



**INDOCHINE
COUNSEL**
Business Law Practitioners

Client Guide

VIETNAM CAPITAL MARKETS GUIDE

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Table of Contents

INTRODUCTION	1
OVERVIEW OF CAPITAL MARKETS IN VIETNAM	3
FINANCIAL INSTRUMENTS	3
Stocks and bonds	3
Derivatives and Fund certificates	4
PARTICIPANTS	5
Firms/Issuers	5
Investors/Subscribers	5
Intermediaries	6
MARKETS	7
Listed Securities Market	7
Unlisted Securities Market	7
Private Corporate Bonds Market	7
LEGAL FRAMEWORK AND REGULATORS	8
Legal Framework	8
Regulators	8
STOCKS	10
PUBLIC OFFER OF STOCKS	10
Limitations and conditions	11
Issuance process	12
PRIVATE PLACEMENT OF STOCKS	14
Limitations and conditions	15
Issuance process	16
OVERVIEW OF STOCK TRADING IN VIETNAM	17
Trading Account Registration	17
Trading Mechanisms on Regulated Platforms	17
Trading Unit	18
Trading band	19
BONDS	20
PUBLIC OFFER OF BONDS	20
Limitations and conditions	20
Issuance process	22
PRIVATE PLACEMENT OF BONDS	24
Limitations and conditions	24
Issuance process	25
ISSUING BONDS IN INTERNATIONAL MARKETS	27
Limitations and conditions	27
Issuance process	27

OVERVIEW OF BOND TRADING IN VIETNAM	29
Trading Account Registration	29
Trading Mechanisms on Regulated Platforms	29
Trading band	30
Trading Restrictions	30
NOTABLE REQUIREMENTS AND COMPLIANCE MATTERS	31
FOREIGN INVESTMENT ON VIETNAM CAPITAL MARKETS	31
Investment forms and investment account	31
Foreign ownership restrictions	31
PROSPECTUS AND FINANCIAL STATEMENT	31
Prospectus	32
Financial Statements	32
Liabilities	32
LISTING CONDITIONS	33
MARKET MANIPULATION AND INSIDER TRADING	33
Insider Trading	34
Market Manipulation	34
DISCLOSURE OBLIGATION OF PUBLIC COMPANIES	34
CORPORATE GOVERNANCE REGIME OF PUBLIC COMPANIES	35
NEW TRENDS	36
SPAC	36
GREEN BONDS	36
CRYPTOCURRENCIES	37
FINANCIAL CENTERS	38
CONCLUSION	39
APPENDIX – KEY LEGAL DOCUMENTS FOR CAPITAL MARKETS IN VIETNAM	40
CONTACT US	42

Introduction

1

Vietnam's capital markets have undergone remarkable growth since their official establishment in 2000, becoming a key pillar of capital mobilization, economic expansion, and investment diversification. Over the past 25 years, the markets have evolved significantly, with nearly 1,600 companies trading stocks on HOSE, HNX, and UPCoM. As of July 2025, the total stock market capitalization reached [VND8,316 trillion](#), equivalent to 72.2% of the estimated 2024 GDP, while the corporate bond market reached [VND2,500 trillion](#), accounting for 22% of the estimated 2024 GDP.

2

Vietnam's capital markets comprise a diverse investor base, including foreign and domestic participants, as well as institutional and retail investors. Retail investors dominate trading activity, engaging primarily in short-term, speculative transactions, which contributes to market volatility and limited liquidity depth. In contrast, institutional investors, both domestic and foreign, remain underrepresented, limiting market stability and long-term investment flows. Foreign investors have been net sellers since 2023, offloading a record [VND102 trillion](#) since the beginning of 2025 and surpassing the VND93 trillion net outflow recorded in 2024.

3

In the stock market, firms are currently valued at a P/E ratio of [15.4x](#), above the long-term average of ~13.3x, which indicates strong growth expectations but also signals limited room for further valuation expansion, which may constrain additional capital inflows. Nevertheless, this ratio remains well below the 2021 peak of [~19.5x](#), reflecting investor caution and weakened capital inflows, particularly from foreign investors amid the continued net selling trend.

4

In the bond market, issuance is highly concentrated in the banking and real estate sectors. As of February 2025, the banking sector accounts for [44%](#) of total corporate bonds in circulation, followed by the real estate sector at [28.9%](#). This sectoral concentration underscores the dominance of banks in corporate financing and the heavy reliance of property developers on debt issuance, presenting potential systemic risks in periods of economic downturn or regulatory tightening.

5

Vietnam's capital markets regulatory framework has evolved to support market expansion while addressing challenges related to transparency, investor protection, and financial integrity. The Securities Law, first enacted in 2006, laid the foundation for market regulation and investor participation, establishing a structured approach to securities issuance, trading, and compliance requirements. The 2019 reform of the Securities Law introduced stricter corporate governance rules, enhanced disclosure obligations, and a more robust enforcement framework. In response to recent market scandals, regulators in 2024 have further tightened compliance requirements and increased enforcement measures. These regulatory adjustments aim to strengthen investor confidence, promote market stability, and ensure sustainable long-term growth.

6

This Legal Guide provides a comprehensive overview of Vietnam's capital markets, focusing on key regulations, compliance requirements, and emerging trends. It is structured into five main sections:

- ✓ Section 1: Overview of Vietnam's Capital Markets – A broad introduction to financial instruments, key participants, market structure, and the regulatory framework.
- ✓ Sections 2 & 3: Stocks & Bonds – A summary of legal regulations governing securities issuance and trading.
- ✓ Section 4: Notable Requirements and Compliance Matters – A review of essential regulatory obligations, including securities issuance, trading, disclosure, and corporate governance requirements for public companies.
- ✓ Section 5: New Trends – Insights into SPACs, green bonds, cryptocurrencies, and financial centers in Vietnam.

Overview of Capital Markets in Vietnam

Financial Instruments

7

Vietnamese law recognizes a wide range of financial instruments in the capital markets, catering to the diverse capital needs of issuers and varying risk appetites of investors. These instruments include stocks, bonds, fund certificates, warrants, derivatives, and others.

Stocks and bonds

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Stocks and bonds are generally categorized into the following main types:

Stocks	Bonds
Common stocks (ordinary shares)	Vanilla bonds
Preference stocks such as voting preference stocks, dividend preference stocks, redeemable preference stocks and other preference stocks	Convertible bonds
	Secured bonds
Preference stocks with warrants	Bonds with warrants / Warrant-linked bonds

- ✓ *Voting preference stocks* can only be held by organizations authorized by the Government and the company's founding shareholders. The voting preference granted to founding shareholders remains effective for three (3) years from the company's incorporation, after which these shares are converted into common stocks.
- ✓ *Convertible bonds* are considered hybrid securities, allowing bondholders to convert them into common stocks of the issuer upon the occurrence of pre-determined conditions. *Secured bonds* are regarded as the safest form of bonds, as their principal and interest payments upon maturity are secured, either partially or entirely by the issuer's assets, third-party collateral, or guarantees from entities such as banks or founders.
- ✓ *Preference stocks or bonds* may be issued with warrants, granting holders the right to purchase common stocks of the issuer at a pre-agreed price and under specified terms.

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In addition to these forms, Vietnamese law also provides for specialized stock and bond categories, such as ESOP shares and green bonds, which are subject to more detailed regulations.

10

Based on the form of issuance, stocks and bonds are classified into two main categories: privately issued securities and publicly issued securities.

- ✓ *Privately issued securities* refer to those offered through a private placement process, typically involving a limited number of investors and fewer disclosure requirements.
- ✓ *Publicly issued securities* are those offered through a public offering process, which requires broader investor access and stricter regulatory compliance.

Public Offer	Private Placement
An offer for sale of securities via one of the following methods: ✓ An offer for sale via the mass media; ✓ An offer for sale to one hundred (100) or more investors excluding professional securities investors; or ✓ An offer for sale to undefined investors.	An offer for sale of securities which is not Public Offer and made via either of the following methods: ✓ An offer for sale to less than one hundred (100) investors excluding professional securities investors; or ✓ An offer for sale to professional securities investors only.

11

Publicly issued securities are subject to stricter disclosure, registration, and compliance requirements. Meanwhile privately issued securities provide greater flexibility but are limited in terms of investor reach and liquidity.

Derivatives and Fund certificates

12

Besides stocks and bonds, the law also recognizes other financial instruments in capital markets such as derivative securities and fund certificates.

- ✓ Available forms of *derivatives* under Vietnamese law comprise option contracts, future contracts, and forward contracts.
- ✓ *Fund certificates* are a kind of securities issued by securities investment fund certifying the ownership of an investor of a capital contribution portion in the fund. A securities investment fund is a fund established from capital contributions of investors in order to receive a profit from investment in securities or in other assets/property including real estate. Securities investment funds are managed and operated by a licensed investment fund management company and their investors do not have day-to-day control over the investment decision-making of the fund. Certificates of exchange traded fund (ETF) can be listed and traded on the listed securities trading system.

13

In the context of this guide, we will focus on the discussion on stocks and bonds as primary and outstanding instruments with the categorization approach based on issuance forms (i.e., public offer and private placement).

Accordingly, key regulations surrounding the issuance and trading of publicly and privately issued stocks and bonds will be briefly introduced respectively.

Participants

Firms/Issuers

14

Firms are securities issuers that provide securities to the market in exchange for capital. Firms incorporated as limited liability companies (LLCs) or joint stock companies (JSCs) may issue stocks and bonds through public offerings or private placements, subject to regulatory requirements and eligibility criteria. In contrast, firms incorporated as private enterprises (similar to sole traders or sole proprietorships in other jurisdictions) or partnership companies are not permitted to issue securities.

15

JSCs are further classified into non-public companies and public companies, with the latter meeting the public conditions prescribed by law and certified as such by SSC. Public JSCs are subject to significantly stricter regulations on private placements of securities and corporate governance.

Public company is defined under the Securities Law as a joint stock company which:

- ✓ has a contributed charter capital of at least VND30 billion, an equity capital of at least VND 30 billion, and at least 10% of voting shares held by a minimum of 100 investors who are not major shareholders; or
- ✓ has made a successful initial public offer (IPO) of shares.

16

Public companies are further classified into listed and non-listed companies. While not explicitly defined by law, listed companies are generally understood as public companies whose securities are traded on stock exchanges. The conditions for listing stocks on stock exchanges are discussed in detail in *Listing conditions of Notable requirements and compliance matters*.

Investors/Subscribers

17

Investors are securities subscribers or purchasers who acquire securities and provide capital to the market. They can be either individuals or entities, both Vietnamese and foreign. However, foreign investors are subject to certain restrictions, such as foreign exchange controls when purchasing bonds or foreign ownership limits when acquiring stocks of issuers operating in business sectors with foreign investment restrictions.

18

Additionally, stocks and bonds issued through private placements may only be available to specific investor groups, such as professional securities investors or strategic investors, in accordance with regulatory requirements.

Professional securities investor is defined under the Securities Law as an investor who has financial capability or professional expertise in securities, comprising both corporations and individuals. In which, corporate professional securities investors include:

- ✓ Commercial banks, foreign bank branches, finance companies, insurance business organizations, securities companies, securities investment fund management companies, securities investment companies, securities investment funds, international financial institutions, off-budget State financial funds, and State financial institutions permitted to purchase securities in accordance with relevant law;
- ✓ Companies with paid-up charter capital reaches more than one hundred (100) billion dong or listing organizations or registered trading organizations; and
- ✓ Foreign-incorporated entities doing businesses in Vietnam.

Strategic investor is defined under the Securities Law as an investor who is selected by the general meeting of shareholders of the issuer in accordance with the criteria on financial capability and technological qualifications and is committed to cooperating with the issuer for a period of no less than three (3) years.

Intermediaries

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Intermediaries in Vietnam's capital market mainly include fund management companies, securities firms, banks, and other licensed service providers.

20

Fund management companies participate in the market primarily on behalf of investors. They act as professional asset managers by managing securities investment funds and client portfolios under discretionary mandates.

21

Securities firms and banks may participate in the process of firms' issuance and investors' trading of securities with various roles. For issuers, securities firms and investment banks could act as an underwriter, issuance agent, and adviser to assist the securities issuance of the issuers. For investors, securities firms and banks, with their positions as trading members of Vietnam Exchange ("**VNX**"), and depository and clearing members of Vietnam Securities Depository and Clearing Corporation ("**VSDC**"), perform their functions of registration, depository, and clearance of securities with VNX and VSDC to enable securities trading among the investors.

VNX and VSDC are 100% State-owned companies which were respectively established under Decision No. 37/2020/QĐ-TTg dated 23 December 2020 and Decision No. 26/2022/QĐ-TTg dated 16 December 2022 of the Prime Minister. The establishment of VNX was based on the restructuring of Ho Chi Minh Stock Exchange (“**HOSE**”) and Ha Noi Stock Exchange (“**HNX**”), which consequently became subsidiaries of VNX. Meanwhile, VSDC was established based on the conversion of the Viet Nam Securities Depository Center.

In general, securities are required to be registered with and deposited at VSDC and applied for listing or registered for trading with VNX. Members of VNX are securities firms and banks which are accepted by VNX to become respectively trading members and special trading members of VNX. Members of VSDC are securities firms and banks licensed to engage in depository and clearance of securities and accepted to become members of VSDC.

Markets

22 Vietnam’s securities market is structured into two main segments: listed securities markets and unlisted securities markets, collectively forming the country’s securities market.

23 Vietnam’s stock market is currently classified as a frontier market by major global index providers such as MSCI and FTSE Russell. However, following significant market reforms, regulatory improvements, and enhanced foreign investor access, FTSE Russell announced in October 2025 that Vietnam will be reclassified as a Secondary Emerging Market effective September 2026, pending an interim review in March 2026, while MSCI continues to list Vietnam as a frontier market under observation for potential upgrade.

Listed Securities Market

24 HOSE and HNX serve as the primary platforms for trading listed securities. Companies seeking to list their securities on these exchanges must meet stringent listing requirements related to capital threshold, financial performance, ownership structure, etc.

Unlisted Securities Market

25 Public companies that are not eligible or do not meet the requirements for listing on HOSE or HNX are required to register their securities for trading on the Unlisted Public Company Market (UPCoM).

Private Corporate Bonds Market

26 Vietnam has established a dedicated private corporate bonds market, designed for trading privately placed corporate bonds since 2023. This market is aimed to enhance liquidity and transparency in private bond transactions, while ensuring compliance with regulatory requirements.

Based on SSC's published data, as of July 2025:

- ✓ **390 firms** had stocks listed on HOSE;
- ✓ **306 firms** had stocks listed on HNX;
- ✓ **887 firms** had stocks registered for trading on UPCoM; and
- ✓ **81 firms** had bonds listed on HNX.

Although the private corporate bond market was only introduced in 2023, by the end of 2024, 326 firms had registered a total of 1,431 bonds for trading on this exchange.

As of July 2025, the total market capitalization of stocks on HOSE, HNX, and UPCoM reached approximately VND 8,316 trillion, equivalent to 72.2% of the estimated 2024 GDP. Meanwhile, the total outstanding value of the corporate bond market stood at VND 2,500 trillion, accounting for 22% of estimated 2024 GDP.

Legal Framework and Regulators

Legal Framework

27

Securities Law and its guiding legal documentation together with VNX's rules and regulations, are major regulatory regimes for capital markets in Vietnam. These regimes provide rules for the process from issuing to trading securities in the capital markets, rights and obligations of issuers, investors, and other participants engaging in the capital markets.

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Considering the larger context, capital markets are also regulated by other relevant laws such as laws on enterprise, laws on investment, laws on foreign exchanges control, etc.

29

For the details of key legal documents governing the capital markets in Vietnam, please refer to the Appendix.

Regulators

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The main regulators and authorities for the Vietnam's capital markets are the Ministry of Finance ("**MOF**") and the State Securities Commission of Vietnam ("**SSC**"), an agency operating under the MOF. These regulators and authorities have the following roles and responsibilities:

- ✓ **MOF:** The MOF is responsible before the Government to exercise state administration of securities and the securities market. This includes proposing strategies, plans, schemes, and policies for security market development to the Government and Prime Minister. Additionally, the MOF proposes legal documents related to securities and the security market to competent authorities. The MOF also directs

the SSC to implement the approved strategies, plans, schemes, policies and enforce the promulgated legal documents.

- ✓ **SSC:** The SSC plays a pivotal role in assisting the MOF to administer the market. Its responsibilities include proposing legal instruments and development strategies, managing and supervising securities activities, issuing licenses, and overseeing securities professional activities. The SSC conducts checks, resolves complaints, and reports to the MOF and the Government on market operations and safety. It also ensures market stability, implements security measures, and fosters international cooperation. Additionally, the SSC provides training, disseminates information, and enforces reporting regulations in the securities market.
- ✓ Additionally, while not formally established as a regulator, with the whole ownership and control of the State, **VNX** and **VSDC** can be regarded as extended regulator arms of the authority. Specifically, VNX and VSDC are responsible, respectively, for formulating and promulgating (with SSC's approval) (i) listing rules, trading rules of securities, and disclosure of information; and (ii) rules on registration, depository, clearance, and payment of securities. Additionally, as earlier mentioned, VNX and VSDC have the authority to, respectively, accept or dismiss securities firms, bank as trading members or depository and paying members. The operation and compliance of securities firms, banks and companies having securities listed or traded are highly supervised by VNX and VSDC.

Stocks

31

Vietnam's stock market has experienced remarkable growth since its official debut in 2000, serving as a key mechanism for capital mobilization and investment. Over the past two decades, it has evolved into a dynamic market, providing enterprises with an alternative financing channel beyond traditional bank credit while offering investors diverse opportunities.

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As of July 2025, nearly 1,600 companies had stocks traded on HOSE, HNX, and UPCoM, reflecting the market's increasing depth and liquidity. While public offerings remain the primary means of equity fundraising, private placements are widely utilized by companies seeking strategic investors or requiring greater flexibility in capital raising.

33

The Vietnamese stock market is undergoing structural and regulatory reforms aimed at boosting market development while maintaining stability and protecting investors. This section provides an overview of the legal and regulatory framework governing stock issuance and trading in Vietnam, including key requirements for both public offerings and private placements.

Public offer of stocks

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The public offer of stocks comprises two primary forms: the Initial Public Offering (IPO) and the Additional Public Offering (APO), in which:

An **IPO** may be conducted in one of the following ways:

- ✓ Capital-Raising IPO: The firm issues new shares for public subscription, thereby increasing its share capital.
- ✓ Non-Capital Raising IPO: No new shares are issued; instead, existing shareholders - typically founders or major shareholders - sell a portion of their holdings to the public. This form does not increase the issuer's capital, as the proceeds go directly to the selling shareholders.
- ✓ A combination of the above forms.

An **APO** can only be conducted once a firm has already become a public company. In an APO, a public company may either:

- ✓ Issue new shares for public subscription, which enables the company to raise funds but may dilute the ownership percentage of existing shareholders, or
- ✓ Offer existing shareholders the right to purchase newly issued shares in proportion to their current ownership stakes. This approach helps protect shareholders from dilution, provided that they exercise their rights in full.

35

While the issuance processes for both IPO and APO are generally similar, the specific conditions applicable to each form differ slightly.

Limitations and conditions

36

To qualify for a public offer of stocks in Vietnam, issuers must meet a set of requirements designed to ensure financial soundness, transparency, and the protection of investor interests. Key requirements for IPO and APO are as follows:

IPO	APO
✓ Paid-up charter capital: Minimum of VND30 billion. Notably, issuers must submit an auditor-certified report confirming their actual contributed capital at the time of stock issuance registration. ✓ Financial statement: Providing audited financial statements for the two fiscal years immediately preceding the issuance. ✓ Prospectus: Preparing a prospectus that includes all required information and complies with the prescribed regulatory format. ✓ Clear criminal records: Neither undergoing criminal prosecution nor convicted of economic offenses that have not yet been expunged. ✓ Adviser: Appointing a securities firm to provide consultancy on the application file for registration of a public offer of stocks. ✓ Issuance plan: Offering plan and proposed use of raised funds must be approved by the General Meeting of Shareholders. If the issuance is aimed at financing a project, the issuer must prepare a plan to address any shortfall in the capital raised. ✓ Issuer's commitment: Commitment to list stocks or register for stock trading on the stock exchange system post-issuance. ✓ Escrow account: Opening an escrow account to receive payments for the shares offered. This requirement is not applicable for Non-Capital Raising IPOs.	
✓ Business performance: - Profitable business operations for two (2) consecutive year immediately preceding the issuance year; and - No accumulated losses as of the issuance year.	✓ Business performance: - Profitable business operations in the year immediately preceding the issuance year; and - No accumulated losses as of the issuance year

IPO	APO
✓ Shareholding structure: At least 15% of voting shares to be sold to at least 100 non-major shareholders (reduced to 10% if charter capital exceeds VND1,000 billion).	✓ N/A
✓ N/A	✓ Limitation on issuance value: The total par value of additional shares issued should not exceed the par value of the currently outstanding shares. Exceptions apply if having underwriting, equity capital increases, share swaps, consolidations, or acquisitions occur.
✓ Major shareholders' commitment: Commitment to retain at least 20% of the company's charter capital for at least one year after the offering.	✓ N/A
✓ N/A	✓ Project-funded offering: If the issuance aims to finance a project, at least 70% of the stock offered must be sold (except for offerings to existing shareholders).

Issuance process

37

The public issuance of stocks follows a three-stage process with ten (10) key steps as follows:

Stage	Steps	Timeline	Involved Parties
Stage 1: Pre-issuance	Step 1: Prepare and submit the application file for registration of a public offer of stocks to the SSC and amend the application file <i>(if required)</i>		
	Step 2: Submit the official Prospectus to the SSC to obtain the <i>Public Stocks Offer Certificate</i>	Within <u>7 business days</u> from the date of receipt of the SSC's request for completing the procedure. The SSC will issue the <i>Public Stocks Offer Certificate</i> within the following <u>30 days</u> (if approved).	SSC

Stage	Steps	Timeline		Involved Parties
	Step 3: Announce issuance information, including: ✓ Publishing the Issue Announcement in an electronic or print newspaper across three (3) consecutive issues; and ✓ Publishing information and the Prospectus on the issuer's website and VNX's website	Within <u>7 business days</u> from the date of the <i>Public Stocks Offer Certificate</i>		VNX
Stage 2: Issuance	Step 4: Open stock purchase registration for investors, and receive payment from investors via an escrow account (<i>not applicable for Non-Capital Raising IPO</i>)	The registration period must be at least <u>20 days</u>	The stock issuance must be completed within <u>90 days</u> of the <i>Public Stocks Offer Certificate's</i> effective date, unless extended by SSC by up to <u>30 days</u> . For multi-tranche offerings, the maximum interval between tranches is <u>12 months</u> .	Investor, Bank
	Step 5: Report stock issuance results to SSC and publish these results on the issuer's website and VNX's website	Within <u>10 days</u> from completion of the registration and payment process Within <u>03 working days</u> from the receipt of the satisfactory report, SSC will: (a) send a written notification on receipt of the report to the issuer, VNX and VSDC; and (b) publish the receipt of the issuance report on SSC's website.		SSC and VNX

Stage	Steps	Timeline	Involved Parties
	Step 6: Deliver share certificates to investors/shareholders	Within <u>30 days</u> from completion of the registration and payment process	Investor
	Step 7: Release proceeds	Upon receipt of the SSC's confirmation on the report of stock issuance result	Bank
Stage 3: Post-Issuance^(*)	Step 8: Register stocks with VSDC to obtain the <i>Stock Registration Certificate</i>	Prior to submitting the listing application to VNX	VSDC
	Step 9a: Register for stock listing with VNX; or Step 9b: Register for stock trading registration with VNX (<i>if not being qualified for listing</i>)	Within <u>30 days</u> from the end of the public offering. For listing, VNX will issue the <i>Listing Approval</i> within the following <u>30 days</u> (if approved). For stock trading registration, VNX will issue the <i>Trading Registration Approval</i> within the following <u>5 days</u> (if approved).	VNX
	Step 10: Admit stocks to trading	Within <u>90 days</u> after the date of the <i>Listing Approval</i> ; or Within <u>10 days</u> after the date of the <i>Trading Registration Approval</i> .	VNX

^(*) The Post-Issuance process outlined in the table above applies to IPOs. For APOs, the Post-Issuance process follows the procedure detailed in Stage 3 of the Issuance process below.

Private placement of stocks

38

The regulatory requirements and procedures applicable to the private placement of stocks are generally looser and simpler than those applicable to public offer of stocks. The private placement of stocks conducted by non-public companies is governed by the Enterprise Law while the private placement of stocks conducted by public companies is governed by the Securities Law.

39

Based on the purpose of issuance, in addition to conventional private placement, the Securities Law also allows other forms such as issuances for swaps (e.g., debt-to-equity conversions or share swaps with another public company), issuances for dividend payments, capital increases from equity sources, or employee stock ownership plans (ESOPs). These types of issuances are subject to additional requirements to ensure alignment with their specific purposes.

40

Due to the diversity of these special-purpose private placements, which are only applicable in certain circumstances, This Section will focus on the conventional private placement of stocks conducted by public companies only.

Limitations and conditions

Limitations

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Unlike publicly issued stocks, privately issued stocks can only be subscribed by strategic investors and securities professional investors. Issued stocks owned by the strategic investors will be subject to the lock-up period of at least three (3) years and those owned by the securities professional investors will be subject to the lock-up period of at least one (1) year (except for transfer among securities professional investors or other cases as required by the laws) as from the completion of the placement.

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Firms having conducted private placement of stocks will be restricted to conducting the next private placement of stocks, convertible bonds, warrant-linked bonds for the period of at least six (6) months as from the completion of the previous placement.

Conditions

43

The eligibility of public companies conducting the private placement of stocks is determined by the key following requirements, which does, notably, not include the conditions on the financial health of the issuer like other forms of securities offering:

- ✓ **General Meeting of Shareholders' approval:** Having the approval on:
 - issuance plan determining offering purpose, the number of shares, the share offering price or the deciding principles thereof, investor criteria and the number of shares offered to each investor;
 - usage plan of the proceeds from the offering. For project-financed offerings, the plan must also include measures to address any capital shortfall.
- ✓ **Foreign ownership restriction:** Private placements of stocks must comply with the regulations regarding the foreign investor ownership ratio as stipulated by the law (please see our further analysis in *Foreign investment on Vietnam capital markets* below).
- ✓ **Cross-Ownership Restriction:** Private placements of stocks must comply with the regulations

regarding the cross-ownership restriction as stipulated by the Enterprise Law, specifically, a subsidiary is prohibited from (i) acquiring shares of its parent company, or (ii) simultaneously acquiring shares in others of the same parent in a way that creates cross-ownership.

- ✓ **Escrow account:** Subscription payments for stocks privately issued by public companies must be made via an escrow account.

Issuance process

44

The private placement of stocks by public companies follows a three-stage process with eight (8) key steps as follows:

Stage	Steps	Timeline	Involved Parties
Stage 1: Pre-issuance	Step 1: Prepare application file for registration of a private placement of stocks		
	Step 2: Submit application file to the SSC to obtain the <i>Approval on Private Placement of Stocks</i>	If approved, the SSC (i) issues the <i>Approval on Private Placement of Stocks</i> within the following <u>7 working days</u> , and (ii) publishes approval on the SSC's website	SSC
Stage 2: Issuance	Step 3: Conduct the issuance of stocks, including:	<u>Within 90 days</u> from the date of the <i>Approval on Private Placement of Stocks</i>	Investors, Bank
	✓ Receiving payment from investors via an escrow account; and		
	✓ Delivering share certificates and copy of share register to investors		
	Step 4: Report stock issuance results to SSC and publish these results on the issuer's website and VNX's website	Within <u>10 days</u> from the completion of the stock issuance. Within <u>3 working days</u> from the receipt of the satisfactory report, SSC will: ✓ send a written notification on receipt of the report to the issuer, VNX and VSDC; and ✓ publish the receipt of the issuance report on SSC's website.	SSC and VNX

Stage	Steps	Timeline	Involved Parties
	Step 5: Release proceeds	After receiving the SSC's confirmation on the issuance result	Bank
Stage 3: Post-issuance	Step 6: Register the adjustment of the <i>Stock Registration Certificate</i> with VSDC	Upon the completion of the private placement	VSDC
	Step 7a: Register the amendment of the stock listing registration with VNX; or Step 7b: Register the amendment of stock trading registration with VNX	Within <u>30 days</u> from the completion of the private placement. Within <u>5 working days</u> , VNX will issue amendments to the <i>Listing Approval</i> or the <i>Trading Registration Approval</i> (if approved)	VNX
	Step 8: Admit newly issued stocks to trading	Within <u>5 working days</u> after the date of the amendment to the <i>Listing Approval</i> or the <i>Trading Registration Approval</i>	VNX

Overview of stock trading in Vietnam

45

Stocks of publicly listed companies are traded on HOSE and HNX, whereas those of unlisted public companies are registered for trading on the UPCoM exchange. While the trading process on HOSE, HNX, and UPCoM generally follows the same trading methods and schedule, differences exist in areas like trading bands and unit sizes.

Trading Account Registration

46

Generally, HOSE, HNX, and UPCoM platforms process securities trading orders exclusively through licensed securities firms, either via the exchange's system or the firms' online trading platforms. Hence, to participate in trading of stocks, investors must open a securities trading account with a licensed securities firm.

Trading Mechanisms on Regulated Platforms

47

Stocks on the HOSE, HNX, and UPCoM exchanges are traded through either the order matching method or the put through method. However, in the case of order matching method, while HOSE and HNX support both continuous and periodic order matching, UPCoM only permits continuous order matching, with the types of orders available on each exchange as follows:

Types	Description	Time of Application	Trading Exchange
Limit Order (LO)	Set a specific price, valid throughout the session or until canceled.	Continuous and periodic order matching session	HOSE, HNX and UPCoM
At-the-Open Order (ATO)	Used only in the opening periodic order matching session, given higher priority than LO orders.	Opening periodic order matching session (9:00-9:15)	HOSE
At-the-Close Order (ATC)	Only used in the closing periodic order matching session, with higher priority than LO orders.	Closing periodic order matching session (14:30-14:45)	HOSE and HNX
Market Price (MP)	Buy or sell immediately at the best available price.	Continuous order matching session	HOSE and HNX
Post Limit Order (PLO)	Place an order at the closing price after the ATC session.	After-hours trading session (14:45-15:00)	HNX

Trading Unit

48

With respect to the trading unit (the minimum number of shares per transaction), stock trading on HOSE, HNX, and UPCoM follows the same unit requirements for the order matching method, however, the minimum trading unit for the put through method varies across the exchanges.

Trading Exchange	Order Matching Method		Put Through Method
	Round Lot	Odd Lot	
HOSE	100 shares	01 – 99 share(s)	≥ 20,000 shares
HNX			≥ 5,000 shares
UPCoM			01 share

49

In contrast, for the quotation unit (also referred to as the price step), all three exchanges have the same unit for the put through method, however, the quotation unit for stock trading under the order matching method differs on HOSE compared to HNX and UPCoM.

Trading Exchange	Order Matching Method		Put Through Method
	Price Level	Quotation Unit	
HOSE	<10,000	VND 10	VND 1
	10,000 - 49,950	VND 50	
	≥ 50,000	VND 100	
HNX	Any price	VND 100	
UPCoM			

Trading band

50

Stock prices on exchanges fluctuate within a specified trading band, determined as a percentage of the reference price. The trading band varies across HOSE, HNX, and UPCoM as follows:

Trading Exchange	Regular Trading Days	Listing Date
HOSE	$\pm 7\%$	$\pm 20\%$
HNX	$\pm 10\%$	$\pm 30\%$
UPCoM	$\pm 15\%$	$\pm 40\%$

Bonds

51

The Vietnamese bond market has witnessed rapid development since 2017, emerging as a vital capital-raising channel for enterprises alongside traditional bank credit and meeting the growing demand for business expansion.

52

Privately issued bonds have consistently dominated the market, while public corporate bond issuances remain underutilized. According to the Vietnam Bond Market Association, in 2024, the primary market recorded 475 bond issuances valued at VND468,618 billion, of which 453 were private placements worth VND435,704 billion and 22 were public issuances worth VND32,914 billion.

53

As the bond market has become involved, the legal framework governing corporate bond issuance has undergone significant improvements. Key regulations were amended in 2021 to provide greater clarity and structure, with further refinements introduced in 2022 and early 2023 to adapt to evolving market conditions. This Section outlines the legal and regulatory framework of Vietnam's corporate bond market.

Public offer of bonds

Limitations and conditions

54

To qualified for conducting a public placement of bonds in Vietnam, issuers must comply with a set of specific conditions and requirements designed to ensure transparency, financial stability, and investor protection. The key regulatory conditions for vanilla bonds and for convertible bonds and warrant-linked bonds are as follows:

Vanilla bonds	Convertible bonds and Warrant-linked bonds
✓ Paid-up charter capital: Minimum of VND30 billion. ✓ Financial statement: Providing audited financial statements for the two fiscal years immediately preceding the issuance. ✓ Prospectus: Preparing a prospectus that includes all required information and complies with the prescribed regulatory format. ✓ Clear criminal records: Neither undergoing criminal prosecution nor convicted of economic offenses that have not yet been expunged. ✓ Adviser: Appointing a securities firm to provide consultancy on the application file for registration of a public offer of bonds.	

Vanilla bonds	Convertible bonds and Warrant-linked bonds
✓ Issuance plan: Having a bond issuance plan duly approved by the General Meeting of Shareholders or the Board. If the issuance is aimed at financing a project, the issuer must prepare a plan to address any shortfall in the capital raised. ✓ Issuer's commitment: - Having commitments covering issuance conditions, payment obligations, and the protection of investors' legitimate rights and interests. - Having commitment to list the bonds on the stock exchange system after the issuance. ✓ Escrow account: Opening an escrow account to receive proceeds from the bond issuance.	
✓ Corporate form: Being incorporated as a LLC or a JSC.	✓ Corporate form: Being incorporated as a JSC.
✓ Business performance: - Having profitable business operations in the year immediately preceding the issuance year; - No accumulated losses as of the issuance year; and - No overdue payables exceeding one year.	✓ Business performance: - Having profitable business operations in the year immediately preceding the issuance year; and - No accumulated losses as of the issuance year.
✓ Credit rating: Having a credit rating provided by an independent credit rating agency such as Moody's, Standard & Poor's, Fitch Ratings or another agency licensed by the MOF, unless the bonds are issued or guaranteed by the credit institution.	N/A
✓ Representative of bondholders: Having a representative of bondholders who is either a member of VSDC or a securities investment fund management company appointed by the issuer.	N/A
✓ Debt-to-equity ratio: Having overdue payables (including both value of the bonds issued, excluding bond value issued for debt restructuring) not exceed five (5) times issuer's equity, except in cases of bond issuance for real estate projects.	N/A
✓ Bond value limit: In case of multiple offerings, the par value of the bonds issued in each tranche cannot exceed the issuer's equity.	✓ Bond value limit: The total par value of the bonds issued cannot exceed the total par value of the issuer's circulating shares, except having underwriting.

Vanilla bonds	Convertible bonds and Warrant-linked bonds
N/A	✓ Project-funded offering: If the issuance aims to finance a project, at least 70% of the stock offered must be sold (except for offerings to existing shareholders).

Issuance process

55

The public issuance of bonds - whether vanilla bonds, convertible bonds, or warrant-linked bonds - follows a three-stage process with ten (10) key steps as follows:

Stage	Steps	Timeline		Involved Parties
Stage 1: Pre-issuance	Step 1: Prepare and submit the application file for registration of a public offer of bonds to the SSC and amend the application file (<i>if required</i>)			
	Step 2: Submit the official Prospectus to the SSC to obtain the <i>Public Bonds Offer Certificate</i>	Within <u>7 business days</u> from the date of receipt of the SSC's request for completing the procedure. If approved, the SSC will issue the <i>Public Bonds Offer Certificate</i> within the following <u>30 days</u> .		SSC
	Step 3: Announce issuance information, including: ✓ Publishing the Issue Announcement in an electronic or print newspaper across three (3) consecutive issues; and ✓ Publishing information and the Prospectus on the issuer's website and the VNX's website	Within <u>7 business days</u> from the date of the <i>Public Bonds Offer Certificate</i>		VNX
Stage 2: Issuance	Step 4: Open bond purchase registration for investors and receive payment from investors via an escrow account	The registration period must be at least <u>20 days</u>	The bond issuance must be completed within <u>90 days</u> of the	Investor, Bank
	Step 5: Report bond issuance results to the SSC and publish	Within <u>10 days</u> from completion of the registration	Public Bond Offer Certificate's effective date,	SSC and VNX

Stage	Steps	Timeline		Involved Parties
	these results on the issuer's website and the VNX's website	and payment process Within <u>3 working days</u> from the receipt of the satisfactory report, SSC will: ✓ send a written notification on receipt of the report to the issuer, VNX and VSDC; and ✓ publish the receipt of the issuance report on SSC's website	unless being extended by the SSC by up to <u>30 days</u> . For multi-tranche offerings, the maximum interval between tranches is <u>12 months</u> .	
	Step 6: Deliver bond certificates to bondholders	Within <u>30 days</u> from completion of the registration and payment process		Investor
	Step 7: Release proceeds	Upon receipt of the SSC's confirmation on the bond issuance result		Bank
Stage 3: Post-issuance	Step 8: Register bonds with VSDC to obtain the <i>Bond Registration Certificate</i>	Prior to submitting the listing application to VNX		VSDC
	Step 9: Register for bond listing with VNX	Within <u>30 days</u> from the end of the public offering. VNX will issue the <i>Listing Approval</i> within the following <u>30 days</u> (if approved).		VNX
	Step 10: Admit bonds to trading	Within <u>90 days</u> after the date of the Listing Approval		VNX

Private placement of bonds

Limitations and conditions

Limitations

56

Similar to stocks issued in form of private placement, privately issued bonds are limited to subscription by (i) professional securities investors and/or (ii) strategic investors.

57

Specifically, vanilla bonds can only be subscribed to by professional securities investors, while convertible bonds and warrant-linked bonds may be subscribed by both professional securities investors and strategic investors, with the restriction that the number of strategic investors does not exceed 100.

58

Additionally, proceeds collected from a bond private placement are only allowed to be used for (i) implementation of investment project/program; (ii) restructuring of the issuer's debts; and (iii) other permitted purposes as provided for under specialized laws.

Conditions

59

Key conditions for conducting the private placement of bonds include:

- ✓ **Corporate form:** Being LLC or JSC for issuing vanilla bond and being JSC for issuing convertible bonds or warrant-linked bonds.
- ✓ **Business performance:**
 - Complying with financial prudential and safety assurance ratios as required by applicable laws.
 - Having made full payment of principal and interest on any bonds or debts due within the past three consecutive years prior to the issuance, except in cases where bonds are offered to selected financial institutions.
- ✓ **Financial statement:** Having audited financial statements for the year immediately preceding the bond issuance.
- ✓ **Credit rating:** Having a credit rating provided by an independent credit rating agency such as Moody's, Standard & Poor's, Fitch Ratings or another agency licensed by the MOF, unless the bonds are issued or guaranteed by the credit institution.
- ✓ **Adviser:** Appointing a securities firm to provide consultancy on the application file for bond issuance application file.

- ✓ **Issuance method:** Appointing a qualified securities firm or bank to act as a bidding organizer, issue agency, underwriter to conduct the bond issuance and distribution. Issuers being credit institutions may not be subject to this requirement since they are able to retail/directly sell bonds to investors.
- ✓ **Issuance plan:** Having a bond issuance plan duly approved by the General Meeting of Shareholders or the Board.

Additional conditions and limitations for convertible bonds and warrant-linked bonds

- ✓ **Escrow account:** Subscription payments for convertible and warrant-linked bonds issued by public companies must be made via an escrow account.
- ✓ **Cool-off period:** The issuance of convertible bonds and warrant-linked bonds can be only conducted after at least six months from the previous issuance tranche.
- ✓ **Cross-Ownership Restriction:** The issuance of convertible bonds and warrant-linked bonds must comply with the regulations regarding the cross-ownership restriction as stipulated by the Enterprise Law, specifically, a subsidiary is prohibited from (i) acquiring shares of its parent company, or (ii) simultaneously acquiring shares in others of the same parent in a way that creates cross-ownership.

Issuance process

60

Unlike the uniform process for the public offer of all bond types, the issuance process for private placement of bonds varies depending on the bond type and issuer. In particular, the private placement of convertible or warrant-linked bonds by public companies involves additional steps, as highlighted in blue in the table below.

Stage	Steps	Timeline	Involved Parties
Stage 1: Pre-issuance	Step 1: Prepare application file for registration of a private placement of bonds		
	Step 2: Submit application file to the SSC to obtain the <i>Approval on Private Placement of Bond</i>	If approved, the SSC issues the <i>Approval on Private Placement of Bond</i> within the following <u>10 days</u>	SSC
	Step 3: Announce pre-issuance information, including: ✓ Publishing issuance information directly to the investor; and ✓ Sending the published issuance information to HNX	At least <u>1 business day</u> prior to the issuance date	Investor, HNX

Stage	Steps	Timeline	Involved Parties
Stage 2: Issuance	Step 4: Conduct the issuance of bonds, including:	<u>Within 30 days</u> from the date of announcing issuance information	Investors, Bank
	(a) Delivering bond certificates and copy of bond register to bondholders; and		
	(b1) Receiving payment from investors via a current account; or		
	(b2) Receiving payment from investors via an escrow account		
	Step 5: Announce issuance result, including: (a) Publishing issuance result directly to the investor; and (b) Notifying the issuance result to HNX	Within <u>5 business days</u> from the completion of bond issuance	Investor, HNX
	Step 6: Report on bond issuance result to SSC	Within <u>10 days</u> from the completion of the bond issuance. Within <u>03 working days</u> from the receipt of the satisfactory report, SSC will: (a) send a written notification on receipt of the report to the issuer, VNX and VSDC; and (b) publish the receipt of the issuance report on SSC's website	SSC
	Step 7: Release proceeds	After receiving the SSC's confirmation on the bond issuance result	Bank
Stage 3: Post-issuance	Step 8: Register bonds with VSDC to obtain the <i>Bond Registration Certificate</i>	Within <u>5 business days</u> from the announcement of the issuance result (Step 4) or SSC's confirmation on the report (Step 5)	VSDC
	Step 9: Registration for bond trading on HNX system	Registration within <u>15 business days</u> from the issuance date of the <i>Bond Registration Certificate</i>	HNX

Issuing bonds in international markets

Limitations and conditions

61

Vietnamese law permits domestic firms to issue bonds in foreign markets (*international bonds*) through both public offers and private placements, provided they comply with domestic conditions and the regulations of the jurisdiction where the bonds are marketed. From a local legal perspective, international bond issuance is subject not only to the general bond issuance conditions (which largely mirror those for private bond placements discussed in *Limitation and conditions of Private placement of bonds*) but also to cross-border lending and foreign exchange control limitations, which are highlighted as follows:

- ✓ *Issuance for Financing Investment Projects:* If the bonds are issued to finance investment projects (approved via an investment registration certificate or investment policy decision), the issuance value must not exceed the mobilized capital limit (i.e., the difference between the total project capital and the contributed capital) recorded in such licenses minus the outstanding domestic and foreign loans of the issuer.
- ✓ *Issuance for Financing Business Plans or Other Projects:* If the bonds are issued to finance business plans or other projects, the issuance value must not exceed the loan capital demand specified in the business plan or loan use plan for the relevant project, as approved by the decision-making body (e.g., the General Meeting of Shareholders or the Board).
- ✓ *Issuance for Restructuring or Refinancing Existing Foreign Loans:* If the bonds are issued for restructuring or refinancing existing foreign loans, the issuance value must not exceed the total outstanding principal, interest, and fees of the foreign loans being restructured.

62

Issuers are prohibited from using bond proceeds for purposes not explicitly permitted, such as restructuring or refinancing domestic loans. Moreover, the bond issuance value is subject to the annual foreign debt quota approved by the Prime Minister, which is capped at USD 5,500 million for 2025. This quota applies to all domestic entities borrowing foreign loans or issuing international bonds. Once the limit is reached, the State Bank of Vietnam (SBV) will cease approving new registrations for foreign loans or confirming on bond issuance limit for international bond issuances.

Issuance process

63

The process for issuing bonds in the international market is as follows with blue rows applicable to the issuance by public companies.

Stage	Steps	Timeline	Involved Parties
Stage 1: Pre-issuance	Step 1: Submit the application file to the SBV to obtain confirmation on the bond issuance limit	Upon approval of the issuance plan but at least <u>20 business days</u> prior to the issuance date. If approved, SBV will issue the confirmation within <u>8 business days</u> upon receipt of the complete application file.	SBV
	Step 2: Prepare the application file for registration of international bond issuance (<i>and bond listing, if any</i>)		
	Step 3: Submit application file to the SSC to obtain the <i>International Bond Issuance Approval</i>	If approved, the SSC will issue the International Bond Issuance Approval within <u>10 days</u> from the date of receipt of a complete application file.	SSC
	Step 4: Announce pre-issuance information by sending the issuance information to HNX	At least <u>1 business day</u> prior to the issuance date	Investor, HNX
Stage 2: Issuance	Step 5A: Conduct the issuance (<i>and listing</i>) of bonds in accordance with regulations of the relevant foreign market, including:	Subject to the issuance procedure of the relevant foreign market	Investor and the relevant foreign stock exchange
	(i) Delivering bond certificates and bond register to bondholders; and		
	(ii) Receiving payment from Investors via (A) a direct investment capital account (<i>if the issuer is a direct foreign invested enterprise</i>) or (B) a foreign loan account (<i>if the issuer is a Vietnamese enterprise</i>)		
	Step 5B: Complete registration of bond issuance with the SBV	✓ Within <u>10 business days</u> from the date of receipt of a complete application file, SBV checks the conformity of the application dossier and request supplementation (if any); ✓ Within <u>2 business days</u> from the date of receipt of official	SBV

Stage	Steps	Timeline	Involved Parties
		documents (e.g., executed bond subscription agreements), if approved, the SBV issues confirmation on bond issuance registration.	
	Step 6: Notify issuance result to HNX	Within <u>5 business days</u> from the completion of bond issuance	HNX
	Step 7: Report on bond issuance result to SSC	Within <u>10 days</u> from the completion of bond issuance	SSC
Stage 3: Post-issuance	Step 8: Submit application for listing bonds on foreign exchange and report on the submission to the SSC	✓ Bond listing on foreign exchange: Subject to the listing procedure of the relevant foreign market;	✓ Relevant foreign exchange;
	Step 9: Obtain the bond listing approval from the foreign exchange and report on the approval to SSC	✓ Reporting obligation with SSC: Within <u>24 hours</u> from the submission of listing application or obtainment of the listing approval.	✓ SSC

Overview of bond trading in Vietnam

64

Generally, publicly issued bonds, being listed on stock exchanges, enjoy higher transparency and liquidity, while privately issued bonds are traded through negotiated transactions subject to specific legal limitations. The differences in trading mechanisms and requirements between these two categories reflect their distinct characteristics and the regulatory intent to safeguard market integrity.

Trading Account Registration

65

Similar to stocks trading, investors can trade bonds through licensed securities firms that facilitate transactions on the HNX or HOSE by opening a securities trading account.

Trading Mechanisms on Regulated Platforms

66

In Vietnam, bonds being registered for listing or trading after the issuance, can be traded on the platforms of HOSE or HNX. In particular, publicly issued bonds can be registered for listing and traded on the platforms operated by HOSE and HNX. Meanwhile, privately issued bonds can only be registered for trading and traded on the platform operated by HNX (which was just opened and put into operation from 19 July 2023).

67

In terms of trading mechanism, publicly issued bonds can be traded using the matching method or put through method on the HNX platform, with LO and ATC as the trading order type for the matching method. On the HOSE platform, publicly issued bonds can only be traded using the put through method. Privately issued bonds are traded exclusively through the put through method on the HNX platform, reflecting their more restricted nature.

Trading Exchange	Order Matching Method	Put Through Method
HOSE	N/A	✓ Trading Unit: No restriction ✓ Quotation Unit: VND1
HNX	✓ Trading Unit: 100 bonds ✓ Quotation Unit: VND1 ✓ Types of Trading Orders: LO (<i>for continuous and periodic session</i>), and ATC (<i>for periodic session</i>)	✓ Trading Unit: 1 bond ✓ Quotation Unit: VND1 <i>(For both publicly issued bonds and privately issued bonds)</i>

Trading band

68

Unlike stocks, bond trading is not subject to a price band. Instead, the trading price is determined through negotiation between buyers and sellers, providing flexibility in transactions.

Trading Restrictions

69

Publicly issued bonds are available for trading to all investors without restrictions, offering a broader market reach. Trading privately issued bonds, in contrast, is subject to stricter conditions to control risk and ensure the bonds remain within a pool of eligible investors. These bonds can only be transferred to professional securities investors or strategic investors (as specified in the bond issuance plan). Additionally, convertible or warrant-linked bonds are restricted to being traded within the lock-up period (i.e., one (1) year for professional securities investors and three (3) years for strategic investors), except for the transfer between professional securities investors.

Notable requirements and compliance matters

Foreign investment on Vietnam capital markets

Investment forms and investment account

70

Foreign investors can invest in Vietnam security markets in either form of direct investment or indirect investment, i.e., entrusting capital to a securities investment fund management company or to the branch of a foreign fund management company in Vietnam. In the case of direct investment, foreign investors are required to register a trading code with VSDC through securities firms and open an indirect investment capital account with a depository bank. In the case of indirect investment, foreign investors are not required to register a trading code and open an indirect investment account which securities investment fund management company or to the branch of a foreign fund management company in Vietnam will open in its own name instead. All remittances for implementing transactions, investment and payment in relation to the foreign investor's securities investments must be made via the indirect investment capital account.

Foreign ownership restrictions

71

Generally, foreign investors are allowed to purchase stocks of the Vietnamese public companies without limitation on foreign ownership, except for companies engaging in businesses which are applied market access conditions to the foreign investors. For such businesses, the foreign ownership cap is determined based on the international treaties to which Vietnam is a party, relevant Vietnamese laws and regulations and list of specific industries and sectors with restricted market access for foreign investors, which are currently issued under Decree No. 31. If a business is classified as a business with market access conditions for foreign investor, but there is no specific cap on the foreign ownership is provided, the foreign ownership cap is set as 50%. In case the company engages in multiple businesses with foreign ownership limitation, the lowest cap will be applied. It is worth noting that foreign ownership of a company is calculated as follows:

$$\text{Foreign ownership ratio} = \frac{\text{Ownership ratio of foreign investor} + \text{Ownership ratio of local companies with foreign investor holding more than 50\% (deemed foreign investors)}}{\text{Charter capital}}$$

Prospectus and financial statement

72

The prospectus and financial statement are two critical documents required in the securities issuance and listing process. Vietnamese law imposes specific requirements on their content and format, as well as the responsibilities of relevant parties in their preparation and certification.

Prospectus

73

Issuers are required to prepare a prospectus before conducting a public securities offering. However, a prospectus is not required for private placements. In the case of privately placed bonds, issuers must instead prepare a separate information disclosure document as required by law.

74

The prospectus must contain all legally mandated information, including details of the issuer, information about the securities offering, financial statements, and other disclosures as required by regulations.

75

Regarding format, the prospectus must follow the template issued by MoF and include signatures from the following individuals:

- ✓ The Chairman of the Board of Directors (BOD), Chairperson of the Members' Council, or the Company Chairman;
- ✓ The General Director (CEO) or Director;
- ✓ The Chief Financial Officer (CFO) or Chief Accountant;
- ✓ The legal representative of the advisory firm; and
- ✓ The legal representative of the underwriting institution (if applicable).

Financial Statements

76

Financial statements submitted in connection with securities issuance and listing must be audited by an auditing firm approved by SSC.

77

The audit opinion on the financial statements must be an unqualified opinion. If the auditor issues a qualified opinion, the exception must not affect the eligibility conditions for the offering. Additionally, the issuer must provide a reasonable explanation along with a confirmation from the auditor regarding the impact of the qualification.

78

If the issuer is a parent company, it must submit consolidated financial statements in accordance with Vietnamese accounting regulations.

Liabilities

79

Under new regulations, organizations and individuals responsible for preparing securities-related documents must guarantee their accuracy, completeness, and transparency, ensuring that investors have all the information needed to make informed decisions:

- ✓ *Issuers, advisors, and related entities* must ensure that the documentation is prepared honestly, carefully, and in full compliance with legal regulations.

- ✓ *Advisory firms* must verify and review information in the prospectus, ensuring that analysis and evaluations are conducted prudently and reasonably based on the provided data.
- ✓ *Auditing firms* must comply with independent auditing regulations and standards. Auditors are responsible for ensuring that their opinions on the financial statements reflect true and fair financial conditions and must follow assurance service standards when forming their conclusions on financial disclosures.

Listing conditions

80

As mentioned earlier, not all public companies qualify for listing on stock exchanges. To be eligible for stock listing on HOSE or HNX, a public company must meet the following legal requirements:

- ✓ *Corporate structure and capital:* Must be a joint-stock company (JSC) with a minimum paid-up charter capital of VND 30 billion and a market capitalization of at least VND 30 billion, calculated based on the weighted average price of shares in the latest public offering or the UPCoM reference price over the last 30 sessions.
- ✓ *Financial performance:* Must have a return on equity (ROE) of at least 5% in the preceding year, profits in two consecutive years before listing, and no accumulated losses, based on the latest audited or reviewed financial statements.
- ✓ *Public ownership:* At least 15% of voting shares must be held by at least 100 non-major shareholders, or 10% if the charter capital is VND1 trillion or more.
- ✓ *Trading history:* Must have completed an IPO or had its stocks traded on UPCoM for at least two years.
- ✓ *Lock-up requirement:* Certain key shareholders must retain 100% of their shares for six months from the first trading day and 50% for the following six months.
- ✓ *Advisory:* A securities firm must be engaged for listing advisory services.
- ✓ *Regulatory compliance:* The company must not have been penalized for securities violations in the past two (2) years.

81

There are no specific legal requirements for listing publicly issued bonds in Vietnam, in line with international practices. Given the nature of bonds, pre-listing conditions are unnecessary. Instead, regulations emphasize credit ratings, disclosure, and post-listing obligations to protect investors.

Market manipulation and insider trading

82

Market manipulation and insider trading are strictly prohibited under Vietnamese law. Violators may face administrative penalties and criminal liability, with the maximum prison sentence of up to seven years.

Insider Trading

83

Insider trading refers to the use of undisclosed, material information related to a public company, listed organization, registered trading entity, public fund, or public investment company to trade securities. Prohibited acts include:

- ✓ Buying or selling securities for oneself or others based on inside information.
- ✓ Disclosing or providing inside information to others or advising others to trade securities based on such information.

84

Inside information is defined as non-public information that, once disclosed, could have a significant impact on the price of the relevant securities.

Market Manipulation

85

Market manipulation involves deliberately creating artificial supply, demand, or price movements to mislead investors. The following actions constitute market manipulation:

- ✓ Engaging in fictitious trades using multiple accounts or colluding with others to create false market activity.
- ✓ Placing simultaneous buy and sell orders for the same security or rotating ownership within a group to generate misleading transaction volume.
- ✓ Influencing opening or closing prices by executing large trades at critical times.
- ✓ Coordinating transactions to impact securities prices or market sentiment.
- ✓ Disseminating misleading information via public media to manipulate stock prices after securing a position.
- ✓ Spreading false rumors or providing deceptive information to distort market perception.

86

Insider trading and market manipulation are actively monitored and reported by VNX and its subsidiaries (HOSE and HNX), which conduct market surveillance to detect unusual or suspicious transactions that may indicate securities law violations. Their oversight covers insider trading, market manipulation, and other forms of misconduct in securities trading. Any detected irregularities are reported to SSC and relevant competent authorities for investigation and enforcement.

Disclosure obligation of public companies

87

Public companies in Vietnam are subject to strict disclosure obligations, which are classified into four main categories with each serving a distinct purpose in ensuring transparency and regulatory compliance:

- ✓ Periodic disclosures: Includes financial statements, annual reports, corporate governance reports, and reports on the Annual General Meeting of Shareholders. Notably, public companies are required to disclose Environmental, Social, and Governance (ESG) information in their annual reports.
- ✓ Extraordinary disclosures: Required for major events that may impact the company, such as significant financial losses, changes in key executives, or adjustments to corporate structure.
- ✓ Disclosures upon request: Must be provided when required by SSC or stock exchanges.
- ✓ Other disclosures: Covers information on securities offerings, issuances, listings, trading registrations, and changes in foreign ownership.

88

Vietnamese is the official language for disclosures. However, under new regulations, listed companies and large public companies must begin publishing disclosures in both Vietnamese and English from 1 January 2025 for periodic disclosures and from 1 January 2026 for other disclosures. Other public companies must comply with these bilingual disclosure requirements starting 1 January 2027 for periodic disclosures and 1 January 2028 for all other types of disclosures.

89

Disclosure must be carried out by either the legal representative of the company or an authorized person designated to fulfill this duty. Public companies are required to publish their disclosures through multiple channels, including their official website, printed or electronic newspapers, the information disclosure system of SSC, and the websites of the relevant stock exchanges and the VSDC.

Corporate governance regime of public companies

90

Due to their public nature, public companies are subject to a highly regulated corporate governance framework. Corporate governance requirements for public companies are primarily governed by the Enterprise Law, the Securities Law, and their guiding regulations.

91

In addition to these legal frameworks, the SSC introduced the Vietnam Corporate Governance Code of Best Practices for Public Companies (the “**CG Code**”) in 2019. While not mandatory, public companies are encouraged to adopt the CG Code to align with international best practices in corporate governance.

92

For further details on the corporate governance regime for public companies, please refer to our Corporate Governance Guide [here](#).

New Trends

SPAC

93

A SPAC (Special Purpose Acquisition Company) is a type of company formed solely to raise capital through an IPO and later merge with a private company, allowing it to go public without the traditional IPO process. This method has gained popularity worldwide as a faster and more flexible alternative to IPOs, particularly after COVID-19.

94

Several Vietnamese companies have explored SPAC mergers to access international capital markets, but VinFast remains the only Vietnamese company to have successfully completed a SPAC transaction.

How VinFast Used SPAC to Go Public?

VinFast achieved its U.S. stock market listing through a merger with Black Spade Acquisition Co., a SPAC based in Hong Kong and already listed on the New York Stock Exchange (NYSE). Instead of going through the lengthy IPO process, VinFast's Singapore-based holding company, VinFast Auto, merged with Black Spade, allowing VinFast (Vietnam) to be indirectly listed on the U.S. stock market. This approach helped VinFast access global investors faster while bypassing the complexities of an IPO.

95

Despite offering a faster and more flexible path to listing, SPACs may not be a viable option for all Vietnamese firms, primarily due to foreign ownership restrictions. If a Vietnamese company operates in foreign investment-restricted sectors such as insurance, banking, telecommunications, education, real estate, or e-commerce, it may be subject to foreign ownership limits. In such cases, a SPAC (or an intermediate holding company), which is typically a foreign entity, cannot hold a majority stake in the Vietnamese company, limiting its ability to gain full control - an essential requirement for this model.

Green bonds

96

Green bonds are financial instruments recognized by Vietnamese laws to support green growth by funding environmental protection and sustainable projects. Unlike conventional corporate bonds, proceeds from green bonds must be used for projects listed in the green taxonomy issued by the Government.

97

By the end of 2024, Vietnam's green bond market had reached USD6,875.1 billion in circulation, accounting for 1.5% of outstanding bonds. The banking sector has continued to lead this market; however, 2024 also marked the first participation of non-financial companies in issuing green bonds. This represents a structural shift from a market previously dominated by financial institutions to one increasingly joined by companies across various sectors, including renewable energy, sustainable aquaculture, and infrastructure. This development reflects the growing momentum of the "greening" trend within Vietnam's corporate community.

Pioneering Non-Financial Green Bond Deals in 2024

The green bond market in November 2024 marked a significant milestone, recording for the first time the participation of two non-financial enterprises issuing green bonds:

- ✓ I.D.I International Development and Investment Corporation (IDI), under the Sao Mai Group successfully issued VND1,000 billion (approximately USD40 million) in 8-year green bonds, guaranteed by GuarantCo, to finance projects promoting sustainable and environmentally friendly pangasius farming and production.
- ✓ Hoa Binh – Xuan Mai Clean Water Company Limited, under the AquaOne Group, successfully issued VND875 billion in 20-year green bonds, also guaranteed by GuarantCo, to support initiatives in sustainable aquaculture and clean water infrastructure.

These landmark issuances not only diversify Vietnam's green bond market, traditionally led by the banking sector, but also demonstrate a growing commitment among non-financial enterprises to integrate sustainability into their long-term financing strategies. This shift signals Vietnam's accelerating transition toward a greener, more inclusive capital market that aligns with global sustainable finance trends.

98

As the legal framework evolves, especially with the issuance of green taxonomy establishing clear environmental criteria under the environmental protection laws, investors expect a significant rise in green bond issuances in the near future.

Cryptocurrencies

99

Vietnam has emerged as one of the world's most dynamic cryptocurrency markets. According to various reports, the country consistently recorded over USD100 billion in annual crypto inflows from 2022 to 2024, surpassing its foreign direct investment (FDI) multiple times. Additionally, approximately 21.2 per cent of the Vietnamese population owns digital assets, making Vietnam the second-largest crypto market in the world by user base.

100

Despite this rapid growth, Vietnam has yet to establish a comprehensive legal framework for cryptocurrencies. Historically, the State Bank of Vietnam (SBV) has maintained that cryptocurrencies are not recognized as a legal means of payment. Meanwhile, the Ministry of Finance (MOF), in an official letter, classified cryptocurrencies as goods - a form of movable property - and subjected them to taxation under Vietnamese law. However, this classification was subsequently challenged in court, as the MOF lacks the authority to determine the taxability of cryptocurrencies without explicit legal provisions enacted by the National Assembly.

101

Recently, Vietnamese authorities have begun to take cautious yet open steps toward laying the groundwork for a digital capital market. In this context, digital assets and crypto assets have been officially recognized under the Law on Digital Technology Industry and Resolution No. 05/2025/NQ-CP on the pilot implementation of a crypto asset market in Vietnam. Such recognition, however, is limited to the purposes of exchange, investment,

and capital raising, and excludes the use of crypto assets as a means of payment. Consequently, cryptocurrencies are not yet legalized at this stage.

102

Nevertheless, they remain under active regulatory consideration, particularly within the regulatory sandbox for digital finance and blockchain technologies. Notably, in the latest list of strategic technologies and strategic technology products issued by the Prime Minister, digital currencies and cryptocurrencies are expressly included under the strategic category of blockchain technology. Given this regulatory momentum, a comprehensive legal framework for cryptocurrencies is expected to be introduced in the near future, paving the way for lawful cryptocurrency trading and the operation of crypto-related services in Vietnam.

Financial Centers

103

Global financial centers are generally classified into three main categories: national, regional, and international financial hubs, each varying in scale, service diversity, and level of global connectivity. With strong economic growth, international cooperation, political stability, social security, and a strategic geographical position - particularly a time zone distinct from 21 major financial centers worldwide - Vietnam is well-positioned to develop a modern financial market and establish itself as a regional and international financial hub.

104

To capitalize on this potential, the National Assembly has passed Resolution No. 222/2025/QH15 ("Resolution 222") on International Financial Centres (IFCs), effective on 1 September 2025. This Resolution 222 marks not only a policy shift, but also a bold reimagining of Vietnam's role in the global financial ecosystem. Key highlight of Resolution 222 are as follows:

- ✓ **Twin-City Financial Hub:** Ho Chi Minh City and Da Nang are designated as Vietnam's dual IFCs, both operated under a unified legal and operational framework, each focusing on complementary financial functions.
- ✓ **Investor-Friendly Access:** Foreign investors benefit from liberalized entry, 100% ownership rights, and exemptions from Vietnam's standard investment licensing and foreign exchange controls.
- ✓ **Unprecedented Incentives:** The Resolution offers up to 30 years of 10% corporate income tax, personal income tax exemptions for foreign experts until 2030, long-term land use rights, and streamlined capital mobility.
- ✓ **Fintech & Sustainability Focus:** Dedicated regulatory sandboxes, green finance incentives, and non-refundable innovation grants aim to position the IFCs as hubs for digital finance and ESG alignment.
- ✓ **Modern Legal Environment:** English is an official working language. International arbitration is promoted, and parties may waive annulment of arbitral awards - enhancing legal certainty and cross-border compatibility.

105

For further insights on Resolution 222 and its implications for Vietnam's International Financial Centres, please refer to our Special Alert [here](#). To implement Resolution 222, a series of supporting regulations and policies are currently being developed and are expected to be issued in the near future, laying the legal foundation for the operation of Vietnam's IFCs.

Conclusion

106

Vietnam's capital markets are entering a new phase of maturity, supported by a fully operational regulatory framework that aligns with international standards and reinforces investor confidence, positioning the country as a gateway for regional capital and financial innovation.

107

By policy completion, Vietnam's focus has now shifted toward upgrading its market classification from a "frontier" to a "secondary emerging market" under major global indices such as FTSE Russell and MSCI, with the FTSE reclassification scheduled to take effect in September 2026, pending an interim review in March 2026. This effort is being driven by concrete reforms, including enhanced foreign investor access, improved market transparency, strengthened disclosure standards, and digitalization of trading and settlement infrastructure. These developments are expected to deepen liquidity, attract long-term institutional investors, and integrate Vietnam more closely into the global financial system.

108

With the implementation of the new policy framework, including the IFC regime, the ongoing design of the digital asset pilot market, and the modernization of securities regulations, Vietnam's capital markets are now better equipped to compete regionally. The next milestone will depend on maintaining policy consistency, fostering market discipline, and achieving the long-anticipated market upgrade, which would unlock significant foreign capital inflows and cement Vietnam's position as one of Asia's most promising emerging financial hubs.

Appendix – Key Legal Documents for Capital Markets in Vietnam

1. Law on Securities No. 54/2019/QH14 dated 26 November 2019, as amended and supplemented by Law No. 56/2024/QH15 dated 29 November 2024 (the “**Securities Law**”);
2. Law on Enterprises No. 59/2020/QH14 dated 17 June 2020 (the “**Enterprise Law**”);
3. Law on Investment No. 61/2020/QH14 dated 17 June 2020 (the “**Investment Law**”);
4. Decree No. 153/2020/ND-CP of the Government dated 31 December 2020 prescribing private placement and trading of privately placed corporate bonds in domestic market and offering of corporate bonds in international market, as amended and supplemented by Decree No. 65/2022/ND-CP dated 16 September 2022, and Decree 08/2023/ND-CP dated 5 March 2023 (“**Decree 153**”);
5. Decree No. 155/2020/ND-CP of the Government dated 31 December 2020 detailing some articles of the Law on Securities, as amended and supplemented by Decree No. 245/2025/ND-CP (“**Decree 155**”);
6. Circular No. 96/2020/TT-BTC of the Ministry of Finance dated 16 November 2020 providing guidelines on disclosure of information on securities market (“**Circular 96**”);
7. Circular No. 116/2020/TT-BTC of the Ministry of Finance dated 31 December 2020 guiding for implementation of some articles on corporate governance of public companies in the Government’s Decree no. 155/2020/ND-CP dated 31 December 2020 detailing some articles of the Law on Securities (“**Circular 116**”);
8. Circular No. 117/2020/TT-BTC of the Ministry of Finance dated 31 December 2020 regarding methods for calculation of illegal gains or proceeds from commission of offences against Laws on Securities and stock markets (“**Circular 117**”);
9. Circular No. 118/2020/TT-BTC of the Ministry of Finance dated 31 December 2020 providing guidance on offering and issuance of securities, tender offer, share repurchase, registration and delisting of public companies (“**Circular 118**”);
10. Circular No. 119/2020/TT-BTC of the Ministry of Finance dated 31 December 2020 on registration, depository, clearing and settlement of securities (“**Circular 119**”);
11. Circular No. 120/2020/TT-BTC of the Ministry of Finance dated 31 December 2020 providing for trading of listed and registered shares, fund certificates, corporate bonds and secured warrants listed on securities trading systems (“**Circular 120**”);
12. Circular No. 121/2020/TT-BTC of the Ministry of Finance dated 31 December 2020 prescribing operation of securities firms (“**Circular 121**”);
13. Circular No. 51/2021/TT-BTC of the Ministry of Finance dated 30 June 2021 providing guidance on obligations of organizations and individuals arising from foreign investment in Vietnam’s securities market (“**Circular 51**”);
14. Circular No. 10/2022/TT-BTC of the Ministry of Finance dated 14 February 2022 on pro forma financial statements (“**Circular 10**”);
15. Circular No. 30/2023/TT-BTC of the Ministry of Finance dated 17 May 2023 providing guidelines for registration, depositing, right fulfilment, transfer of ownership, settlement for transactions and organization of trading market for corporate bonds privately placed in domestic market (“**Circular 30**”);
16. Circular No. 68/2024/TT-BTC of the Ministry of Finance dated 18 September 2024 amendments to circulars on

securities transactions on securities trading system, clearing and settlement of securities transactions, operations of securities firms, and disclosure of information on securities market ("**Circular 68**");

17. Circular No. 76/2024/TT-BTC of Ministry of Finance dated 6 November 2024 providing guidelines on information disclosure and reporting on private placement and trading of privately placed corporate bonds in domestic market and offering of corporate bonds in international market ("**Circular 76**");
18. Decision No. 352/QD-SGDHCM of Ho Chi Minh Stock Exchange dated 30 June 2021 promulgating regulations on securities trading at Ho Chi Minh City Stock Exchange ("**Decision 352**");
19. Decision No. 653/QD-SGDHN of Ha Noi Stock Exchange dated 12 October 2018 on the promulgation of regulations on trading of securities listed at the Hanoi Stock Exchange, as amended and supplemented by the Decision No. 62/QD-SGDHN dated 24 January 2019 ("**Decision 653**");
20. Decision No. 23/QD-HDTV of Vietnam Stock Exchange dated 18 April 2025 on the promulgation of regulations on registration and management of trading of unlisted securities ("**Decision 23**"); and
21. Decision No. 56/QD-SGDVN of Vietnam Stock Exchange dated 10 July 2023 on the promulgation of regulations on trading of private corporate bonds at the Hanoi Stock Exchange ("**Decision 56**").

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