China vs Vietnam

More ownership. More scale. Room to grow.

A practical guide to ownership, tax, visas and business growth.

COMPARE	CHINA | THE OPPORTUNITY	VIETNAM
Foreign ownership	**100% foreign-owned** in many sectors; activity restrictions apply.	**100% foreign ownership** in many sectors; market-access conditions and licences may apply.
Corporate income tax	**5% effective CIT** for qualifying small companies with annual taxable profit up to RMB3m.* Standard rate: 25%.	**20% standard CIT**; eligible firms: **15%** revenue up to VND3bn, **17%** over VND3bn to VND50bn.
VAT / sales tax	**1% on eligible transactions** for small-scale taxpayers, generally with sales up to RMB5m.*	**10% standard VAT**; eligible supplies reduced to **8% through 31 Dec 2026**. Other rates apply.
Dividend tax	**20% for foreign individuals** from 1 Sep 2026. Corporate shareholders have different rules.	Generally **5% investment-income tax for individuals**; legal-form exceptions may apply.
Repatriating profits	**Permitted after tax and distribution compliance.** Banks review corporate, financial and tax records.	Permitted after tax and reporting compliance. **Audited accounts and advance tax-office notification** generally required.
Family visa rights	**S1:** eligible spouse, parents, children under 18 and parents-in-law; residence application required.	Eligible **spouse and children under 18** may join qualifying resident sponsors; parents generally visit.
Hiring & capital	**No general nationwide 4:1 hiring rule.** Local work-permit and capital requirements apply.	Foreign LLC owners/members contributing **VND3bn or more** can qualify for work-permit exemption; procedures apply.
Work & residence	Eligible founders can apply through a **genuine operating company**; applicant and job criteria apply.	**Investor or employment route** depends on capital, role and eligibility; incorporation alone is insufficient.
Market size	**Around 1.4 billion people.** A large domestic customer base; demand varies by product.	**Around 102 million people** (2025); a growing consumer and manufacturing market.
Supply chain & talent	**Broad industrial supply chains** and a large workforce for sourcing and scaling.	Growing export-manufacturing base; China offers broader component and machinery networks.
Banking & setup	**Multilingual local support** for documents, appointments and bank coordination. Bank approval required.	Foreign investment may require investment and enterprise registrations, plus an investment capital account.

* China: 5% CIT needs total profit <= RMB3m, <= 300 staff, assets <= RMB50m and eligible activity. Small-scale VAT conditions apply; input VAT generally not deductible. Both concessions end 31 Dec 2027. Standard China VAT rates differ. Dividend figures concern foreign individuals/nonresidents, not total personal tax; treaties may reduce rates. Family rights depend on route; work rights vary. Population figures are rounded 2025/26 estimates. Reviewed 29 Oct 2026.

LET'S TALK CHINA.

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