Global Public M&A Guide - Vietnam

General Legal Framework

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# 2. General Legal Framework

[Last updated: 1 January 2025, unless otherwise noted]

**2.1 Main legal framework**

To keep up with the development of public M&A activities in Vietnam, the Government has gradually evolved the regulatory and legal framework. In particular, the main laws and regulations are:

Law No. 54/2019/QH14 on securities, passed by the National Assembly on 26 November 2019 ("**Securities Law 2019**");

Law No. 56/2024/QH155 passed by the National Assembly on 29 November 2024, amending several provisions of, among others, Securities Law 2019 ("**Amendment Securities Law 2024**");

Law No. 59/2020/QH14 on enterprises, passed by the National Assembly on 17 June 2020 ("**Enterprise Law**");

Law No. 61/2020/QH14 on investment, passed by the National Assembly on 17 June 2020 ("**Investment Law**");

Decree No. 155/2020/ND-CP of the Government dated 31 December 2020, providing detailed regulations for implementation of a number of articles of the Securities Law 2019 ("**Decree No. 155**");

Circular No. 96/2020/TT-BTC of the Ministry of Finance dated 16 November 2020, which provides guidance on disclosure of information in the securities market, as amended by Circular No. 68/2024/TT-BTC of the Ministry of Finance dated 18 September 2024;

Circular No. 116/2020/TT-BTC of the Ministry of Finance dated 31 December 2020, which provides guidance on corporate governance of public companies under Decree No. 155;

Circular No. 118/2020/TT-BTC of the Ministry of Finance dated 31 December 2020, which provides guidance on offering and issuance of securities, tender offer, share repurchase, registration and cancellation of public companies; and

Circular No. 51/2021/TT-BTC of the Ministry of Finance dated 30 June 2021, which provides guidance on obligations of organizations and individuals in foreign investment activities in the Vietnam's stock market.

While the aforementioned legislation contains the main legal framework for public M&A in Vietnam, there are a number of additional legal instruments that are to be taken into account when preparing for conducting such transactions, such as:

the general regulations on M&A activities, including the Civil Code and the Law on Competition;

international treaties and agreements to which Vietnam is a contracting party, e.g., free trade agreements, the WTO, etc.;

regulations on certain business areas that are specifically governed, e.g., banking and finance, education, insurance;

regulations on State-owned enterprises; and

regulations on other relevant matters, including, among others, land, the foreign exchange market, labor, and tax.

**2.2 Principles for conducting a public tender offer**

A public tender offer to acquire shares in a public company must adhere to the following principles:

The conditions of the offer must apply equally to all shareholders of the target company.

Parties participating in the public tender offer must be provided with complete information to enable access to the offer.

Parties participating in the public tender offer must respect the right of shareholders of the target company to make their own decision.

The investor must appoint a securities company to act as an agent for the offer.

**2.3 Regulatory authorities**

In Vietnam, a public tender offer is subject to supervision and control by the Ministry of Finance, in particular, the State Securities Commission of Vietnam ("**SSC**").

The Ministry of Finance (“**MOF**”) has a number of legal tools that it can use to supervise and enforce compliance with public tender offer rules, such as administrative fines. The MOF also has the power to issue specific guidance and regulations applicable to a public tender offer.

Moreover, depending on the specific activities, sectors and target companies, public takeover bids may be under the supervision of other relevant regulatory authorities.

**2.4 Foreign investments**

See 3.3.

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