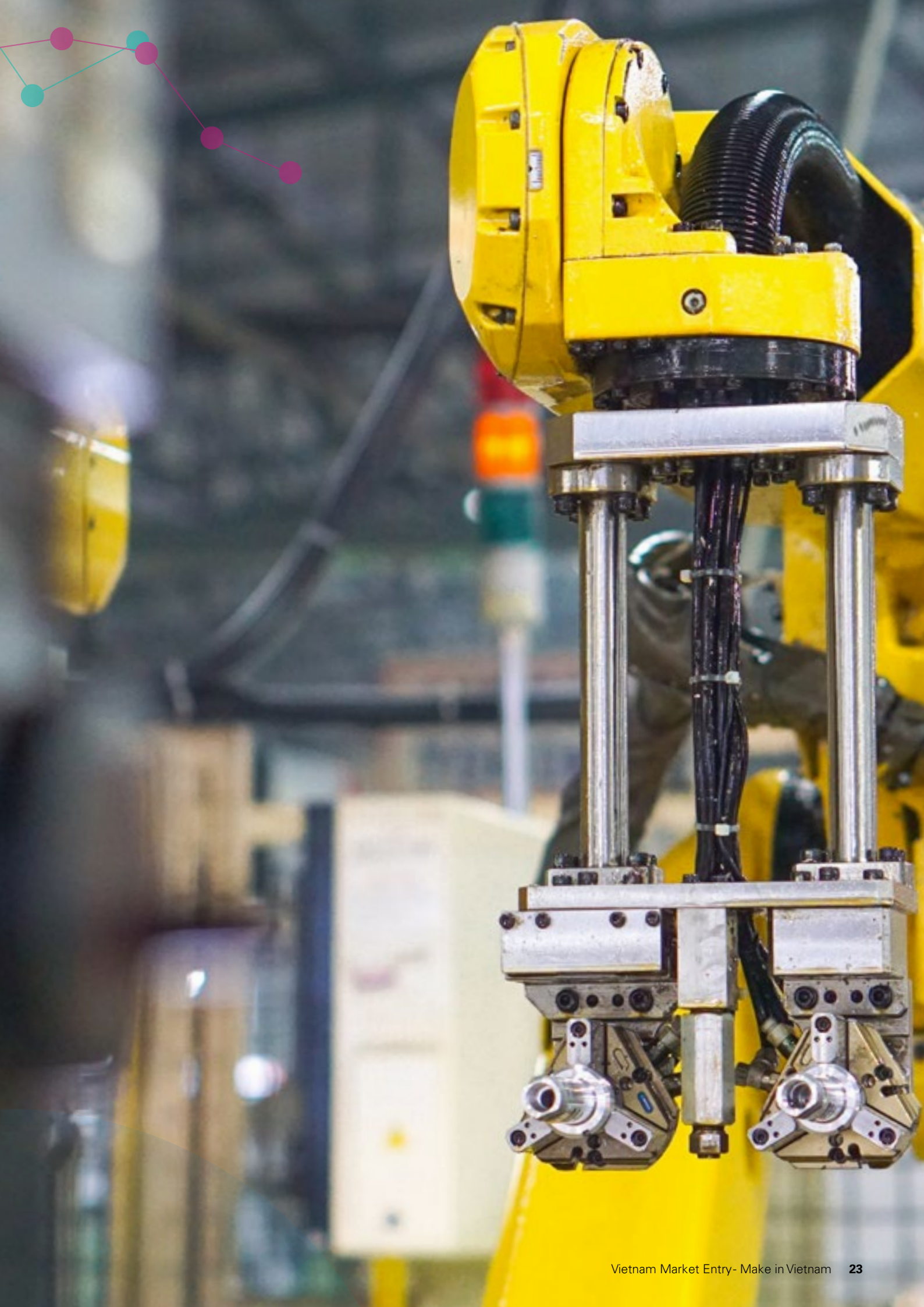


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