

VIETNAM

Law and Practice

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VILAF has been at the forefront of Vietnam's legal market for over three decades. The firm is widely recognised for advising foreign investors and institutions on their business activities in Vietnam, delivering high-quality, commercially focused legal solutions. With more than 100 lawyers, including 16 partners, VILAF offers expertise across a full range of practice areas, including banking and finance, corporate and M&A, dispute resolution, energy and infrastructure and real estate. Its internationally trained lawyers

combine global standards with deep local insight, enabling the firm to handle complex cross-border transactions effectively. VILAF is particularly known for its strong M&A and corporate practice, supported by a large team of English-speaking lawyers and Chinese language capabilities. The firm consistently handles large, sophisticated matters under demanding timelines, with many partners recognised as leading lawyers in Vietnam.

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1. Legal System

1.1 Legal System and Judicial Order

Overview of the Legal System

Vietnam's legal system is principally rooted in the civil law tradition, reflecting its historical development under French colonial rule. As a result, the legal framework is primarily founded on codified law. It mainly comprises primary legislation enacted by the National Assembly and subordinate legislation issued by the Government, ministries and other agencies. The Government plays a central role in law-making by proposing and drafting legislation, enacting and implementing regulations on key aspects of laws and publishing guidance on their practical application.

Vietnam has recently developed a case-law system under which the Supreme People's Court may select and designate certain portions of judgments as official precedents. These precedents are binding on Vietnamese courts when adjudicating cases involving similar legal issues. However, the system of precedent remains limited, with fewer than 100 officially recognised cases to date. The Supreme People's Court and the Supreme People's Procuracy also periodically issue internal guidance informed by higher-court decisions to promote consistency in the judicial approach to particular issues.

Organisation of Judicial Order

The People's Courts system

Following a restructuring of the court system in 2025, Vietnamese courts are organised into a three-tier

structure comprising the Regional People's Courts, the Provincial-level People's Courts and the Supreme People's Court:

- The Regional People's Courts serve as the principal first-instance courts for most criminal, civil, commercial, family and administrative cases. For certain specialised matters related to insolvency, rehabilitation, intellectual property and technology transfers, only some selected Regional People's Courts in Hanoi, Da Nang and Ho Chi Minh Cities with specialised court divisions will have the first-instance jurisdiction over such matters. These courts generally exercise jurisdiction over a broad geographical area spanning several wards, being the smallest administrative units in Vietnam.
- The Provincial-level People's Courts generally hear appeals from the Regional People's Courts. They also exercise first-instance jurisdiction over serious criminal cases and certain special matters, such as annulment of domestic arbitral awards.
- The Supreme People's Court, based in Hanoi, is the highest court in the judicial system and primarily handles cassation and retrial cases. It also has three Appellate Divisions in Hanoi, Da Nang and Ho Chi Minh City to hear appeals from the Provincial-level People's Courts.

The IFC Specialised Court

Notably, in early 2026, Vietnam established a new specialised court at the International Financial Centre located in Ho Chi Minh City ("IFC Specialised Court") to support the operation of Vietnam's newly

established International Financial Centre (with two hubs located in Ho Chi Minh City and Da Nang). The IFC Specialised Court has exclusive jurisdiction over most types of business and commercial disputes and matters where at least one party is a member of the International Financial Centre in Vietnam, provided that they do not involve public interests or the interests of the State. It was established as a self-contained dispute resolution mechanism with its own legal framework and procedural rules, many of which are derived from common law practice. Some notable features are:

- **Foreign judges:** Vietnamese and foreigners can be appointed as judges. They must have relevant expertise, at least 10 years' experience resolving investment and business disputes and sufficient English proficiency.
- **English being the primary language:** Proceedings shall be conducted and judgments issued, in English, either alone or together with a Vietnamese translation.
- **More streamlined proceedings:** There are only two tiers of proceedings and appellate judgments are final and not subject to cassation or retrial procedures. The Court may also issue default judgments and summary judgments. Proceedings may also be conducted by electronic means from case filing until trial.
- **Case and cost management:** The IFC Specialised Court has case management powers not available to the People's Court. These include conducting case management conferences and conducting pre-trial review. The Court may also allocate costs based on the outcome of the case, including reasonable attorney fees, which are generally not recoverable in traditional court litigation.
- **Direct enforcement:** Unlike ordinary court judgments and orders, which are enforced by the Civil Judgment Enforcement Agency, the enforcement of IFC Specialised Court judgments and decisions is overseen directly by designated judges, who may issue ancillary enforcement orders, including orders attaching property or earnings and third-party debt orders.

At present, the Supreme People's Court is in the process of developing the detailed Procedural Rules for the IFC Specialised Court.

2. Restrictions on Foreign Investments

2.1 Approval of Foreign Investments

Under Vietnamese laws, foreign investments into Vietnam are subject to a prior investment approval regime, as outlined.

Investment Policy Approval (IPA)

Certain investment projects must obtain investment policy approval before implementation due to their scale, sector, land use, national security impact or other regulatory sensitivities (Article 24 of the Law on Investment 2025).

Projects Subject to Approval by the National Assembly

The National Assembly has the authority to approve investment policies for projects that require special mechanisms or policies that differ from existing laws or National Assembly resolutions (Articles 24.20 and 25.1 of the Law on Investment 2025).

Projects Subject to Approval by the Prime Minister

The Prime Minister has authority over, among others:

- projects involving conversion of protected forests, watershed forests, border protection forests or production forests exceeding statutory thresholds;
- projects involving the conversion of two-crop rice cultivation land of 500 hectares or more;
- nuclear power plant projects;
- foreign-invested projects in telecommunications infrastructure, afforestation, publishing and press sectors; and
- casino and betting business projects (Article 24.1, Article 24.2, Article 24.4, Article 24.6, Article 24.7 and Article 25.2 (a) of the Law on Investment 2025).

The Prime Minister also approves projects involving large-scale resettlement and projects located within specially protected world heritage conservation areas (Article 25.2 (b) and Article 25.2 (c) of the Law on Investment 2025).

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Projects Subject to Approval by the Provincial People's Committee Chairman

The Chairman of the provincial People's Committee has authority over, among others:

- projects requiring land allocation, land lease or land use conversion;
- housing and urban development projects;
- golf course projects;
- airport, seaport and aviation transport projects;
- industrial park infrastructure projects; and
- projects implemented in areas affecting national defence or security (Article 24.8 through Article 24.18 and Article 25.3 (a) of the Law on Investment 2025).

The provincial authority also approves projects involving medium-scale resettlement and projects located within protected heritage areas outside the Prime Minister's authority (Article 25.3 (b) and Article 25.3 (c) of the Law on Investment 2025).

Authority of Industrial Zone and Economic Zone Management Boards

For projects located within industrial parks, export processing zones, high-tech zones, concentrated digital technology zones or economic zones that are consistent with approved planning, the relevant management board has the authority to approve the investment policy (Article 25.4 of the Law on Investment 2025);

Investment Registration Certificate (IRC)

Foreign investors and foreign investor equivalents, as prescribed in the Law on Investment regulations, must obtain an Investment Registration Certificate in the following principal circumstances:

- establishment of a new foreign-invested company to implement an investment project in Vietnam (Article 26.1 (a) of the Law on Investment 2025);
- implementation of an investment project by an economic organisation treated as a foreign-invested economic organisation under Article 20.1 of the Law on Investment 2025 (Article 26.1 of the Law on Investment 2025);
- implementation of investment projects under a business cooperation contract ("BCC") between:

- a domestic investor and a foreign investor; or
- foreign investors together (Article 22.2 of the Law on Investment 2025).

Notification on Satisfaction of Capital Contribution, Share Acquisition or Acquisition of Capital Contribution in Existing Vietnamese Enterprises ("M&A Approval")

Vietnamese law permits investors to invest in existing Vietnamese enterprises through:

- capital contribution;
- share acquisition; or
- acquisition of capital contribution interests (Article 21.1 of the Law on Investment 2025).

These investment forms constitute the principal framework for mergers and acquisitions ("M&A") transactions involving foreign investors in Vietnam.

Foreign investors conducting M&A transactions in Vietnam must satisfy the following principal conditions:

- compliance with foreign investor market access conditions;
- compliance with national defence and security requirements; and
- compliance with land law restrictions applicable to land use rights in sensitive locations, including islands, border areas, coastal communes, wards and special administrative zones (Article 21.2 (a), Article 21.2 (b) and Article 21.2 (c) of the Law on Investment 2025).

Foreign individuals or organisations receiving shares or capital contributions through donations, inheritances, exchange contracts or other ownership transfer arrangements must also satisfy the same conditions as those applicable to foreign investor M&A transactions (Article 75.5 of Decree No. 96/2026/ND-CP).

Member Registration or Recognition Certificate (MRC)

Organisations and enterprises may register as members of the International Financial Centre ("IFC") if they satisfy the applicable requirements on financial capacity, reputation and business activities aligned

with the IFC development orientation under Resolution No. 222/2025/QH15 and its implementing regulations (Article 10.1 of Resolution No 222/2025/QH15).

Certain qualified institutions may obtain member recognition without conducting formal member registration procedures. These include:

- financial institutions, investment funds or enterprises listed in the Fortune Global 500 ranking published by Fortune Magazine at the time of registration or their direct parent companies, excluding entities operating in banking, securities and insurance sectors; and
- domestic financial institutions ranked among the top ten enterprises by charter capital within their respective sectors, excluding banking, securities and insurance sectors (Article 10.2 (a) and Article 10.2 (b) of Resolution No 222/2025/QH15).

Except for specific regulated sectors, investors must establish a legal entity as an IFC member in accordance with the Resolution and implementing regulations (Article 10.3 of Resolution No. 222/2025/QH15).

Following issuance of the MRC, investment projects implemented by an IFC member are generally exempt from the IRC requirement. However, projects subject to IPA under the investment laws must still obtain the relevant IPA before implementation. In addition, projects operating in conditional business sectors remain subject to applicable sector-specific operating licenses or certificates of eligibility prior to commencement.

Other sector-specific licenses may apply depending on the nature of the investment. For example, a foreign contractor awarded a construction contract in Vietnam may obtain a construction operation license from the Ministry of Construction under the Law on Construction. In such a case, the construction operation license is generally sufficient to implement the relevant bid package without requiring a separate investment license.

2.2 Procedure to Obtain Approval and Sanctions for Non-Compliance

IPA

Projects subject to IPA are generally implemented through a two-step process:

The first step is obtaining the IPA. IPA applications are submitted to:

- the Ministry of Finance, for projects subject to approval by the National Assembly or the Prime Minister;
- the provincial Department of Finance (“DOF”), for projects outside special-purpose zones; or
- the Management Board of industrial parks or economic zones, depending on project nature and scale (Articles 24 and 25 of the Law on Investment 2025).

The second step requires obtaining the IRC, following issuance of the IPA.

The statutory timeline is as follows.

- IPA issuance:
 - (a) National Assembly approvals depend on the legislative session schedule and applications are generally required at least 60 days before the relevant session;
 - (b) Prime Minister approvals: at least 38 working days; and
 - (c) Provincial People’s Committee approvals: at least 26 working days; and
- IRC issuance: following issuance of the IPA, the competent licensing authority will issue the IRC within five working days (Article 38.1 (a) of Decree No 96/2026/ND-CP).

For projects in which the investor has already won an investor selection tender or a land auction, the IRC is also issued within five working days of the investor’s request being submitted (Article 38.2 of Decree No 96/2026/ND-CP).

Investment activities implemented without the required IPA may be subject to administrative penalties, mandatory post-filing obligations and suspension of the unlawful investment project. (Article 19.3 (a) of

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Decree No. 122/2021/ND-CP and Article 35.2 (dd) of Law on Investment 2025)

Investment Registration Certificate (IRC)

Projects subject to IRC but exempt from IPA are generally implemented through a two-step process.

The first step is obtaining the IRC. The investor submits one set of application documents to the competent investment registration authority. (Article 39.1 of Decree No 96/2026/ND-CP). The competent authority depends on the project location:

- the Management Board has authority for projects located inside industrial parks, export processing zones, high-tech zones, concentrated digital technology zones or economic zones (Article 27.1 of the Law on Investment 2025);
- the Department of Finance has authority for projects located outside such zones (Article 27.2 of the Law on Investment 2025); and
- for multi-province projects or those implemented both inside and outside industrial/economic zones, authority is determined by the location of the project operating office (Article 27.3 of the Law on Investment 2025; Article 36.2 and Article 36.4 of Decree No 96/2026/ND-CP).

Step two is obtaining an enterprise registration certificate ("ERC"). Following the IRC issuance, foreign investors will be required to submit an application dossier to establish an enterprise and obtain an ERC from the relevant provincial DOF.

Alternatively, under the new investment regime, foreign investors may establish the enterprise to obtain the ERC before obtaining the IRC, provided that the IRC is completed within 12 months of ERC issuance.

The statutory timeline is as follows.

- The IRC must be issued within 10 working days from receipt of a valid dossier if all statutory conditions are satisfied. (Article 39.3 of Decree No. 96/2026/ND-CP)
- The ERC must be issued within 3 working days from receipt of a valid dossier.

- Foreign investors commencing investment activities without obtaining the required IRC:
 - (a) will be subject to an administrative penalty;
 - (b) will be required to submit for the IRC; and
 - (c) may even face suspension of the entire unlawful investment (Article 19.3 (a) of Decree No 122/2021/ND-CP and Article 35.2 (dd) of Law on Investment 2025).

Special Investment Procedure

Under the Law on Investment 2025, foreign investors may elect to apply the special investment procedure for projects located in:

- industrial parks;
- export processing zones;
- high-tech zones;
- concentrated digital technology zones;
- free trade zones;
- international financial centres; and
- functional zones within economic zones (Article 28.1 of the Law on Investment 2025).

Under this mechanism, the project is exempt from several pre-approval procedures, including:

- investment policy approval;
- technology appraisal;
- environmental impact assessment procedure;
- detailed planning procedure; and
- construction permit procedure (Article 28.2 of the Law on Investment 2025).

However, the investor must provide written commitments regarding compliance with construction, environmental and fire prevention regulations (Article 28.2 of the Law on Investment 2025).

Before construction commencement, the investor must submit a commencement notice and supporting technical documents to the competent authorities (Article 28.3 of the Law on Investment 2025).

Consequences of non-compliance

Investment activities undertaken without the IRC may be subject to administrative penalties, mandatory post-filing obligations and suspension of the unlawful investment project (Article 19.3 (a) of Decree No

122/2021/ND-CP and Article 35.2 (dd) of the Law on Investment 2025).

M&A Approval

To complete a M&A transaction subject to M&A Approval, foreign investors will need to undergo a two-step process with the provincial DOF.

The first step requires obtaining M&A approval, followed by the second step completing post-transaction registration changes. Step one will generally take 10 working days or 17 working days for transactions involving land in national defence or security-sensitive areas. Step two will take three working days.

Transactions completed without the required approval may not be legally recognised and may be subject to administrative penalties.

MRC

The procedure requires submitting an application dossier for IFC's member registration or recognition with the IFC's Operating Authority. Following the issuance of an MRC, the IFC's Operating Authority assigns a unique identification number (with equivalent validity to an enterprise registration number).

It takes seven working days for registration and five working days for recognition from the date of receipt of a complete application dossier (Article 4 of Decree 324/2025/ND-CP).

The only risk regarding compliance is that the entity will not qualify for IFC membership.

2.3 Commitments Required From Foreign Investors

In practice, the licensing authorities assess not only the legality and feasibility of the proposed investment project, but also the foreign investor's financial capacity, implementation capability and compliance commitments. Approval is generally conditional upon the investor satisfying the statutory investment conditions and undertaking to comply with applicable Vietnamese laws throughout the project lifecycle.

Under Article 39.3 of Decree No 96/2026/ND-CP, key commitments and conditions commonly required include:

- the investment project must not fall within prohibited business sectors;
- the investor must have a lawful project location or a lawful right to use the proposed site;
- the project must comply with applicable master planning, zoning and land use requirements;
- the investor must satisfy applicable foreign ownership limitations and market access conditions for conditional sectors; and
- the project must satisfy technology, environmental, fire prevention and national security requirements where applicable.

In addition, foreign investors are generally expected to commit to implementing the project in accordance with the registered investment objectives, implementation schedule and investment capital contribution timeline. For conditional business sectors, investors may also be required to obtain additional operational licenses or approvals after establishment.

For projects implemented under the special investment procedure, investors are also required to provide written undertakings confirming compliance with construction, environmental protection and fire prevention regulations prior to project implementation.

2.4 Right to Appeal

Foreign investors may challenge a refusal decision or other adverse administrative decision issued by the competent investment authority through administrative complaint procedures or court proceedings in accordance with the Law on Administrative Procedures.

In practice, however, judicial challenges against investment licensing decisions are relatively uncommon, as the process may be time-consuming and the likelihood of overturning the authority's decision is generally limited.

Before issuing a formal rejection, the licensing authorities commonly offer investors the opportunity to amend, supplement or restructure the proposed

investment project and application dossier to align with Vietnam's foreign investment conditions and regulatory requirements.

3. Corporate Vehicles

3.1 Most Common Forms of Legal Entity

Vietnam's Law on Enterprises recognises four principal forms of enterprise: limited liability companies, joint stock companies, partnerships and private enterprises. In practice, the two most prevalent corporate forms are the limited liability company (LLC), which can be owned by between one and 50 members and the joint-stock company (JSC), which must have at least three shareholders but is not subject to any limitation on the number of its shareholders.

Limited Liability Company

An LLC may be established as either a single-member LLC or a multiple-member LLC.

A single-member LLC has one owner, which may be an individual or an organisation. A multiple-member LLC has two to 50 members. An LLC is a form of company that cannot issue shares but issues equity interests in its charter capital to its "members," who have an interest in and limited liability for the charter capital pro rata to their capital contributions.

There is no general statutory minimum charter capital, although minimum capital requirements may apply in certain regulated sectors, eg, banking, insurance or securities.

Transfers of capital interests in an LLC are more restricted than transfers of shares in a JSC. In a multiple-member LLC, existing members generally have statutory preemptive rights before a capital interest may be transferred to a third party.

An LLC is typically suitable for circumstances where the parties prefer a simple company form with a limited number of investors and tighter control over changes in ownership (eg, wholly owned subsidiaries, greenfield projects, holding companies and closely held joint ventures).

Joint Stock Company

A JSC is a form of company which can issue shares in different classes and must have at least three shareholders. There is no statutory maximum number of shareholders. If a JSC has more than 100 voting shareholders or has made an "initial public offering" via mass media, it may become a "public company" and therefore be subject to higher disclosure and other requirements under securities regulations. Similar to an LLC, a JSC also offers shareholders limited liability to the extent of their contributed capital.

There is no general statutory minimum charter capital, subject to sector-specific requirements. Shares in a JSC are generally more freely transferable than capital interests in an LLC (except for certain limitations on founding shareholders for the first three years or restrictions on the company's charter agreed by shareholders).

This form is best suited for businesses with multiple investors and/or that need greater flexibility to raise additional capital, as well as companies intending to become public or listed.

3.2 Incorporation Process

The incorporation process may vary depending on whether the proposed company is domestically owned or foreign-invested.

For a domestic company initially incorporated by Vietnamese investors, incorporation generally requires an application for an Enterprise Registration Certificate (ERC) submitted to the competent business registration authority. The statutory processing timeline is three business days from submission of a valid application.

For a foreign-owned company initially incorporated by the foreign investor and/or foreign equivalent investor, such investor will generally first need to obtain an Investment Registration Certificate (IRC) for the "investment project," followed by an ERC for the company implementing such investment project or *vice versa*.

In practice, a straightforward domestic company may be established within one to two weeks, while

a straightforward foreign-invested company typically takes four to eight weeks, depending on the project scope, business lines, foreign ownership conditions, location and authority review.

After incorporation, both domestic- and foreign-invested companies must complete post-licensing matters, including:

- opening a bank account;
- obtaining a company seal;
- contributing charter capital; and
- (where applicable) obtaining sector-specific sub-licenses or operational permits.

3.3 Ongoing Reporting and Disclosure Obligations

Generally, private companies in Vietnam may be subject to ongoing corporate, tax, accounting and, where applicable, investment reporting obligations.

Changes in the Enterprise Registration Information

A company must register or notify the competent business registration authority of changes in its enterprise registration information, such as its company name, head office, charter capital, legal representative, owner or members/shareholders in certain cases and its business lines. Certain enterprise registration information will also be available through online public searches on the National Business Registration Portal, a centralised national portal that provides basic corporate information of all companies incorporated in Vietnam.

Amendments to the company charter are generally approved internally by the relevant corporate body, but where the amendment results in any changes in registered enterprise information (eg, legal representative or charter capital), the corresponding change must be registered or notified to the business registration authority.

Changes in the Investment Project

A company with the IRC must conduct procedures to amend its IRC if any amendment to the investment project changes the contents of the IRC..

Accounting

Annual financial statements must be prepared and approved in accordance with the company's governance rules and filed with the competent authorities within the statutory timeline, generally within 90 days from the end of the annual accounting period. If the company is subject to statutory audit requirements, its annual financial statements must be audited by an independent audit firm before being disclosed and submitted to the state authorities.

For reference, under the laws, foreign-owned entities, credit institutions, financial institutions, insurance-related enterprises, public companies, securities trading organisations and other large-scale enterprises must be audited at least once a year by an independent audit firm.

Tax Filing

A company is generally required to submit tax declarations to the competent tax authority on a monthly, quarterly, annual or transaction-by-transaction basis, depending on the relevant tax and circumstances. Value-added tax and personal income tax are generally declared monthly or quarterly, while corporate income tax (CIT) is generally paid provisionally on a quarterly basis and finalised annually. Certain taxes may also be declared upon each occurrence, eg., real estate transfer cases.

Tax payments are generally due by the applicable tax filing deadline, except where specific rules provide otherwise, such as the deadline for quarterly provisional CIT payments. Companies using invoices purchased from the tax authorities must also submit invoice usage reports in accordance with the invoice regulations. Late filing, late payment or invoice-related non-compliance may result in administrative penalties and/or late payment interest.

Beneficial Ownership Disclosure

Vietnam has introduced beneficial ownership disclosure requirements. Companies are required to identify, maintain and disclose information about their beneficial owners in accordance with applicable laws. A beneficial owner is generally an individual who directly or indirectly owns at least 25% of the enterprise's

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charter capital or voting shares or otherwise controls key corporate decisions of the company.

Periodical Investment-Related Reporting

A foreign-invested company and/or a company implementing investment projects shall be subject to investment reporting obligations. These typically include periodic reports on project implementation, such as investment capital disbursements, business results, human resources, taxes, environmental matters and other project-specific indicators, submitted to the investment registration authority and the statistics authority.

3.4 Management Structures

The management structure depends on the type of company and the governance model adopted in its charter.

Limited Liability Company

In a single-member LLC, the governance structure is relatively simple and depends on the status of the owner. Where the owner is an individual, the company is generally managed by a company president and a director or general director (collectively, GD). Where the owner is an organisation, the company may adopt either a company president model or a Members' Council (MC) model. The MC, if established, comprises three to seven members appointed by the owner. In either case, the company will also have a GD responsible for day-to-day management and, where required, an Inspection Committee.

A multiple-member LLC is managed through the MC comprising all capital-contributing members (or their authorised representative if the member is an organisation), a GD is responsible for day-to-day management and a Supervisory Board (SB), where required. The MC is the highest decision-making body of the company.

Joint Stock Company

A JSC may adopt either of the following governance structures:

- The first model includes a General Meeting of Shareholders (GMS), a Board of Directors (BOD), an SB and a GD.

- The second model includes a GMS, BOD and GD. For a JSC that follows the second model, at least 20% of the BOD must be independent and the company must establish an Audit Committee under the BOD.

The GMS is the highest decision-making body, comprising all shareholders with the right to vote.

The BOD has three to 11 members appointed by the GMS. This is the company's management body and has full authority, on behalf of the company, to decide and exercise the company's rights and obligations.

The SB members are appointed in a similar manner to those of the BOD and the number of SB members must be at least three and not more than five. The SB oversees the BOD and the GD with respect to the company's management.

The GD is appointed or hired by the BOD and is responsible for the day-to-day management of the company.

3.5 Directors', Officers' and Shareholders' Liability

General Duties

The members of MC, BOD, SB, GD, legal representatives and other managers of Vietnamese companies are subject to statutory duties under the Enterprises Law. These duties generally include:

- to act in accordance with law, the company charter and corporate approvals;
- to exercise rights and perform duties honestly, diligently and to the best of their ability for the protection of the legitimate interests of the company;
- to be loyal to the company; not to abuse the company's position, corporate information, business opportunities or assets for personal benefit or for the benefit of others; to notify timely, completely and accurately any substantial shareholding owned by them or their related persons, in other companies; and
- to disclose their related interests and abstain from voting on transactions between the company and their related person.

Managers who breach these duties may be personally or jointly liable for losses, required to return benefits received and liable to compensate the company and, in certain cases, third parties. Members or shareholders, a group of shareholders holding at least 1% of ordinary shares, may bring claims against managers in certain circumstances, including where managers breach their statutory duties or exceed the scope of authority granted under applicable laws or the company's charter.

“Piercing The Corporate Veil”

Vietnamese law does not expressly recognise a broad common law-style doctrine of “piercing the corporate veil.” However, Vietnamese law contains specific statutory exceptions under which shareholders, members, owners or managers may be subject to personal, joint, civil, administrative or even criminal liability despite the company's separate legal personality and limited liability. These include, for example, failure to fully and timely contribute committed charter capital, unlawful withdrawal or return of capital or related-party transactions conducted without proper approval.

4. Employment Law

4.1 Nature of Applicable Regulations

Employment Legislations

As Vietnam's legal system is principally rooted in the civil law tradition, the legislations governing the employment relationship are primarily codified. The principal source is the 2019 Labour Code (“Labour Code”). Other notable labour-related legislations include:

- the 2024 Law on Social Insurance;
- the 2025 Law on Employment;
- the 2015 Law on Occupational Safety and Hygiene;
- the 2024 Law on Trade Unions;
- Decree No 145/2020/ND-CP of the Government guiding certain provisions of the 2019 Labour Code; and
- Decree No 219/2025/ND-CP of the Government on foreign workers working in Vietnam.

Vietnam has recently developed a case-law system. Certain parts of a court judgment adopted by

the Supreme People's Court as official precedents are binding on Vietnamese courts when adjudicating cases involving similar legal issues. However, to date, there are only a few official precedents in the employment sector.

Collective Bargaining Agreements

Collective bargaining agreements may be concluded at the level of an enterprise, an industry, multiple enterprises or other forms through a collective bargaining process, although in practice they are most commonly concluded at the enterprise or industry level. They typically provide employees with entitlements that are more favourable than those set out by law. Although collective bargaining agreements are recognised by law in Vietnam, in practice, they are not especially common.

Employment Contracts

The employment contract is the principal document establishing the employment relationship and governing its terms and conditions, including the place of work, term/ duration of employment, remuneration, working and rest periods and other obligations such as confidentiality, provided that the terms and conditions are not contrary to applicable law and collective bargaining agreements.

4.2 Characteristics of Employment Contracts

An employment contract is an agreement between an employee and an employer regarding a paid job, salary, working conditions and the rights and obligations of each party in labour relations. Accordingly, regardless of how the parties name the agreement between them (eg, collaboration agreement, service contract), such an agreement will still be deemed an employment contract if it provides for paid work, wages and management, direction and supervision by one party. This approach is intended to ensure that employees receive the protections afforded under labour law.

In terms of formalities, all employment contracts with a term of one month or more must be made in writing. Employment contracts with a term of less than 1 month can be made verbally, with a few exceptions. Employment contracts made in electronic form in accordance with the law are also considered as being in writing. Vietnam has recently introduced legislation

to encourage the use of electronic employment contracts.

In terms of duration, an employment contract can be for a definite term of up to 36 months or for an indefinite term. After signing two consecutive definite-term contracts, the parties may only continue the employment relationship under an indefinite-term contract, subject to certain exceptions, including foreign employees and elderly employees who continue working after reaching the statutory retirement age. In the case of foreign employees, this is because the term of the employment contract cannot exceed the term of the work permit, which has a maximum duration of two years.

An employment contract must contain several mandatory terms, including:

- information of the employer and the authorised signatory;
- information of the employee and the work permit number or work permit exemption certificate number for a foreign employee.
- job description and workplace;
- duration of employment contract;
- salary and payment terms;
- salary increments and promotion regime;
- working hours and rest periods;
- occupational safety and labour protection equipment;
- compulsory insurance obligations; and
- training and professional development.

4.3 Working Time

The normal working time must not exceed 8 hours per day (where working time is determined on a daily basis) or ten hours per day (where working time is determined on a weekly basis) and in any event, must not exceed 48 hours per week. For certain work that exposes employees to hazardous or harmful factors, employers must also comply with the working time limits set by relevant laws and technical regulations.

Employers may generally only require employees to work overtime with their consent and must observe the following limits:

- overtime does not exceed 50% of normal working hours per day, not exceed 12 hours (normal plus overtime hours) per day and not exceed 40 hours per month; and
- total overtime does not exceed 200 hours per year in normal cases or 300 hours per year in certain industries, such as textiles and garments, leather and footwear and seafood processing or due to exceptional situations such as urgent production deadlines. In the latter case, employers must also notify the relevant Department of Home Affairs.

Employers may require employees to work overtime without their consent at any time, without hours limitations, in extraordinary cases, such as for the purpose of national defence or security or to protect human life and property in cases of disasters, fire and epidemics.

4.4 Termination of Employment Contracts

Leaving aside termination upon expiry of its term, an employer cannot terminate an employment contract or otherwise bring it to an end at will and must comply with the applicable statutory grounds, conditions and procedures. In contrast, an employee may generally terminate the contract at will by giving the required statutory notice.

Unilateral Termination by the Employer

An employer may unilaterally terminate an employment contract in the following cases:

- (i) the employee consistently fails to satisfy performance standards prescribed in the employer's internal rules, which are only adopted after following a statutory procedure;
- (ii) the employee is ill or injured and has received treatment but has not recovered for a legally prescribed period, which varies based on the term of the contract;
- (iii) the employer is required to reduce its workforce due to a natural disaster, fire, major epidemic or relocation or downsizing required by a competent authority.
- (iv) the employee fails to return to work within 15 days after expiry of a period of suspension of the contract;
- (v) the employee reaches the retirement age;
- (vi) the employee is absent without reason for five

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consecutive days; and
(vii) the employee provides untruthful information affecting their recruitment in the first place.

For the cases set out in (i), (ii), (iii), (v) and (vii) above, the employer must give prior notice of at least:

- 45 days (for indefinite-term contracts);
- 30 days (for definite-term contracts of 12–36 months);
- 3 working days (for definite-term contracts under 12 months); and
- 3 working days for the case in (ii) above.

In certain sectors (eg, aviation personnel, enterprise management personnel and seafarers), longer notice periods may apply.

However, an employer may not unilaterally terminate the contract where:

- the employee is undergoing treatment or rehabilitation prescribed by a competent medical establishment (except for the case in (ii) above);
- the employee is on annual leave, personal leave or other employer-approved leave; and
- the female employee is pregnant or the employee is on maternity leave or raising a child under 12 months of age.

Retrenchment/Collective Redundancies

An employer may implement retrenchment/ collective redundancies in the following circumstances: (i) technological or organisational changes, (ii) economic reasons (eg, recession or restructuring of the economy) or (iii) company restructuring or change of control. An employer must strictly comply with the statutory requirements, the most important of which are:

- establishing and justifying the basis and necessity for collective redundancies;
- preparing a labour usage plan (detailing, among others, the employees who are kept, re-trained for continued employment, moved to part-time positions or terminated) with the consultation of the employees' representative organisation at the grassroots level;

- offering impacted employees new positions (if available);
- announcing the labour usage plan within 15 days of its adoption; and
- for cases involving technological or organisational changes or economic difficulties, consulting the relevant grassroots employees' representative organisation at the grassroots level and giving at least 30 days' prior notice of the proposed termination to the labour authority and affected employees.

Employee Dismissal

An employer may dismiss an employee for committing certain serious disciplinary violations prescribed under the Labour Code, including:

- committing theft, embezzlement, gambling, intentional injury or drug use at the workplace;
- disclosing trade or technological secrets;
- infringing the employer's intellectual property rights;
- causing serious damage or threatening particularly serious damage to the employer's assets or interests (what constitutes serious damage or particularly serious damage is normally defined in the employer's internal labour rules, which are required to be registered with the relevant Department of Home Affairs); or
- committing workplace sexual harassment.

What constitutes serious damage or particularly serious damage is normally defined in the employer's internal labour rules, which are required to be registered with the relevant Department of Home Affairs.

- repeating the same misconduct within a certain period after having been disciplined by wage increase deferral or demotion for such misconduct; and
- being absent without a valid reason for a total of five days within a 30-day period or 20 days within a 365-day period.

The dismissal process, including the conduct of a disciplinary hearing, must be carried out in strict compliance with applicable legal requirements.

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Unilateral Termination by the Employee

An employee may unilaterally terminate the employment contract by giving a prior notice of at least:

- 45 days (for indefinite-term contracts),
- 30 days (for fixed-term contracts of 12–36 months),
- 3 working days (for fixed-term contracts under 12 months).

In certain sectors (eg, aviation personnel, enterprise management personnel and seafarers), longer notice periods may apply.

An employee may also terminate the employment contract without prior notice where:

- the employee is not given the work, workplace or working conditions as agreed;
- the employee fails to pay wages in full or on time;
- the employer abuses, harasses or forces the employee to work against their will;
- the employee is sexually harassed in the workplace;
- the female employee is pregnant and has to stop working;
- the employee reaches the age of retirement; and
- the employer provides false information when signing the contract (eg, work, workplace, working hours, remuneration or insurance).

Monetary Entitlements Upon Termination of Employment

Upon terminating or otherwise ending an employment contract, the employer must pay the employee all entitlements, including salary and other contractual benefits, up to the date of termination. Depending on the reason for terminating or ending the contract, the employer may also have to pay a severance allowance or a job-loss allowance.

4.5 Employee Representations

Under the Labour Code, an employee may join a “grassroot-level employees’ representative organisation” (“representative organisation” for short), which is voluntarily established by the employees within an enterprise to protect their rights and interests. Such organisations may be either a Trade Union at the enterprise level, which is a part of the Vietnam

Trade Union or an employees’ organisation within the enterprise not belonging to the Vietnam Trade Union. In practice, the most common type of representative organisation is the Trade Union at the enterprise level.

At law, an employer must engage in workplace dialogue with employees (through their representatives) or the grassroots-level employees’ representative organisation on certain workplace topics at least annually, in accordance with the workplace democracy rules. In addition, an employer must consult and/or have the grassroot-level employees’ representative organisations (if established) participate in certain matters, including:

- adoption of the internal rules on assessment of performance standards for employees;
- retrenchment due to technological or organisational changes or economic reasons;
- adoption of the labour usage plan in the case of retrenchment/ collective redundancies;
- establishment of pay scales, payroll and productivity norms;
- establishment of a reward scheme;
- adoption or amendment of internal labour rules; and
- conducting disciplinary proceedings.

Where no representative organisation has been established at the enterprise level, employers commonly, as a matter of prudence, involve the higher-level Trade Union for matters that would otherwise require such organisation’s participation, although this can be time-consuming.

5. Tax Law

5.1 Taxes Applicable to Employees/ Employers

Under Vietnamese law, employees are subject to PIT on employment income if they are either tax residents in Vietnam or non-residents deriving Vietnam-sourced income. An individual is generally regarded as a tax resident if he/she is present in Vietnam for 183 days or more within a calendar year or 12 consecutive months or have a permanent residence in Vietnam. Tax residents are taxed at progressive rates from 5% to 35%,

while non-tax residents are taxed at 20% on Vietnam-sourced income.

Both Vietnamese employees and employers are required to contribute to compulsory insurances, subject to statutory caps:

- employee contributions include 8% social insurance, 1.5% health insurance and 1% unemployment insurance; and
- employer contributions include 17.5% for social insurance, 3% for health insurance and 1% for unemployment insurance.

5.2 Taxes Applicable to Businesses

A company is generally subject to taxation in Vietnam if it is established under Vietnamese law or has income sourced from Vietnam. The principal taxes applicable to companies doing business in Vietnam include:

Corporate Income Tax (“CIT”)

CIT rates in Vietnam generally range from 15% to 50%, depending on the taxpayer’s revenue level and the nature of its business activities. The standard CIT rate is 20%. Reduced rates of 15% and 17% apply to certain enterprises meeting prescribed revenue thresholds, while higher rates ranging from 25% to 50% apply to oil and gas exploration and production activities and certain precious and rare natural resource extraction activities. Expenses are generally deductible for CIT purposes where they are incurred in relation to the taxpayer’s business operations and income-generating activities, are supported by sufficient supporting documents and are not specifically excluded from deductibility under the prevailing tax regulations.

Value-Added Tax (“VAT”)

Vietnam applies three VAT rates: 0%, 5% and 10%. The 0% rate generally applies to exports and certain international services; the 5% rate applies to specified essential goods and services; and the standard 10% rate applies to all other taxable goods and services.

Foreign Contractor Tax (“FCT”)

FCT applies to foreign entities and individuals that earn income sourced from Vietnam under agreements with Vietnamese parties. FCT comprises VAT and CIT

or PIT, for the income of foreign individuals. Payments subject to the foreign contractor tax include interest, royalties, service fees, leases, insurance, transportation, transfers of securities and goods supplied within Vietnam or associated with services rendered in Vietnam. There are several options for tax declaration. However, the most common method is the direct method, where foreign contractors do not register for VAT purposes or file CIT or VAT returns. Instead, CIT and VAT are withheld by the Vietnamese party from the payments made to the foreign contractor.

Import and Export Duties

Import and export duty rates are subject to frequent changes and it is always prudent to check the latest position. Import duty rates are classified into three categories: ordinary rates, preferential rates and special preferential rates. Preferential rates apply to imported goods from countries that have Most Favoured Nation (MFN, also known as Normal Trade Relations) status with Vietnam. The MFN rates are in accordance with Vietnam’s WTO commitments and apply to goods imported from other WTO member countries.

Other Taxes

Depending on the taxpayer’s business activities and industry sector, additional taxes may be applicable, including special sales tax, natural resources tax, environmental protection tax and other taxes prescribed under Vietnamese tax laws.

Qualified Domestic Minimum Top-Up Tax rule and Income Inclusion Rule

Effective from 1 January 2024, Vietnam applies the OECD Pillar Two Global Minimum Tax regime through the Qualified Domestic Minimum Top-Up Tax rule and Income Inclusion Rule. The regime is designed to ensure that in scope multinational enterprise groups are subject to a minimum level of taxation in accordance with the OECD’s Global Anti-Base Erosion rules.

5.3 Available Tax Credits/Incentives

Vietnam does not generally provide tax credits. Instead, tax incentives are primarily granted through preferential Corporate Income Tax (“CIT”) rates, CIT exemptions and reductions and land rental incentives.

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Qualifying investment projects may benefit from preferential CIT rates of 10%, 15% or 17%, compared to the standard 20% CIT rate. Such incentives are generally available to projects in encouraged sectors, including high-tech enterprises, the production of high-grade steel, energy-efficient products and other priority industries, as well as projects located in economic zones, high-tech parks and areas with difficult or especially difficult socio-economic conditions.

Eligible projects may also enjoy CIT holidays, typically comprising a period of CIT exemption followed by a 50% CIT reduction for a specified period. Certain large-scale, high-technology, innovation-driven or strategically important projects may qualify for enhanced incentive packages, including lower CIT rates and extended tax holiday periods.

The availability and scope of these incentives depend on the sector, location, scale and nature of the investment project and are subject to satisfaction of the applicable statutory conditions.

5.4 Tax Consolidation

Vietnam does not currently have a tax consolidation regime. Tax is assessed on a separate entity basis.

5.5 Thin Capitalisation Rules and Other Limitations

There are generally no thin capitalisation requirements under Vietnamese tax legislation.

However, pursuant to investment licensing requirements, the maximum permissible debt funding is generally limited to the difference between the registered investment capital and the capital contribution recorded in the relevant investment registration certificate or, where applicable, the in-principle investment approval.

5.6 Transfer Pricing

Vietnam's transfer pricing regime, governed by Decree 255/2026/ND-CP, effective from 1 July 2026, is broadly aligned with OECD principles. Taxpayers engaging in related party transactions are generally required to file annual transfer pricing disclosures and maintain contemporaneous transfer pricing documentation. Under Decree 255/2026/ND-CP, the deductible net

interest expense for corporate income tax purposes of enterprises having related party transactions is subject to a cap of 30% of the taxpayer's total net profit from business activities during the tax period, plus interest expense after deducting interest income from deposits and loans arising during the period, plus depreciation expense incurred during the period.

5.7 Anti-Evasion Rules

Vietnam has anti-evasion and anti-avoidance rules under its tax regulations. These include, among other things, transfer pricing rules for related-party transactions, restrictions on deductible expenses and the tax authorities' powers to reassess or recharacterise transactions that lack economic substance or are undertaken primarily for tax avoidance.

5.8 Tariffs

Vietnam imposes import and export duties in accordance with the Law on Export and Import Duties and related implementing regulations. Applicable tariff rates depend on the classification of the goods, their customs value origin and Vietnam's international treaty commitments. Vietnam is a member of the WTO and numerous free trade agreements, including CPTPP, EVFTA and RCEP, under which preferential or special preferential import duty rates may apply to goods that satisfy the applicable rules of origin and other treaty requirements.

In practice, import duty rates vary significantly across product categories. Higher import duties are generally imposed on products for which Vietnam seeks to provide protection to domestic industries, including certain agricultural and steel products, as well as selected consumer goods. Goods imported from countries or territories that do not satisfy the conditions for most favoured nation treatment or preferential tariff treatment may be subject to ordinary import duty rates in accordance with Vietnamese law.

Vietnam's tariff regime has also been influenced by global trade developments and supply chain shifts. In recent years, Vietnam has increasingly resorted to trade remedy measures, including anti-dumping duties, countervailing duties and safeguard measures, particularly in sectors such as steel, metals, chemicals and certain manufactured products, to protect

domestic industries from unfair trade practices and serious injury caused by increased imports.

6. Competition Law

6.1 Merger Control Notification

Under the Vietnamese Law on Competition 2018 (“Competition Law”), the merger control regime applies to transactions which qualify as “*economic concentration*”, including:

- mergers;
- consolidations;
- acquisitions resulting in control or dominance over another enterprise;
- joint ventures; and
- other forms as prescribed by laws.

An economic concentration is generally subject to a merger control filing if any of the following thresholds is reached:

- (a) the total value of assets in the market of Vietnam of a participating enterprise or group of affiliated enterprises of which the participating enterprise is a member is VND6,000 billion (approximately USD230 million) or more during the financial year immediately preceding the year of the proposed economic concentration;
- (b) the total sales or purchases in the market of Vietnam of the participating enterprise or group of affiliated enterprises of which the participating enterprise is a member reach VND6,000 billion (approximately USD230 million) or more during the financial year immediately preceding the year of the proposed economic concentration;
- (c) the transaction value of the economic concentration is VND2,000 billion (approximately USD76 million) or more (not applicable to a transaction conducted outside Vietnam); and
- (d) the combined market share of the participating enterprises is 20% or more in the relevant market during the financial year immediately preceding the year of the proposed economic concentration.

The thresholds at limbs (a), (b) and (c) are effective for the period from 1 July 2026 to 28 February 2027 pursuant to the Government’s Resolution No 66.18/2026/NQ-CP. Prior to 1 July 2026, the thresholds at limbs (a) and (b) were VND3,000 billion (approximately USD115 million) and the threshold at limb (c) was VND1,000 billion (approximately USD38 million).

6.2 Merger Control Procedure

Pre-Notification Assessment and Notification Filing

The merger control process in Vietnam begins with an assessment of whether the proposed transaction constitutes an economic concentration and whether any of the statutory notification thresholds are met. If a notification is required, the parties must file with the NCC before proceeding with the transaction.

Preliminary Review

Upon receipt of a complete and valid filing, the NCC conducts a preliminary review that is statutorily required to take 30 days. During this stage, the NCC assesses whether the transaction raises competition concerns. If no such concerns are identified, the transaction may be cleared.

Official Review (If Required)

Where the NCC determines that the transaction may have anti-competitive effects by exceeding certain criteria as prescribed by law, it will proceed to an official review. This review may take up to 90 days and may be extended by a further 60 days in complex cases.

Issuance of Decision

At the conclusion of its review, the NCC may approve the transaction, approve it subject to conditions or prohibit it if it is likely to substantially restrict competition in the Vietnamese market. The transaction may only be implemented after obtaining the necessary clearance from the NCC.

6.3 Cartels

The Competition Law regulates agreements between parties in any form that cause or are capable of causing competition-restricting effects. The law distinguishes between horizontal agreements entered into by competitors and vertical agreements entered into by enterprises operating at different levels of the production, distribution or supply chain.

Certain anti-competitive agreements are prohibited per se, irrespective of market share or actual anti-competitive effects. These include, amongst others:

- bid rigging;
- agreements on preventing or impeding other enterprises from participating in or developing the market;
- agreements on excluding other enterprises from the market; price fixing agreements (whether directly or indirectly);
- agreements on sharing customers, markets or sources of supply; and
- agreements on restraining or controlling output or input.

Other restrictive agreements are prohibited where they cause or are capable of causing a significant competition-restraining effect in the relevant market. These include, amongst others, agreements to restrain technical or technological development or investment; agreements imposing conditions for contract execution or requiring other enterprises or customers to accept obligations unrelated to the subject matter of the contract; agreements not to transact with other enterprises; and agreements restricting the market for the sale or purchase of goods or services of other enterprises.

6.4 Abuse of Dominant Position

Under the Competition Law, an enterprise is deemed to hold a dominant market position if it has a market share of 30% or more in the relevant market or possesses significant market power. A group of enterprises may also be considered collectively dominant if they act together and hold a combined market share of 50% or more (for two enterprises), 65% or more (for three enterprises), 75% or more (for four enterprises) or 85% or more (for five enterprises), provided that no individual enterprise within the group has a market share of less than 10%.

Enterprises holding a dominant market position are generally prohibited from engaging in conduct that has the effect or is capable of having the effect of restricting competition. Prohibited conduct includes, among others, selling below the prime costs which lead to or may lead to eliminating competitors, impos-

ing unreasonable purchase or sale prices or fixing minimum resale prices, causing or possibly causing damages to customers, restricting production, limiting the market or obstructing technical or technological development, causing or possibly causing damages to customers; applying discriminating commercial conditions to similar transactions in ways which impede or may impede other enterprises participating or expanding the market; imposing on other enterprises conditions for signing contracts or request other enterprises or customers to accept irrelevant obligations to exclude/hinder such enterprises from participating in or expanding the market; and obstructing the participation or expansion of other businesses in the market.

7. Intellectual Property

7.1 Patents

Vietnam protects inventions through invention patents and utility solution patents. An invention is a technical solution, in the form of a product or process, that solves a specific problem by applying laws of nature. An invention patent is available where the invention is novel, involves an inventive step and is industrially applicable. A utility solution patent is available where the invention is novel, industrially applicable and not common knowledge, even if the inventive threshold is lower.

Patent protection is obtained through registration with the Vietnamese industrial property authority or through recognition of an international application under an applicable treaty. Foreign applicants without a permanent residence or business establishment in Vietnam must file through a lawful representative in Vietnam. Applications may be filed in paper or electronic form and must generally be made in Vietnamese. A patent application normally includes a description, claims and abstract. A formally valid patent application is published in the nineteenth month from the filing date or priority date, unless early publication is requested. A request for substantive examination must be filed within 36 months from the filing date or priority date. If no request is filed, the application is deemed withdrawn.

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Generally, an invention patent is effective from the grant date until the end of 20 years from the filing date. A utility solution patent is effective from the grant date until the end of ten years from the filing date. The patent owner has the right to use, license, prevent others from using and dispose of the protected invention. Use includes manufacturing the protected product, applying the protected process, exploiting the protected product or a product made by the protected process, circulating, advertising, offering or stocking it and importing it.

Unauthorised use of a protected invention during the patent term constitutes infringement. The owner may request cessation, public correction, damages, administrative handling, court proceedings or arbitration. In a civil patent case involving a patented process, the defendant may be required to prove that its process is different where the protected process produces a new product or where the owner cannot identify the defendant's process despite reasonable efforts.

7.2 Trade Marks

A trade mark is a sign used to distinguish the goods or services of different organisations or individuals. Registrable signs include words, letters, drawings, images, three-dimensional shapes, colours, combinations of those elements and sound signs capable of graphic representation. A mark must be distinctive and must not fall within statutory exclusions, such as misleading signs, prohibited official symbols, signs identical or confusingly similar to protected marks and signs that take unfair advantage of well-known marks.

Vietnam follows a first-to-file system for registered trade marks. Rights in an ordinary trade mark are established by the grant of a trade mark registration certificate or by recognition of an international registration under an applicable treaty. Rights in a well-known mark are established through use and are not subject to registration. An applicant may register a mark for goods it produces or services it provides. It may also register a mark for goods it lawfully places on the market if the producer neither uses the mark nor objects.

A trade mark application may cover one mark used for one or more goods or services. The application is published in the Industrial Property Gazette within one month after being accepted as formally valid. Third parties may oppose registration within three months of publication. A trade mark application is substantively examined within five months from publication. Registration may be refused for lack of distinctiveness, conflict with earlier rights, misleading content or other statutory grounds.

A registered trade mark is protected from the grant date until the end of ten years from the filing date. Protection may be renewed for consecutive ten-year periods without a statutory limit. A registration may terminate if it is not renewed, if the owner relinquishes it, if the owner no longer exists or conducts business without a lawful successor or if the mark is not used for five consecutive years before a termination request, subject to statutory exceptions.

Trade mark infringement includes unauthorised use of an identical mark for identical goods or services, use of an identical or similar sign for related goods or services where confusion is likely and use of a sign identical or similar to a well-known mark where confusion or a misleading association is likely. Customs control is particularly relevant for counterfeit trade mark goods. Customs authorities may suspend clearance, inspect or supervise goods and apply administrative remedies where counterfeit goods are detected.

7.3 Industrial Designs

An industrial design is the external appearance of a product or part of a product, in physical or non-physical form, expressed by shapes, lines, colours or a combination of those elements and visible during exploitation of the product's utility. Protection is available for designs that are new, creative and industrially applicable. A design is not protected if its appearance is dictated solely by technical characteristics, is the shape of a civil or industrial construction work or is invisible during use.

Industrial design rights are established by the grant of an Industrial Design Patent or by recognition of an international registration under an applicable treaty. Foreign applicants without a permanent residence or

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business establishment in Vietnam must file through a lawful representative in Vietnam. A formally valid application is published within one month after formal acceptance, although publication may be deferred at the applicant's request, but not beyond seven months from the filing date. Third parties may oppose the grant within three months of publication. Substantive examination is generally completed within five months of publication.

An Industrial Design Patent is valid for five years from the filing date and may be renewed twice for further five-year terms. The maximum term is therefore 15 years from the filing date. The owner has the right to use, license, prevent others from using and dispose of the protected design. Use includes manufacturing products bearing the protected design, circulating, advertising, offering for sale or stocking those products and importing them.

Infringement includes unauthorised use of the protected design or a design not significantly different from it during the term of protection. Remedies follow the general IP enforcement framework, including civil claims, administrative handling, provisional measures and customs measures.

7.4 Copyright

Copyright protects literary, artistic and scientific works that are directly created and expressed in material form. Protection does not depend on content, quality, form, medium, language, publication status or registration. Protected works include written works, lectures, press works, musical works, stage works, films, fine-art and applied-art works, photographs, architectural works, maps, folklore works, computer programs and data compilations. Derivative works are protected only where they do not prejudice copyright in the underlying work.

Copyright arises automatically upon creation and fixation. Registration is not required to obtain or enjoy protection, but it is useful evidence. A copyright registration certificate means the registrant need not prove ownership in a dispute unless contrary evidence exists. Foreign applicants without permanent residence or a local head office, representative office

or branch must file through an authorised copyright representative in Vietnam.

Copyright consists of moral rights and economic rights. Moral rights include the right to title the work, be named, publish or authorise publication and protect the integrity of the work. Economic rights include making derivative works, public performance, reproduction, distribution, import for public distribution, broadcasting or communication to the public, making the work available to the public at a chosen place and time and rental of cinematographic works or computer programs where the computer program is the main rental object.

The moral rights to title, attribution and integrity are protected indefinitely. For films, photographic works, applied art works and anonymous works, the publication rights and economic rights are generally protected for 75 years from first publication or 100 years from fixation if certain works are not published within 25 years. For other works, economic rights are generally protected for the author's life plus 50 years. For co-authored works, the term ends 50 years after the death of the last surviving co-author.

Copyright enforcement is particularly relevant online. Right holders may use technological protection measures, request the removal of infringing content from the internet or telecommunications networks, request that competent authorities handle infringement and bring court or arbitration proceedings. Digital platform owners and intermediary service providers have obligations to receive and handle takedown or access-blocking requests, provide contact points and comply with safe-harbour conditions.

7.5 Others

Computer programs are protected as works of copyright, not as a separate IP category. Computer programs are protected whether expressed in source code or machine code. Computer programs as such are excluded from patent protection, so protection normally depends on copyright, contracts, confidentiality and trade secrets.

Vietnam does not recognise a sui generis database right. Databases are protected by copyright only

where they qualify as data compilations created through creative selection or arrangement of materials. Protection of a data compilation does not extend to the underlying data.

Trade secrets are protected as industrial property rights without registration. Protection requires information that is not common knowledge or easily obtainable, gives the holder a business advantage and is kept secret by necessary measures. Infringement includes unauthorised access, collection, disclosure or use, breach of confidentiality obligations and use or disclosure by a person who knows or should know that the information was obtained unlawfully. Trade names, semiconductor layout designs, geographical indications and plant varieties are also protected under specific statutory rules.

8. Data Protection

8.1 Applicable Regulations

As Vietnam continues to develop its digital economy, data has become an increasingly important resource. In this vein, Vietnam's data protection regime has developed rapidly and now rests on two related but distinct pillars: a broader framework for data governance and a specific framework for personal data protection. The principal legal regulations applicable to data protection are as follows.

- At a broader framework level, the 2024 Law on Data ("Law on Data"), adopted by the National Assembly and effective from 1 July 2025, constitutes Vietnam's first comprehensive legal instrument governing data-related activities. The Law on Data is supplemented by Decree No 165/2025/ND-CP ("Decree No. 165/2025"), effective on the same date, which provides detailed guidance on implementing certain provisions of the Law on Data. Taken together, they set out requirements relating to data processing activities (eg, collection, storage, use and transmission), data protection measures, data risk management, the rights and obligations of data subjects and relevant parties (eg, preparing impact assessment dossiers, managing data security and internal controls and addressing restrictions or filing obligations for offshore transfers)

and the allocation of regulatory oversight among competent authorities. These instruments mean that businesses operating in Vietnam or handling Vietnam-related data should assess compliance at several levels. This also reflects Vietnam's increasing regulatory attention to high-volume and high-risk processing, including cloud services, artificial intelligence, profiling, platform-based services and other technology-driven business models.

- At the level of personal data, Decree No 13/2023/ND-CP marked Vietnam's first comprehensive regime dedicated to personal data protection. Although this Decree has now been replaced, it remains important for understanding the evolution of Vietnam's approach because many of the compliance concepts first introduced under that Decree continue to shape the current regime.

From 1 January 2026, the 2025 Law on Personal Data Protection ("Law on PDP") establishes Vietnam's first higher-level legislative framework specifically governing personal data protection. This Law provides a comprehensive statutory regime, including enhanced enforcement mechanisms and more detailed compliance requirements and addresses personal data protection in emerging sectors such as artificial intelligence (AI), cloud computing and blockchain. The Law on PDP is followed by Decree No. 356/2025/ND-CP ("Decree No 356/2025"), effective on the same date as the Law on PDP, which implements the Law on PDP and replaces Decree No 13/2023/ND-CP. This Decree provides detailed regulations on administrative procedures relating to personal data protection, including personal data processing impact assessments, cross-border data transfer assessments and data breach notification requirements.

8.2 Geographical Scope

Both the Law on Data and the Law on PDP adopt an extraterritorial approach, significantly expanding the reach of Vietnamese data regulations to offshore entities and cross-border data flows. In other words, foreign organisations engaging with the Vietnamese market may be subject to local compliance requirements, even without a physical presence in Vietnam, if they directly participate in or are otherwise connected with, data processing activities involving the Vietnamese market or protected categories of Vietnam-related

data subjects. In practical terms, this means that if a foreign company targets Vietnamese users, processes employee or customer data relating to Vietnam, transfers Vietnam-related data offshore or provides data processing services in Vietnam, it may need to carefully assess the applicability of Vietnamese law, as outlined in examples below.

- The Law on Data applies to foreign agencies organisations and individuals that directly participate in or are otherwise involved in, activities concerning digital data in Vietnam, to the same regulatory expectations as domestic entities. A key practical implication lies in the distinction between different categories of data, which affects the applicable cross-border compliance requirements and drives the level of regulatory scrutiny. While cross-border transfers of “important data” can generally proceed without prior approval, transfers of more sensitive “core data” require pre-approval. In practice, this creates a tiered compliance burden and may introduce timing and regulatory uncertainty for transactions involving higher-risk data sets.
- The Law on PDP adopts a similar scope, extending to foreign agencies organisations and individuals directly engaged in or involved in, data processing activities concerning (i) Vietnamese citizens and (ii) persons of Vietnamese origin residing in Vietnam whose nationality has not been determined and who have been issued identity cards. Accordingly, offshore entities falling within this scope must comply with substantially the same obligations as organisations and individuals in Vietnam.

The Law on PDP also requires that a cross-border transfer impact assessment be submitted to the competent authority within 60 days of the first transfer. This approach operates as a post-transfer compliance mechanism, allowing data flows to proceed without prior regulatory approval. However, the regime relies largely on self-assessment by businesses and does not provide standards for evaluating the adequacy of protection in recipient jurisdictions. That said, the Ministry of Public Security may review the dossier and has its own discretion in issuing a result on whether it meets regulatory requirements. As a result, while the level of regulation is less restrictive compared to the EU GDPR framework, which permits cross-border

transfers only on the basis of an adequacy decision or recognised safeguards such as Standard Contractual Clauses or Binding Corporate Rules, it would be more accurate to say that Vietnam adopts its own administrative assessment-based approach to cross-border transfers rather than a clearly less restrictive system.

Further, both laws include mechanisms to address potential overlap in impact assessment requirements. Compliance with impact assessment obligations for “core data” and/or “important data” under the Law on Data may exempt subjects from corresponding requirements under the Law on PDP. Conversely, compliance with personal data processing or cross-border transfer impact assessments under the Law on PDP may remove the need to conduct parallel assessments under the Law on Data. However, this does not remove the need for organisations to map their data flows carefully and identify which legal basis or filing route applies to a particular activity.

8.3 Role and Authority of the Data Protection Agency

The Law on Data as well as the Law on PDP allocate responsibilities to competent authorities for the administration and enforcement of data protection regulations, as outlined below.

Ministry of Public Security (“MPS”)

- Under the Law on Data, the MPS plays a central role in administering and enforcing data-related regulations. It is responsible for overseeing and coordinating the implementation of the data governance framework, including the management, protection, processing and use of data, as well as ensuring data security and preventing data-related violations.
- Under the Law on PDP, the MPS is the primary authority responsible for state management of personal data protection. Its key responsibilities include ensuring unified state management, leading the development and implementation of the legal framework and supervising compliance with data protection requirements.

For the purpose of handling administrative procedures relating to personal data protection (eg, receiving data assessment report, cross-border transfer assess-

ment report and other submissions required under the personal data regime), the MPS has designated its Department of Cybersecurity and High-Tech Crime Prevention (A05) as the competent authority responsible for such matters. Accordingly, the MPS/A05 is the primary regulator to consider when assessing official filings, regulatory expectations and enforcement risk in this area.

- The Ministry of National Defence is responsible for data and personal data protection within the military and national defence sectors under both the Law on Data and the Law on PDP.
- The Law on Data and the Law on PDP also allocate responsibilities to ministries, ministerial-level agencies and other Government bodies.

Notably, under the Law on PDP, the Ministry of Science and Technology plays a key coordinating role with the MPS in developing technical standards and regulations on personal data protection, including those relating to data anonymisation and de-identification. At the same time, the relevant ministries, ministerial-level agencies and other relevant state bodies may be assigned co-ordination and implementation responsibilities within their respective functions.

Further, People's Committees at the provincial and municipal levels are also responsible for implementing, administering and promoting compliance with data/personal data protection regulations.

That said, the system is not one in which businesses typically deal with a single independent privacy commissioner, as in some other jurisdictions. Instead, the Vietnamese regime is more state management-oriented, with the MPS and particularly A05 for personal data procedures, occupying a central position. Businesses should therefore regard the MPS as the lead authority for personal data protection matters, while also remaining alert to parallel requirements that may arise under sectoral regulation or the broader Law on Data framework.

9. Looking Forward

9.1 Upcoming Legal Reforms

There are no noteworthy upcoming legal reforms.

Trends and Developments

Contributed by:

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VILAF

VILAF has been at the forefront of Vietnam's legal market for over three decades. The firm is widely recognised for advising foreign investors and institutions on their business activities in Vietnam, delivering high-quality, commercially focused legal solutions. With more than 100 lawyers, including 16 partners, **VILAF** offers expertise across a full range of practice areas, including banking and finance, corporate and M&A, dispute resolution, energy and infrastructure and real estate. Its internationally trained lawyers

combine global standards with deep local insight, enabling the firm to handle complex cross-border transactions effectively. **VILAF** is particularly known for its strong M&A and corporate practice, supported by a large team of English-speaking lawyers and Chinese language capabilities. The firm consistently handles large, sophisticated matters under demanding timelines, with many partners recognised as leading lawyers in Vietnam.

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Vietnam is entering a new era of economic and regulatory development in which investment opportunities continue to expand, while the legal and compliance environment becomes more sophisticated. Many of the developments now shaping the market in 2026 represent a continuation and acceleration of policy and regulatory directions that became more visible in 2025, particularly in relation to digital transformation, infrastructure, sustainability, financial innovation and higher-value manufacturing. For foreign investors, this creates a market that remains highly attractive, while also requiring a more deliberate approach to regulatory planning, transaction structuring and ongoing compliance.

At the same time, enforcement trends indicate a shift toward more active and coordinated supervision across the investment lifecycle, particularly in areas such as:

- tax;
- labour;
- licensing;
- competition;
- foreign exchange; and
- ESG-related obligations.

In this environment, successful investment in Vietnam depends not only on identifying commercial opportunities but also on aligning business models with policy direction, anticipating regulatory risk and establishing governance systems capable of supporting long-term operations.

M&A Environment and Transaction Structuring

M&A activity in Vietnam remains active across sectors such as manufacturing, real estate, logistics, energy and technology. Transactions are shaped by key regulatory considerations, including acquisition approvals, sector-specific foreign ownership limits and merger control obligations under competition law.

A notable recent development is the adjustment of merger filing thresholds under Resolution No 66.18/2026/NQ-CP, effective 1 July 2026 to 1 March 2027. The framework increases the primary thresholds that trigger notification, raising the total assets and turnover thresholds to VND6,000 billion and

the transaction value threshold to VND2,000 billion, while the combined market share threshold remains unchanged. This adjustment reduces the number of transactions subject to pre-closing notification, particularly mid-sized deals and is expected to streamline transaction timelines and lower compliance costs.

In parallel, Vietnam has undertaken a significant reform of its investment framework through Resolution No 66.17/2026/NQ-CP, which simplifies conditional business sectors with effect from 1 July 2026 to 1 March 2027. Under this reform, the number of conditional business lines is reduced from 198 to 142 sectors, reflecting a substantial relaxation of market entry requirements. This reform represents a broader shift in regulatory approach, with the government moving away from a “pre-approval” licensing model toward a “post-inspection” framework based on technical standards and ongoing compliance. As a result, while initial licensing constraints are reduced, regulatory oversight continues through sector-specific requirements and post-licensing supervision. However, transactions that fall below merger thresholds or are outside conditional sectors remain subject to substantive competition review and other regulatory scrutiny. Accordingly, transaction structures must continue to address regulatory risks, particularly in regulated or sensitive sectors.

Key regulatory considerations affecting transactions include:

- acquisition approval requirements;
- sector-specific foreign ownership limits;
- merger control obligations under competition law.

In practice, this requires:

- early regulatory mapping;
- parallel processing of approvals;
- detailed contractual provisions addressing regulatory risks, including change-in-law and liability allocation.

The combined effect of merger control reform and simplification of conditional business lines reinforces a more facilitative investment environment, while maintaining a robust compliance framework. As such, the

increasing sophistication of transactions continues to underscore the importance of comprehensive legal due diligence and proactive regulatory engagement.

Cross-Border Documentation Reform Through the Adoption of the Apostille Convention

A further notable development supporting cross-border investment is Vietnam's accession to the Hague Apostille Convention, which abolishes the requirement for legalisation of foreign public documents and is expected to take effect in September 2026.

The reform introduces a fundamental change in how foreign public documents are authenticated for use in Vietnam and abroad. Under the current regime, documents are typically subject to a multi-step consular legalisation process involving certification in both the issuing country and Vietnam. The new framework replaces this process with a single Apostille certificate issued by the competent authority of the originating jurisdiction.

This shift is expected to significantly reduce administrative burdens for investors, particularly in transactions requiring cross-border documentation, such as M&A, financing arrangements and dispute resolution proceedings.

Key trends arising from this reform include:

- simplification of authentication procedures through the replacement of multi-step legalisation with a single Apostille certification;
- reduction in processing time and transaction costs for cross-border investments and corporate documentation;
- increased predictability in project timelines, particularly for licensing, financing and workforce mobilisation;
- greater alignment of Vietnam's legal framework with international practices in document recognition and legal cooperation.

The reform also has direct practical implications for transactional and dispute-related documentation, including powers of attorney, corporate records and litigation documents, which are expected to be processed more efficiently.

For foreign investors, the adoption of the Apostille system represents a significant administrative improvement and supports a more seamless execution of cross-border transactions, consistent with Vietnam's broader efforts to enhance its investment environment and legal integration.

Financial Innovation by Vietnam International Financial Centre

A significant development in Vietnam's financial sector is the establishment of the Vietnam International Financial Centre, structured as a single financial platform operating across Ho Chi Minh City and Da Nang City.

The framework introduces a specialised regulatory regime designed to attract international capital, financial institutions and fintech participants, while facilitating cross-border financial activity within a more flexible and commercially oriented environment.

The dual-location structure reflects distinct policy orientations. Ho Chi Minh City is positioned as a comprehensive financial hub focused on capital markets and traditional financial services, whereas Da Nang City is designed as an innovation-driven centre with an emphasis on fintech, digital assets and regulatory sandbox models.

Entry into the financial centre is available through registration, recognition or sector-specific licensing, depending on the nature of the business. While the regime simplifies market entry and reduces administrative procedures for many investors, regulated sectors such as banking, securities and insurance remain subject to separate licensing and supervision.

Recent developments indicate a shift toward specialised financial ecosystems aligned with Vietnam's comparative advantages and strategic industries. In particular, Ho Chi Minh City is advancing sector-specific financial clusters, including the development of an aviation financial hub (the Asia-Pacific Aviation Financial Hub, an initiative under VIFC-HCMC), supporting aircraft financing, leasing, insurance and logistics-related financial services, with initial capital mobilisation already reaching approximately USD6.1 billion.

In parallel, the launch of an international maritime financial ecosystem (the International Maritime Financial Ecosystem, another initiative under VIFC-HCMC), supported by strategic cooperation between financial institutions and logistics operators such as Vietcombank and Gemadept, aims to integrate financial services with port infrastructure, trade flows and global supply chains. This initiative seeks to enhance domestic value retention in maritime activities and develop higher-value financial services, including trade finance, insurance and risk management, which have historically been performed offshore.

The regulatory framework is further complemented by specialised institutional mechanisms within the financial centre. In particular, the establishment of an International Arbitration Centre creates a dedicated dispute resolution forum for commercial and investment-related matters arising within the VIFC ecosystem. Its jurisdiction is based on party agreement, allowing parties to refer to disputes arising from activities within the VIFC to a forum aligned with international arbitration practice. The framework also permits parties, subject to agreement, to waive recourse to setting-aside proceedings before domestic courts, thereby enhancing the finality and enforceability of arbitral awards. This mechanism is designed to improve predictability in dispute resolution and reduce post-award litigation risks, particularly for cross-border transactions.

In addition, the Commodity Exchange within the VIFC introduces a regulated platform for trading a broad range of asset classes, including commodities, energy products, derivatives, metals and emerging products such as carbon credits and tokenised assets. The platform is structured to enable integrated trading, hedging and financing functions, supporting the development of more sophisticated financial products within Vietnam's market.

Key trends emerging from the framework include:

- development of specialised financial hubs, including aviation and maritime finance, integrated with real economy sectors;
- expansion of fintech, digital asset and carbon-related financial services within controlled regulatory environments;

- greater flexibility in capital mobilisation and cross-border transactions;
- gradual adoption of international accounting standards and market practices;
- growth of integrated ecosystems linking finance, logistics, infrastructure and trade;
- establishment of specialised dispute resolution and market infrastructure platforms supporting investor protection and market development.

For foreign investors, the financial centre offers a strategic platform for accessing Vietnam's financial markets and participating in both traditional and emerging sectors, while benefiting from a more flexible and internationally aligned regulatory framework.

Strategic Direction in Technology, Sustainability and the Digital Economy

Vietnam's development strategy is increasingly anchored in the convergence of technology, sustainability and digital transformation. The government has positioned science, technology, innovation and digitalisation as central drivers of national growth, reinforced through Resolution No 57-NQ/TW, which sets ambitious targets for digital competitiveness and economic modernisation.

This shift is already reflected in measurable outcomes. Vietnam's digital economy reached approximately USD 72.1 billion in 2025, contributing around 14.02% of GDP and recording strong growth momentum across sectors. These figures highlight the transition of the digital economy from a high-growth sector into a foundational component of the national economic structure.

In parallel, climate commitments have been integrated into national policy. Vietnam's net zero target by 2050, combined with strengthened environmental regulation and ESG requirements, reflects a broader transition toward a sustainability-driven growth model. For investors, this dual focus on technology and sustainability increasingly shapes regulatory priorities and project approval processes.

Within this framework, the digital economy has evolved from a high-growth sector into a critical component of national infrastructure. Recent legislative reforms,

including the Law on Digital Technology Industry and related investment and tax amendments, have established a structured legal foundation for digital technologies, data infrastructure, semiconductors and digital assets.

Key trends include:

- expansion of digital infrastructure, particularly large-scale data centres, cloud computing and supporting platforms;
- accelerated adoption of artificial intelligence and advanced digital technologies, supported by dedicated governance frameworks;
- formal recognition and regulation of digital assets, including tokenised assets, for the first time under Vietnamese law;
- development of digital technology parks and innovation zones designed to attract high-tech investments and support ecosystem integration;
- introduction of targeted investment incentives, particularly for semiconductor manufacturing, AI applications and digital infrastructure projects, including preferential tax treatment and streamlined procedures.

In addition, certain strategic digital projects benefit from accelerated implementation mechanisms that allow earlier execution by bypassing traditional approval processes. At the same time, regulatory expectations are increasing. Greater emphasis is placed on data governance, cybersecurity, transparency and risk management, particularly regarding AI systems and digital platforms.

For investors, the digital economy presents significant opportunities across data infrastructure, semiconductors and emerging digital asset markets. However, the evolving regulatory landscape requires careful alignment between global operational models and Vietnam-specific compliance requirements, particularly in areas such as data control, licensing and technology governance.

Energy Transition and Power Market Reform

Vietnam's energy sector is undergoing a structural transformation driven by rapid economic growth, industrialisation and rising energy demand, alongside

its commitment to achieving net-zero emissions by 2050.

The regulatory framework underpinning this transition is anchored in the revised Power Development Plan 8 (PDP8) and the Electricity Law (2024), which together establish a comprehensive roadmap for decarbonising the power sector, strengthening energy security and modernising market structures.

Key trends emerging from this framework include:

- accelerated expansion of renewable energy, with solar, wind (including offshore) and biomass forming the core of future capacity growth;
- progressive reduction of coal dependency, with caps on coal-fired capacity and long-term transition toward cleaner energy sources;
- large-scale investment in grid infrastructure, smart grids and energy storage to address capacity constraints and integrate renewable generation;
- introduction of more market-oriented mechanisms, including direct power purchase agreements, enabling large consumers to procure renewable energy directly;
- increasing alignment with ESG and sustainable finance frameworks, supporting investment in green energy and infrastructure.

The scale of investment required is substantial, with PDP8 estimating capital needs of approximately USD136.3 billion for the period from 2026 to 2030.

Despite strong policy direction, investors continue to face regulatory and practical challenges, including evolving tariff mechanisms, grid curtailment risks and bankability concerns in power purchase arrangements. These factors remain critical considerations in structuring and financing energy projects.

ESG, Carbon Markets and Sustainable Supply Chains

Sustainability is becoming a core consideration in Vietnam's investment and regulatory environment, with ESG compliance, carbon market development and sustainable finance frameworks advancing alongside broader economic transformation.

Recent reforms signal a clear policy direction. These include mandatory ESG-related disclosures for certain enterprises, the introduction of a national green taxonomy to guide environmentally eligible investments and the pilot development of a domestic carbon market to support emissions reduction and climate-aligned capital flows.

In parallel, sustainable finance is expanding. Green bonds, green credit programmes and environmentally focused lending are gaining traction, strengthening the link between capital markets and sustainability objectives. However, the framework remains evolving, with further clarity expected on carbon pricing, market operation and reporting standards.

At the same time, these developments are reshaping Vietnam's manufacturing and infrastructure sectors. While the country continues to benefit from its role in global supply chains, investment is shifting toward higher-value, technology-driven production, with stronger ESG requirements across supply chains.

Key trends include:

- increased automation and adoption of advanced technologies;
- growing emphasis on ESG compliance and supply chain traceability;
- continued expansion of logistics and infrastructure supporting trade and distribution;
- closer alignment between industrial growth and sustainability objectives.

Infrastructure development, particularly in transport, logistics and urban systems, remains essential but involves complex regulatory processes, including land acquisition and environmental approvals.

For investors, these convergence points signal a transition toward more sustainable and higher-value economic activity, requiring integrated approaches to compliance, technology and long-term sustainability strategy.

Metro and Transit-Oriented Development (TOD)

Vietnam's recent legal and policy framework has elevated metro infrastructure and transit-oriented

development (TOD) to core tools for reshaping urban growth, especially in Hanoi City and Ho Chi Minh City. Vietnam's Capital Law 2024 expressly embeds "urban development oriented towards public transport" as a key planning principle for Hanoi City, laying the groundwork for higher-density, mixed-use development around metro corridors.

At the national level, the National Assembly's Resolution 188/2025/QH15 adopts special mechanisms to accelerate urban rail and TOD, empowering major cities to integrate land-use planning, financing and rail investment more flexibly.

At the planning level, the adjusted master plan for Ho Chi Minh City to 2040 (Decision No 1125/QĐ-TTg) adopts public transport-oriented urban development as a core principle. The plan promotes the alignment of urban expansion, redevelopment of existing areas and infrastructure investment with transit systems, emphasising increased connectivity and improved land-use efficiency throughout the urban structure. A consistent direction is reflected in the adjusted master plan for Hanoi City to 2045 (Decision No 1668/QĐ-TTg), which also places urban rail and public transport networks at the centre of spatial organisation.

In Ho Chi Minh City, these policies are being operationalised through a dedicated TOD implementation plan along Metro Line 2 (Ben Thanh – Tham Luong), under which the People's Committee of Ho Chi Minh City has defined TOD zones as the area within a 1,000-metre radius of stations and the depot selected for pilot implementation. The city's approach focuses on using metro stations as focal points for compact urban clusters that integrate residential, commercial and office functions, with improved public spaces, pedestrian connectivity and reduced reliance on private vehicles. Complementing this, the government has proposed allowing Ho Chi Minh City to retain revenue generated from TOD-related land development to reinvest in urban rail and transport infrastructure, effectively creating a form of land value capture to fund metro expansion. In practice, these mechanisms are now visible in project-level decisions: Ho Chi Minh City has approved pilot TOD planning at five sites along Metro Line 2, while Hanoi City is integrating TOD concepts into new metro lines such as Line 3 (Nhon

– Ha Dong), with planners and investors increasingly required to coordinate transport, planning and land policy from the outset.

For investors, developers and lenders, the latest TOD framework means that transit-accessible land banks, mixed-use zoning potential and compliance with TOD-specific planning requirements (including resettlement, public amenities and pedestrian infrastructure) are becoming central to project feasibility and regulatory engagement must now start early in the rail-planning cycle rather than after metro routes and stations have been fixed.