



# Coalition of Service Industries

## Highlights of US-Vietnam WTO Accession Agreement Relating to Services

The US-Vietnam bilateral market access agreement secures high-quality, commercially valuable commitments in services sectors of importance to US companies. Under this agreement, US companies will enjoy national treatment, and be able to establish and operate in the most suitable corporate form. Vietnam's services commitments offer the following:

- **Banking.** Vietnam's commitments cover foreign bank branches, and as of April 1, 2007, US banks will also be able to establish wholly US-owned subsidiaries. The agreement will permit service through ATMs.
- **Insurance.** US insurers will be able to establish 100% US-owned subsidiaries upon accession, and open direct branches in non-life after 5 years. Certain lines of statutory insurance will be open to foreigners one year after accession.
- **Securities.** In 5 years after Vietnam's accession, foreign securities firms will be able to operate as wholly foreign-owned enterprises or branches in key sub-sectors, such as asset management, advisory, and settlement and clearing services.
- **Energy.** Vietnam will phase out barriers to foreign participation after 3 to 5 years depending on the sector. Contractual suppliers will not be required to establish commercial presence. US energy services firms will be able to compete for energy projects in exploration, development, and other energy services on a national treatment basis.
- **Express Delivery.** Upon accession, Vietnam will allow joint ventures with foreign majority ownership. Wholly foreign-owned enterprises will be allowed after 5 years. The agreement also creates a level playing field with the local postal monopoly.
- **Telecommunications.** Vietnam joined the Basic Telecom Reference Paper, which provides for a level playing field with local telecom monopolies, and ensures independent regulation and transparency. Vietnam will allow foreign companies to have majority ownership in key telecom sectors.
- **Business Services.** Vietnam's commitments cover legal, accounting, architectural, engineering, consulting, computer and related services, and others. US service providers will be allowed to operate as 100% US-owned enterprises in professional and business services, either upon accession or after a short phase-in period.
- **Distribution.** Vietnam's commitments cover wholesale, retail, direct sale, and franchising services. US distributors will be allowed to distribute imported and domestically produced goods. Wholly foreign-owned subsidiaries will be allowed in 2009.
- **Transportation.** US companies will be able to provide aircraft maintenance and repair services through joint ventures upon accession or as wholly US-owned companies after 5 years.
- **Environmental Services.** Vietnam will allow US providers through joint ventures upon accession, or as 100% US-owned enterprises after 5 years.
- **Hotels and Restaurants.** The agreement provides market access to US lodging and hotel management companies.
- **Transparency.** Vietnam has made significant commitments that will enhance regulatory transparency, including commitments for prior notice and comment.
- **Acquired Rights.** US enterprises that are already operating in Vietnam will be able to continue to operate under the conditions stipulated in their licenses after Vietnam joins the WTO.
- **Intellectual Property Rights.** Vietnam has committed to improve its laws to bring them into compliance with the Trade-Related Intellectual Property Rights (TRIPS) agreement.