

## CHAPTER 2

# INCORPORATION OF FOREIGN BUSINESS ENTITIES IN VIETNAM

## 1. Introduction

When a company makes the decision to establish a presence abroad, it faces numerous questions about the legal form of that presence under the laws of the foreign jurisdiction. This requires a thorough understanding of applicable local laws.

When a foreign company decides to establish a presence in Vietnam, the choice of legal form for that presence often depends largely on the following issues:

- a) whether the legal form provides limited liability to the foreign company;
- b) the ease and expense of registration and compliance with other regulatory requirements for the given business; and
- c) the tax strategy pursued by the foreign company.

## 2. Subsidiaries/Affiliates

Like other foreign countries, Vietnam has a variety of legal forms that may be used for the formation of a subsidiary. Some countries prohibit foreign parties from establishing wholly owned subsidiaries, and some limit the types of activities in which wholly or partly foreign-owned enterprises may engage. In other countries, in order to attract foreign investment, enterprises with foreign ownership may be entitled to special tax or other privileges.

Unlike a liaison or branch office, a subsidiary is a legal entity separate from the foreign country's parent company. A primary objective of establishing a separate entity is to limit the liability of the parent company. Like the laws of other foreign countries, the liability of the parent company is generally limited to its capital contribution to the subsidiary. However, "piercing the corporate veil" is a concept that is not limited to Vietnam. A wholly owned foreign subsidiary that is thinly capitalized, controlled, and managed by its parent, and serving the business interests of its parent may be deemed, for liability purposes, to be part of a single enterprise with the parent, subjecting the parent to the liabilities of the subsidiary.

A subsidiary with limited liability will almost certainly be treated as a taxable entity in Vietnam. Taxation in the foreign jurisdiction is not a decisive factor, in choosing the form for a foreign subsidiary as every form of a subsidiary shall enjoy the same tax treatment.



In Vietnam, as the incorporation process is relatively lengthy, with the necessary approvals taking many months. To shorten their clients' time for setting up a company, the clients may set up generic companies that can be acquired and renamed by new investors. While the costs of purchasing a company “off the shelf” are usually comparable to the costs of forming a new company, it is frequently more expedient to use a ready-made entity than to form an entirely new one.

### *Multiple or Single Member Limited Liability Company (LLC)*

A foreign investor which wants to be present directly in Vietnam can set up a new enterprise in Vietnam as a Single Member LLC that is wholly owned by the foreign investor.

Alternatively, two foreign investors could jointly set up a Multiple Members LLC in Vietnam that is wholly owned by each of the foreign investor based on their respective shares held in that Multiple Member LLC.

### *Shareholding Companies (Joint Stock Company-JSC)*

A joint-stock company is a limited liability legal entity established through a subscription for shares in the company. Under Vietnamese law, this is the only type of company that can issue shares. The charter capital of a joint-stock company is divided into shares and each founding shareholder holds shares corresponding to the amount of capital the shareholder has contributed to the company. A joint-stock company is required to have at least three shareholders with no limit on the maximum number of shareholders. The governance of a joint-stock company includes the general meeting of shareholders, the board of management, the chairman of the board of management, the general director and a board of supervisors (where the joint stock company has at least 11 shareholders, or if a corporate shareholder holds more than 50% of the shares of the joint-stock company).

### 3. Joint Venture Companies (JVCs)

A joint venture entity may be established to penetrate a foreign market, using the good will and experience of an established local company and/or complementary technology or capabilities to promote the products and services of the foreign investor, or to engage in an entirely separate business. A joint venture has the advantage over a wholly owned subsidiary of spreading costs and risks, but it often entails complicated issues of management and control and may be subject to greater regulatory requirements.

Like other foreign countries, Vietnam allows a joint venture company to be established in the form of LLCs, JSCs and Partnerships. Forming and operating a joint venture is generally more complicated than forming and operating a wholly foreign-owned entity. In addition to the documents usually required for the formation of a subsidiary, a joint venture requires the development of a joint venture agreement. Such an agreement covers issues typically addressed in a domestic shareholders agreement, including restrictions on transfer, buy-sell arrangements, and management and control provisions. In Vietnam, this document is required to be filed along with other registration documents.

### 4. Partnership

Most countries have partnership forms that are generally analogous to limited and general partnerships in other foreign countries. Partnership is one of the forms of business entities regulated in Law on Enterprises of Vietnam. A remarkable disadvantage of this form is that a partnership cannot issue securities to raise capital. A partnership requires at least two members who are joint owners of the company (i.e., general partners of the company). A partnership consists of two types of members: general partners and limited partners.

The biggest difference between them is property liability and management capacity. For general partners, they are entitled to fully control a partnership, but these partners must be responsible for the company's operation with all their property. On the contrary, limited partners only contribute capital, enjoy profits (if any) and do not participate in the management of the business.

Theoretically, there are no regulations that claim foreign investors cannot be a member of partnerships, which means they can be either general partners or limited partners. However, specific

regulations in the Law on Investment only mention and provide guidelines for registration of foreign investors to be limited partners.

## 5. Social Enterprises

According to the data from the Department of Business Registration Management's system (Ministry of Planning and Investment), by the end of April 2020, there were about 114 social enterprises with the main types of legal form being: joint stock companies and limited liability companies. Social enterprises must be incorporated in the form of an enterprise, other than the form of a cooperative or a business household.

Social enterprises in Vietnam are active in various fields, but still mainly focus on the agricultural sector. According to the Research Report on the Current Status of Social Enterprises in Vietnam, the most popular field in which Vietnamese social enterprises operate is agriculture - accounting for 35%; followed by health (9%), education (9%) and environment (7%); child care 5%; employment and skills 4%; retail 4%; business support 3%; industry (web; design, printing) 2%; health care 2%; financial support and services 2%; social care 2%; traffic 2%; culture and entertainment 1% and other fields 35%.

In general, three basic characteristics of social enterprises includes:

### *Social enterprises operate through fundings*

According to Article 3 of Decree 96/2015/ND-CP, social enterprises are entitled to receive financial aids to achieve goals of solving social and environmental problems. The main source of aids comes from the following agencies: (i) foreign NGOs; and (ii) domestic and foreign individuals, agencies, organizations and organizations that have registered to operate in Vietnam.

The main form of aid is property, financial or technical assistance. When receiving aids, enterprises must carry out the procedures to notify about the receipt of aids.

### *The main goal is to solve social and environmental problems*

Under Article 10.1 (b) of the Law on Enterprises 2020, a social enterprise is an enterprise whose operational objectives are to solve social and environmental problems for the benefit of the community. Profit is not the operating goal of a social enterprise.

### *Social enterprises use at least 51% of profits to reinvest*

Under Article 10.1 (c) of the Enterprise Law 2020, social enterprises must use at least 51% of their total annual after-tax profits for reinvestment in order to achieve their registered goals. This ratio has been adjusted compared to the past when the Enterprise Law 2014 stipulates only 50%.

In the situation where social enterprises do not use at least 51% of the total annual profit after tax for reinvestment, they will be penalized according to Article 40 of Decree 50/2016/ND-CP, specifically: a fine ranging from 15 to 20 million dong; additional sanctions: forced to add enough capital for reinvestment to achieve social and environmental goals as registered.

## **6. Business Trust**

In Vietnam, there is no concept or definition of business trust whose characteristics are well-described in common law countries. In practice, some funds or organizations with some features of business trusts, have often been used for managing investments in securities, real estate, and other businesses.

### *Legal Consideration*

Business trusts is deemed as alternative forms of business associations. In general, matters relating to business trusts will be governed by general principles as set out in Civil Code and relevant laws, including:

- a) agency/authorization;
- b) duty of loyalty and fiduciary;
- c) obligation of trustees to make payments required by the terms of the trust; d) powers of trustees and his or her liability for exceeding his or her authority;
- e) contracts made and torts committed by trustees in the course of his or her activities on behalf of the trust;
- f) rights of creditors and others dealing with the trust;
- g) merger of the business trust with another enterprise;
- h) removal of the trustee;
- i) sales to or by the trustee; and

j) compensation of the trustee.

## 7. Holding Companies

The laws of Vietnam keep silent on regulating a holding company as it is designed to manage capital contribution of investors. According to the securities law, holding companies have operations in accordance with Law on Enterprise for efficient management of shares, capital contribution in other enterprises. Therefore, the holding companies can be established and organized in the form of JVC or LLC.

## 8. Regional Headquarters

Regional headquarter is a popular business concept that is usually preferred by multinationals. Regional headquarters are commonly designed to be administrative branches of multinationals engaged in international trade. Their roles in most cases consist of supervisory, communication and coordinating center for subsidiaries, affiliates and branches of multinationals.

In Asia, the destinations that are typically selected for establishing regional headquarters are Hong Kong, Singapore and Philippines. Main reasons for this is because these countries have clear policies and regulations guiding the establishment and operation of regional headquarters.

With regards to Vietnam, the forms of regional headquarters have not been governed under Vietnamese laws. In recent years, although policies on encouraging investment in Vietnam have often been discussed, there has been no specific regulation promulgating establishment and operation of regional headquarters. In fact, a few multinational companies have chosen Vietnam to establish its Asian regional headquarter in the form of a representative office only.



## 9. Liaison Offices or Representative Offices

Vietnam allows a limited business presence, known as a liaison office or representative office, which must be registered with local authorities. A liaison office is not a legal entity separate from the parent company of foreign countries, but is an office through which the foreign country's parent company may engage in certain limited activities in the foreign country. Typically, a liaison office may conduct market research and promote the products or services of the foreign country's parent company, but may not enter into contracts, accept orders, or otherwise engage in profit-making activities. In some countries, the foreign country's parent company may avoid being subject to local jurisdiction by limiting its activities to those allowed to be conducted through a liaison office. Vietnamese laws governing these types of offices, the foreign country's parent company should be consulted to determine the permitted activities of the liaison office.

### Conditions for setting up a liaison office

- a) a foreign company is entitled to establish and register a business subject to provisions of the law of the countries or territories that are parties to treaties to which Vietnam is a signatory, or is a foreign company recognized by the aforesaid countries or territories. If a foreign company is not a company of such countries, the establishment of a representative office must be approved by the Minister(s) that directly supervises such specific sectors of investment.
- b) the foreign company has been operating for at least one year from the date of establishment or registration;
- c) if article of incorporation or equivalent documents of the foreign company stipulates its operation term, the remaining term must be at a minimum of one year from the date of submitting the dossier; and
- d) the scope of operation of the representative office must be consistent with Vietnamese commitments within international agreements to which Vietnam is a signatory.

## 10. Branch Office

A branch office is an extension of the parent company of foreign countries forming a direct legal presence in Vietnam. Unlike a liaison office, a branch typically may conduct the full range of business on behalf of the parent company of foreign countries. Because this legal presence will expose all of the assets of the parent company of foreign countries to claims arising out of Vietnam, many

of the parent company of foreign countries attempt to limit their liability by forming a subsidiary in a third country (Hong Kong, Singapore, Cayman Island, British Virgin Island.....), and having that entity establish the branch office in Vietnam. Of course, taking these steps would reduce the benefits of simplicity of formation and maintenance otherwise associated with branch offices.

Establishment of a branch office will generally expose the parent company of foreign countries to taxation in Vietnam with respect to that portion of its income that is sourced in Vietnam. It may be possible to avoid taxation in Vietnam by carefully circumscribing the permitted activities of the branch – for example, by providing that the branch office does not have authority to conclude contracts.

#### Conditions for setting up a branch office

- a) the parent company of foreign countries has been registered according to the law and commitments in international agreements that the country is a member or being recognized by the law of these countries or territories;
- b) the parent company of foreign countries has operated for no less than 05 year since legal establishment or valid business registration;
- c) if business registration certificate or equal documents of the parent company of foreign countries has the expiration date that should precede at least one year since the submission of the dossiers;
- d) the operation of branches must be in accordance with commitments of Vietnam in international agreements that the country is a member and be in accordance with business scope of the parent company of foreign countries; and
- e) if the operation of branches is not in accordance with commitments of Vietnam or the parent company of foreign countries is not from countries, territories participating in international agreement that Vietnam is a member, the establishment of branches must be approved by the Minister of specialized management.

Under the applicable tax treaty between Vietnam and other foreign countries, the activities of the branch office are subject to taxation in Vietnam as the branch office is deemed to be a “*permanent establishment*”.

### **11. Licensing Authorities, Business Registration and Incorporation Certificates**

To establish a subsidiary wholly owned by a foreign company in Vietnam, the foreign company shall register with different types of licensing authorities at top level of the government, at ministerial levels or at the provincial levels based on the particular area of interests, scale, and nature of investment, business lines and business conditions. There are two types of licensing certification which are popular for forming companies are Investment Registration Certificate (IRC) and Enterprise Registration Certificate (ERC).



The licensing authority to issue IRC depends on location of investments projects: (i) the management board of an industrial zone, export processing zone, high-tech zone or economic zone will issues IRCs in respect of investment projects in these areas; (ii) provincial Department of Planning and Investment (DPI) will issue IRC in respect of investment project outside industrial zone, export processing zone, high-tech zone or economic zone; (iii) the investment registration agency of the locality would issue IRC, if the project implemented in two or more provincial level administrative units or implemented both outside and inside an industrial zone, export proceeding zone, high-tech zone or economic zone.

Upon completion of IRC, obtaining the ERC is needed to operate the investment project, whose authority is vested in the provincial licensing authority.

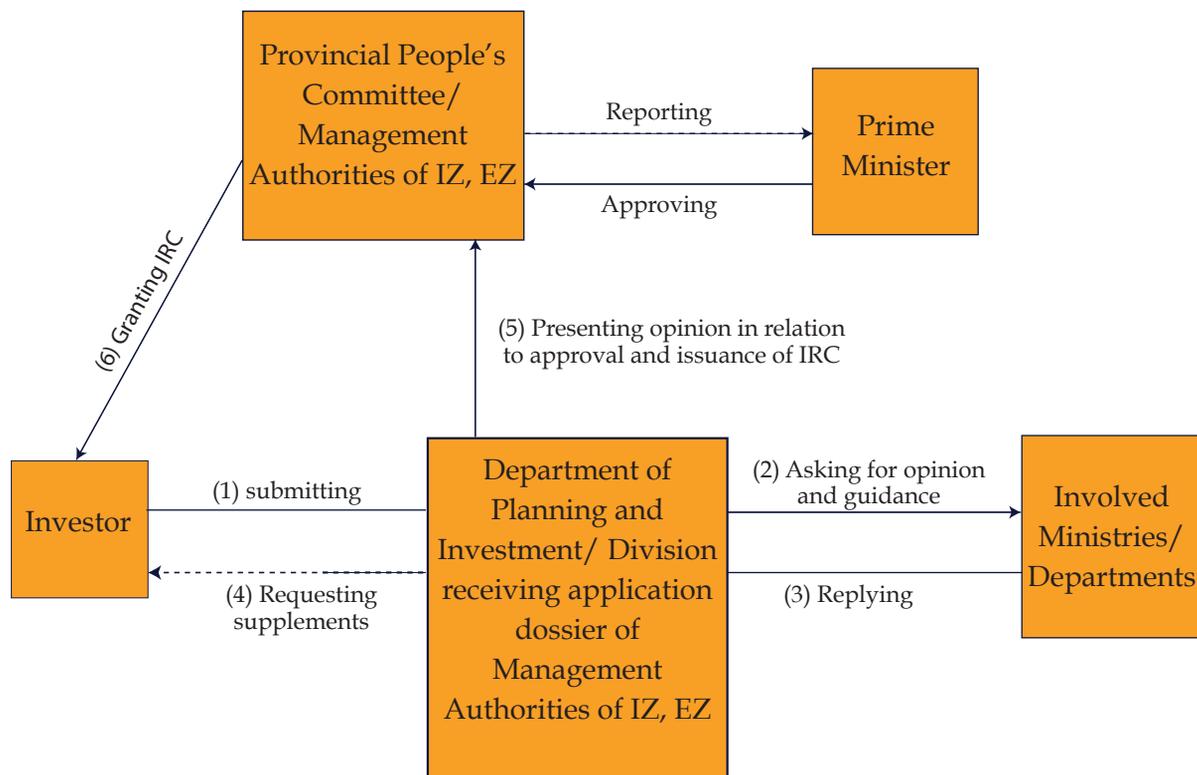
Depending on equity share ratio of founding shareholders, a joint venture company established between both foreign & domestic investors may obtain either IRC or ERC or both. Under the Law on Investment 2020, it is noteworthy that a joint venture

company having less than 50% of its capital charter held by foreign investors require ERC only as it can still be treated as local investors.

More concretely, the definition of foreign invested economic organizations based on charter capital ratio:

- (i) more than 50% of the charter capital is held by foreign investors;
- (ii) more than 50% of the charter capital is held by foreign majority companies;
- and
- (iii) more than 50% of the charter capital is held by foreign investors and foreign majority companies.

As a consequence, there will be more foreign-invested economic organizations carrying out investment activities in Vietnam treated as foreign investors and these organizations must comply with stricter investment conditions than those applicable to local investors as set out in the Law on Investment 2020.



## 12. Business Scopes

There are certain sectors in which investment is prohibited for both foreign and domestic investors (such as projects detrimental to national security). In addition, there is a number of sectors in which foreign investment is “conditional” under Vietnam’s accession to the WTO and Law on Investment. The applicable conditions may also require a minimum amount of investment capital, professional qualifications, or limitations on the specific products or customers of the enterprise. Foreign ownership ratios are also imposed in certain sectors in terms of percentage of ownership.

## 13. Documentation

When an individual or a legal entity is about to establish an enterprise in Vietnam, compulsory incorporation documents that are written in Vietnamese are required for registration. The documents vary according to type of enterprises to be established. In general, the following documents are required when an entity registers to establish an enterprise in Vietnam:

- a) enterprise registration application form (for all types of enterprise);
- b) company’s charter (except for sole proprietorships);
- c) list of partners (for partnerships), the list of members (for limited liability companies), the list of founding shareholders and shareholders that are foreign investors (for joint-stock companies);
- d) copies of legal documents of partners (for partnerships), members (limited liability companies), founding shareholders, shareholders that are foreign investors, shareholders that are organizations (for joint-stock companies), the legal representatives (for all types of enterprise) and authorized representatives of founding shareholders and shareholders that are foreign organizations; and
- e) copies of the Article of Incorporation of foreign investors (except for sole proprietorships).

## 14. Legal Representatives

Basically, the legal representative mechanism is not very different from the agency mechanism in Western countries. However, unlike agencies - whose rights and duties are more commercially related, the legal representative most important function is to be the spokesperson of the company before the state agencies. In Vietnam, a majority of the important documents that are submitted to

the state agencies are required to be signed by the legal representative, he/she is also the representative of the company by default when there occurs a lawsuit involving such a company.

According to Article 12.1 of the Enterprise Law 2020: *“The enterprise’s legal representative is the person that, on behalf of the enterprise, exercises and performs the rights and obligations derived from the enterprise’s transactions, acts as the plaintiff, defendant or person with relevant interests and duties before in court, arbitration, and performs other rights and obligations prescribed by law”*.

However, currently, there is no legislation detailing the term “other rights and obligations” mentioned above.

In addition, even though the Enterprise Law does not limit scope of representation of the legal representative, Article 141.1 (b) and (c) of Civil Code 2015 stipulates that the representative may only enter into and/or perform civil transactions within his/her scope of representation according to the charter of the juridical person and the contents of authorization. As such, in fact, the legal representative’s authority can be limited by internal regulations of enterprises and does not always include all the above rights and obligations.

## **15. Board of Directors and Controllers**

A board of directors (BOD) for JSCs and members’ council (MOC) for LLCs, is a group of individuals chosen by the stockholders of a company to promote their interests through the governance of the company. The BOD or MOC appoints the chief executive officer (CEO) or general director/director (GD) of the company and sets out the overall strategic direction. The CEO or GD is responsible for hiring all of the other employees and overseeing the day-to-day operation of the business. Regarding the structure of a BOD or MOC, the BOD or MOC selects officers for the board, which are the president or chair of the BOD or MOC and the vice-president or vice-chair chosen from members, along with a secretary who may be members of the BOD or MOC.

In general, the BOD or MOC is responsible for:

- a) supervising, retaining, evaluating and compensating executive positions;
- b) providing direction for the organization;
- c) establishing a policy-based governance system;

- d) governing the organization and the relationship with the CEO;
- e) maintain fiduciary duty to protect the organization's assets and member's investment; and
- f) monitoring and controlling business functions.

To enhance the role of control in the company, the Enterprise Law has provisions related to the establishment of the Controllers' Board. According to the Enterprise Law 2020, a JSC which has less than 11 shareholders and institutional shareholders own less than 50% of the total shares of the company is not required to set up the Controllers' Board. The Controllers' Board should have from 3 members to 5 members which term of office less than 5 years and the Controllers may be re-elected with an unlimited number of terms. Controllers' Board elect one of them to be the Head of the Controllers' Board and must have more than half of the members permanently residing in Vietnam. The Controllers' Board assists shareholders in supervising the management and administration of the BOD, CEO or General Director. At the request of the shareholders, the Controllers' Board shall check and give explanatory reports on the issues that are required to verify. In case of detecting violations of law or the company's charter of members of the BOD, CEOs and other business executives, the Controllers' Board must notify in writing to the BOD or MOC to request violators to stop violations and take remedial measures.

## 16. Directors' and Officers' Liability

Most of CEO or General Directors (Directors) seat on BOD or MOC. Once a company nominates members of BOD or MOC, what concerns the company is directors' limitation of liability in the event of breach of duties.



## *General liability*

According to the Enterprises Law, a member of BOD or MOC has the following general duties:

- a) to exercise his or her delegated powers and perform his or her delegated duties strictly in accordance with the Enterprises Law, in relevant laws, the charter of the company, and the resolutions of the general meeting of shareholders;
- b) to exercise his or her delegated powers and perform his or her delegated duties honestly and prudently to their best ability in the maximum legitimate interests of the company and of the shareholders of the company;
- c) to be loyal to the interests of the company and shareholders of the company; to not use information, secrets, business opportunities of the company, not to abuse his or her position and powers and assets of the company for his or her own personal benefits or for the benefit of other organizations or individuals;
- d) to notify in a timely manner, fully and accurately the company of enterprises in which he or she or his or her related persons own or have contributed capital or controlling shares;
- e) in addition to the obligations mentioned above, the BOD or MOC and the director or general director may not increase their salaries and pay bonuses where the company has not paid in full all of its debts due and payable; and
- f) other obligations in accordance with the Enterprises Law and the charter of the company.

Apart from liability in damages generally, directors are also exposed to civil and criminal sanctions in the event of a breach of duty.

## *Civil liability*

Under the Law on Enterprise, a member of BOD shall be sued by a shareholder or group of shareholders holding at least 1% of the total number of ordinary shares for a consecutive period of six months for the following breaches:

- a) failure to properly exercise assigned rights and duties, failure to perform in full or promptly a decision of the BOD, or exercised assigned rights and duties contrary to law, contrary to the company charter or contrary to a resolution of the general meeting of shareholders;
- b) use of information, know-how or business opportunities of the company for his or her personal benefit or for that of another organization or individual;

- c) abusing his or her station or position and assets of the company for his or her personal benefit or for that of another organization or individual; and
- d) other cases as stipulated by law and the company charter.

The order and procedures for instituting proceeding shall be implemented in accordance with the corresponding provisions of the law on civil proceedings.

### *Criminal sanctions*

There is no specific legislation under the Criminal Code provides that a member of BOD or MOC would be exposed to criminal sanctions in case it breaches the duty to the company. However, in case a member of BOD or MOC, in individual capacity, carries out an act having the sign of crime and the danger of such act to society is considerable, then it is subject to the view of the Vietnamese courts, such a member may take the criminal responsibility and may be exposed to penalties.

## **17. Foreign Employees**

In recent years, Vietnam has been considered as one of the bright spots to attract foreign investment. This leads to a sharp increase in the demand for highly skilled workers. Due to the difficulties in finding suitable candidates, employers, especially foreign investors who have invested in Vietnam, tend to choose highly qualified foreign workers to work in Vietnam.

Under Vietnamese law, foreigners working in Vietnam are required to meet the legal requirements such as having a work permit or obtaining the confirmation from the local labor department that they are exempted from a work permit. The maximum term of a work permit or work permit exemption certificate shall be two years and foreign workers are only permitted to renew once time for a further two-year term.

In that context, to provide more guidance on regulations for foreign workers, the Government issued the Decree 152/2020/ND-CP on 30 December 2020 taking effect from 15 February 2021, regulating the management of foreign workers in Vietnam and the recruitment and management of Vietnamese working for foreign organizations and individuals in Vietnam.

Besides, this Decree clarifies certain cases that foreign workers shall be exempt from work permit and the employer shall not be required to complete the work permit exemption certification

procedure, which includes the following:

- a) entering Vietnam for a period of fewer than 03 months to offer services;
- b) foreign lawyers have been granted a law practice license in Vietnam by the Law on Lawyers;
- c) foreigners married to Vietnamese citizens and living in Vietnam;
- d) owners or shareholding members of limited liability companies with a capital contribution of VND3 billion or more;
- e) chairpersons or members of the Board of Directors of joint-stock companies with a capital contribution of VND3 billion or more;
- f) foreign experts, managers, CEOs, skilled workers going to work in Vietnam for less than 30 days per trip and no more than three trips per year; and
- g) relatives of members of foreign representative missions in Vietnam under the provisions of law.

In the cases mentioned above, the employers shall report to the labor authorities at least three days in advance of the commencement of work in Vietnam.

## **18. Vietnamese employees**

Nowadays, Vietnam is having abundant human resources, especially young human resources. At the same time, Vietnam's labor productivity over the past time has significantly improved in the direction of steadily increasing over the years and is a country with high labor productivity growth in the ASEAN region. Along with that, the quality of Vietnamese labor in recent years has also been gradually raised. The trained labor has partly met the requirements of the business and the labor market. The Vietnamese technical workforce has mastered science - technology, assumed most complex positions in production and business that previously had to hire foreign experts.

The employment in Vietnam will continue to grow in the future. Although Vietnam's annual minimum wage is rising, Vietnam is still a country with low labor costs. The country's monthly minimum wages in 2021 varies by location from \$133 to \$192, the highest rates in urban areas such as Ho Chi Minh City and Hanoi.

Contributed by	Social Insurance	Health Insurance	Unemployment Insurance
Employers	17%	3%	1%
Employees	8%	1.5%	1%

## 19. Labor Unions

The trade union is an organization that represents, protects the legal rights and benefits of the Employees, participates in, and contributes opinions related to the majority of important labor issues for the Employees.

In Vietnam, trade unions are formed on a voluntary basis. Their organization and operation must comply with the Vietnamese Trade Union's Charter, the Party's policies, and the State's laws. As a result, the enterprises are not required to proactively establish a trade union within their organization. However, the law states that employers are required not to obstruct or cause difficulties when employees carry out legal activities to establish, join and participate in activities of trade unions.

Besides, the enterprises in Vietnam shall be responsible for paying the trade union fee equals 2% of total SI (Social Insurance) salary of all employees per month.

## 20. Technology Transfers and Licensing

Intellectual property rights are defined as rights of organizations or individuals to intellectual assets, including copyright and copyright-related rights, industrial property rights and rights to plant varieties.

Under Vietnamese law, the intellectual property rights will arise, established depending on two types of assets: registered and unregistered. For registered intellectual property, the owner shall apply to have rights recognized at National Office of Intellectual Property of Vietnam (NOIP). The properties are established on the basis of a decision of NOIP on the grant of a protection title; and the types of registered intellectual property include industrial property (invention, industrial design, layout-design, mark or geographical indication), plant variety. For unregistered IP, you automatically have IP rights over your creation. Types of unregistered IP include copyright, common law trademarks and database rights, confidential information, and trade secrets.

Establishing your intellectual property right does not only make you have the full rights on your assets from infringements of intellectual property rights by civil remedies, administrative or criminal penalties.