Global Financial Services Regulatory Guide - Vietnam

6. What is the process for becoming authorized in your jurisdiction?

| Contents |
| --- |
| To generate table of contents, right-click here and select **Update Field.** |

# What is the process for becoming authorized in your jurisdiction?

**Credit institutions**

In general, to set up a joint venture or wholly foreign-owned credit institution in Vietnam, the foreign investor must fully meet the following conditions, among others:

The foreign credit institution may conduct banking operations under the country's law in which it has its headquarters.

The operations to be conducted in Vietnam are those that the foreign credit institution is licensed to conduct in the country in which it has its headquarters.

The foreign credit institution’s operation is healthy and it meets requirements on total assets, financial status and safety ratios under the SBV’s regulations.1

The foreign institution makes a written commitment to provide support in finance, technology, governance, administration and operation for the joint venture or wholly foreign-owned credit institution. It guarantees that the joint venture or wholly foreign-owned credit institution keeps the actual value of its charter capital not lower than the legal capital and observes regulations on safety assurance under the laws.

A competent foreign authority has signed an agreement with the SBV on inspection and oversight of banking operations and exchange of information on banking safety oversight, and has made a written commitment to the foreign credit institution’s operations' consolidated supervision to international practices.

In general, to set up a foreign bank's branch, the foreign bank must fully meet the following conditions, among others:

The minimum provided capital is at least equal to the legal capital requirement.2

The foreign bank may conduct banking operations under the country's law in which it has its headquarters.

The operations to be conducted in Vietnam are those that the foreign bank is licensed to conduct in the country in which it has its headquarters.

The foreign bank’s operation is healthy and it meets requirements on total assets, financial status and safety ratios under the SBV’s regulations.3

A competent foreign authority has signed an agreement with the SBV on inspection and supervision of banking operations and exchange of information on banking safety oversight and has made a written commitment on consolidated supervision of the foreign bank’s operations according to international practices.

The foreign bank makes a written commitment to be liable for all obligations and commitments of its branch in Vietnam; and guarantees that the actual value of the branch’s allocated capital is not lower than the legal capital and its observance of regulations on safety assurance.

If a second or subsequent branch of a foreign bank in Vietnam is proposed, the foreign bank must ensure that its existing branch(es) in Vietnam have operated for three consecutive years prior to the year of proposing the establishment of the new branch without violating legal regulations, maintaining required safety ratios, and achieving profitable business results.

In general, a foreign credit institution or another foreign institution engaged in banking operations may obtain a license for a representative office when it fully meets the following conditions, among others:

It is a legal entity licensed for banking operations overseas.

Under the country's law in which it has its headquarters, it may set up a representative office in Vietnam.

The legal capital required for the joint venture bank and wholly foreign-owned bank is VND 3,000 billion (approximately USD 130 million) and USD 15 million for a foreign bank's branch.

The official fee for setting up a foreign-owned bank in Vietnam is VND 140 million (approximately USD 6,000). For a foreign bank's branch, the official fee for its establishment is VND 1 million (approximately USD 43).

By law, the timeline for establishing a foreign-owned bank or a foreign bank's branch spans about one year. In practice, however, the timing could vary from two to three years or even to six to seven years in some cases. In addition, as a matter of policy, the SBV in recent years has not supported the setting up of new banks wholly owned by foreign companies and foreign banks' branches in Vietnam.

**Insurance companies**

In general, to set up an insurance company, reinsurance company or insurance broker in Vietnam, an investor must first fully meet the following conditions, among others:

The capital contributions must be contributed in VND and shall not be lower than the minimum level as stipulated by the government; and such contributions must not be financed by a loan or investment entrusted from other entities.

Investors being organizations contributing to at least 10% of the charter capital must have a profitable business in three consecutive years immediately preceding the year in which the license application is submitted.

Investors being organizations conducting business lines having a prescribed legal capital must ensure that their owner’s equity less the minimum legal capital is at least equal to the planned amount of investment.

If an investor being an organization is an insurance company, insurance broker, commercial bank, finance company or securities company, it must fulfil and maintain financial safety conditions and obtain permission from competent authorities to make the investments be in accordance with specialized laws.

Besides the general conditions, the foreign investor must be an organization to set up a limited liability insurance company and must further meet the following conditions:

It is a foreign insurance company authorized by competent foreign authorities to conduct business in the sector contemplated to be carried out in Vietnam, or a subsidiary specializing in outbound investment under a foreign insurance company, duly authorized by such foreign insurance company to contribute capital to establish an insurance company in Vietnam.

It has at least seven years of experience in the business it plans to conduct in Vietnam.

It has total assets amounting to at least USD 2 billion in the year immediately preceding the year it submits the application for a license.

It has not seriously violated regulations on the country's insurance business where the foreign investor has its headquarters during the three years preceding the year the application for a license is submitted.

It commits to support the company expected to be established in Vietnam in terms of finance, technology, corporate governance, risk management and operations, and ensures that the company complies with regulations on financial safety and risk management.

Besides the general conditions, a foreign investor must further meet the following conditions to set up an insurance broker:

It is a foreign insurance broker authorized by the competent foreign authority to conduct insurance broking business in Vietnam.

It has at least five consecutive years of experience in insurance broking prior to the application.

It has not seriously violated regulations on insurance broking of the country where the foreign investor has its headquarters during the three years preceding the year the application for a license is submitted.

The legal capital required for an insurance company varies depending on the operation, as follows:

Non-life insurance company: VND 300 billion to 400 billion

Life insurance company: VND 600 billion to 1,000 billion

Health insurance company: VND 300 billion

Foreign branches: VND 200 billion to 300 billion

Reinsurance company: VND 400 billion to 1,100 billion

Insurance broker: VND 4 billion to 8 billion

By law, the timeline for the establishment of an insurance company spans about three months from the date the Ministry of Finance receives a complete and valid application dossier. In practice, however, this time frame can be longer.

**Securities/fund management companies**

In general, to set up a securities company or fund management company, an investor being an organization must fully meet the following conditions, among others:

It has legal capacity and operates lawfully.

It has a profitable business in the two years preceding the year of application.

If it has been a shareholder/capital contributing member holding at least 10% of the charter capital of a securities company/fund management company, the investor and its related persons (if any) must not hold more than 5% of the charter capital of another securities company/fund management company.

Its most recent audited financial statement must be unqualified.

Besides the requirements above, foreign investors being organizations must further satisfy the following conditions to own 100% of a securities company or fund management company:

It is an organization in the banking, securities, insurance sector with an operation term of at least two years immediately preceding the year of capital contributions or share purchase.

The foreign licensing authority in the home country of the foreign investor and the SSC must have signed a bilateral or multilateral agreement on the exchange of information and on cooperation on management, inspection and supervising securities activities and the securities market.

The legal capital required for a securities company and the official fee for setting up a securities company varies depending on the operation, as follows:

Securities brokerage: legal capital of VND 25 billion and licensing fee of VND 20 million

Securities proprietary trading: legal capital of VND 50 billion and licensing fee of VND 60 million

Securities underwriting: legal capital of VND 165 billion and licensing fee of VND 100 million

Securities investment consultancy: legal capital of VND 10 billion and licensing fee of VND 20 million

If a securities company applies for more than one operation in its license, the required legal capital is the sum of the legal capital required for all operations for which an application has been made.

The legal capital required for a fund management company is VND 25 billion. The official fee for setting up a fund management company in Vietnam is VND 30 million.

By law, the timeline for the establishment of a securities company or fund management company spans about four months from the date the SSC receives a complete and valid application dossier. However, in practice, the timing can be longer.

**Financial technology (fintech) companies**

Vietnam neither provides for the definition of fintech nor a single comprehensive legislative instrument governing fintech. That said, fintech in the forms of intermediary payment service (IPS) (e.g., e-wallet service, payment gateway service and support service for entrusted collection/payment service) is regulated. An IPS provider must obtain a License to Provide Intermediary Payment Service (IPS License) by submitting a dossier to the SBV evidencing that it satisfies the following conditions:

The company must have an incorporation license or enterprise registration certificate issued by competent authorities.

The company must have an IPS provision plan which includes certain details and is approved by competent authorities in accordance with the charter of the company.

The company must have a minimum charter capital of VND 50 billion (approx. USD 2,145,000).

The company must satisfy certain personnel requirements and technical requirements.

By law, within 60 days from the date of receipt of a valid dossier, the SBV will issue IPS License or send a refusal notification to the applicant. In practice, the process would normally be longer.

Apart from fintech in the form of IPS, other forms of fintech are not provided under the laws. That said, On 4 March 2024, the government issued a draft decree providing for a fintech regulatory sandbox in the banking sector. Under this draft sandbox decree, fintech organizations must obtain a Certificate of Registration for participating in the sandbox. Financial services that are eligible for fintech test run include credit scoring, open API and peer-to-peer (P2P) lending. The draft sandbox decree provides for the conditions and procedures to obtain such license, the test run requirements and the extension/exit scheme for fintech organizations.

1 Under Article 29.2(d) of the Law on Credit Institutions 2024, this requirement has been amended to"The foreign institution must meets requirements with regard to total assets, financial status under the SBV’s regulations, and comply with the regulations on safety ratios as prescribed by the country in which it has its headquarters."

2 Law on Credit Institutions 2024, Article 29.3(a).

3 Under Article 29.3(b) of the Law on credit institutions 2024, this requirement has been changed to: "The foreign bank must meets requirements with regard to total assets, financial status under the SBV’s regulations, and comply with the regulations on safety ratios as prescribed by the country in which it has its headquarters."

©Copyright © 2025 Baker & McKenzie. All rights reserved. **Ownership**: This documentation and content (Content) is a proprietary resource owned exclusively by Baker McKenzie (meaning Baker & McKenzie International and its member firms). The Content is protected under international copyright conventions. Use of this Content does not of itself create a contractual relationship, nor any attorney/client relationship, between Baker McKenzie and any person. **Non-reliance and exclusion**: All Content is for informational purposes only and may not reflect the most current legal and regulatory developments. All summaries of the laws, regulations and practice are subject to change. The Content is not offered as legal or professional advice for any specific matter. It is not intended to be a substitute for reference to (and compliance with) the detailed provisions of applicable laws, rules, regulations or forms. Legal advice should always be sought before taking any action or refraining from taking any action based on any Content. Baker McKenzie and the editors and the contributing authors do not guarantee the accuracy of the Content and expressly disclaim any and all liability to any person in respect of the consequences of anything done or permitted to be done or omitted to be done wholly or partly in reliance upon the whole or any part of the Content. The Content may contain links to external websites and external websites may link to the Content. Baker McKenzie is not responsible for the content or operation of any such external sites and disclaims all liability, howsoever occurring, in respect of the content or operation of any such external websites. **Attorney Advertising**: This Content may qualify as “Attorney Advertising” requiring notice in some jurisdictions. To the extent that this Content may qualify as Attorney Advertising, PRIOR RESULTS DO NOT GUARANTEE A SIMILAR OUTCOME. **Reproduction**: Reproduction or copying of the Content on this Site without express written authorization is strictly prohibited.