



LEGAL UPDATE

DECREE 15 ON FOREIGN-INVESTMENT IN VOCATIONAL TRAINING INSTITUTIONS

Decree No. 15/2019/ND-CP (**Decree 15**) entered into force on 20 March 2019.

Decree 15 offers detailed instructions on the implementation of the Law on Vocational Education and Training (**LOVET**), and is expected to attract foreign investment in the vocational training.

In this update, we will set out the most important points.

1. Establishment of Foreign-Invested Vocational Institution

Before a foreign investor launches a project of vocational institution, at least the following conditions must be taken into considerations:

- If required, an investment registration certificate needs to be obtained;
- A minimum land area corresponding to the type of institutions needs to be obtained which are:
 - basic vocational centre: 1,000m²;
 - secondary-level vocational training centre
 - in an urban area: 10,000m²; and;
 - in a suburban or rural area: 20,000m²;
 - 20,000m² for a vocational training college in an urban area; and
 - 40,000m² for a vocational training college in a suburban or rural area.
- Required investment capital is:
 - at least VND 5 billion for a vocational education centre,
 - VND 50 billion for a secondary-level vocational centre; and
 - VND 100 billion for a vocational training college;
- The training curriculum must meet the requirements set out in the LOVET;
- Secondary-level vocational training centres and vocational training colleges must include the mandatory subjects prescribed by the Ministry of Labour, Invalids and Social Affairs;

2. Branches and Representative Offices

2.1 Branch

Decree 15 permits a foreign investor to establish branch, being a division of the secondary vocational institution or college. The following criteria must be met by the foreign investor. There must be:

- A detailed project explaining the necessity of a branch, the name and scope of the branch, and details about the areas and subjects for which training will be provided;
- An investment capital amount of 25% of the capital required to establish full-ledged vocational training institutions as mentioned before; and
- An agreement to rent the physical facilities for at least 5 years.

2.2 Representative Office

A foreign vocational educational institution could establish a representative office for 5 years with the objective to increase cooperation with Vietnamese partners, manage the implementation of partnership agreements with local partners, hold seminars, and provide counseling services. The usual prohibition of not being allowed to be involved in profit rendering activities and setting up of branches apply. Also, the foreign institution should have operated at least 5 years in the country of origin and must have a legal entity status.

For more information, please contact:

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