

Legal Update

July 2025

On 17 June 2025, approved changes to the **Law on Enterprise 2020**, now referred to as the **Amended Law on Enterprise 2025** (“**Amended LOE 2025**”).

Subsequently, the **Government issued Decree No. 168/2025/ND-CP** (“**Decree 168**”) on 30 June 2025, which provides detailed guidelines on **enterprise registration**.

Then, on 01 July 2025, the Ministry of Finance released **Circular No. 68/2025/TT-BTC** (“**Circular 68**”), which sets out the official **forms** that businesses and business households must use when registering.

The Amended Law on Enterprise 2025 and its related documents introduce several important updates. Below are four major changes that businesses should take note of:

1. New regulations on Beneficial Owners (“BO”) and enterprise’s notification obligations

To enhance transparency and meet international anti-money laundering commitments, Vietnam has, for the first time, officially introduced the concept of a Beneficial Owner (BO).

- **Definition:** A BO is “an individual who has de facto ownership of the charter capital or the right to control the enterprise”.
- **Criteria for identifying a BO:** Under Article 17 of Decree 168, an individual is considered a BO if they meet either of the following:

(i) Owning directly or indirectly 25% or more of the charter capital or voting shares.

Indirect ownership applies if the person holds 25% or more of the charter capital or voting shares through another company.

Note: *The current regulations have not yet clearly stated how this applies in complicated ownership chains (e.g., through multiple layers of companies). This is a potential ambiguity that may require more detailed guidance in the future.*

(ii) Having control over the following matters:

- Appointing, dismissing, or removing the majority or all members of the Board of Directors, the chairperson of the Board of Directors, or the chairperson of the Members’ Council; the legal representative, the director or general director of the enterprise;
 - Changing the company's charter or management structure;
 - Reorganizing or dissolving the company.
- **Obligation to declare and retain BO information:**
 - Enterprises are responsible for declaring information about their BOs when applying for new establishment or registering changes to their enterprise registration content, using the new forms issued under Circular 68.
 - Information and the list of BOs must be retained at the enterprise's head office.

2. Transition of Online Enterprise Registration to Electronic Identification Accounts

- Previously, businesses could submit online registration documents using a **public digital signature** or a **business registration account**. These options have now been **eliminated**.
- From now on, **electronic identification accounts** will be the **only accepted method** for submitting enterprise registration documents online. Under the new mechanism, the identities of both the authorizer and the authorized person submitting the application must be electronically authenticated via the national electronic identification system (VNeID) when submitting the enterprise registration application.
- **Transition period (until 31 December 2023)**: Until the end of 2025, businesses can **still use their old registration accounts** and **Level 2 electronic ID accounts**. Starting from 1 January 2026, only VNeID accounts (for either the business or the authorized individual) will be accepted for online enterprise registration.
- **What Businesses Need to Do:**
 - Make sure the **legal representative** of the company registers for a **Level 2 electronic ID (VNeID)**.
 - The business itself should also have a valid **electronic ID account**.
- Detailed guidance on electronic authentication and enterprise registration via electronic identification accounts will be updated and implemented according to announcements on the National Business Registration Portal.

3. Amendments and Adjustments to Regulations on Charter Capital Reduction for Joint-Stock Companies

The Amended LOE 2025 has tightened the conditions for the reduction of charter capital for joint-stock companies under Article 112. Previously, a company could return part of the capital to shareholders after two years of continuous operation. Now, any time the company temporarily suspends business will not count toward this two-year requirement.

Example: If a company pauses its operations for 6 months, it must wait 2.5 years from establishment to reduce capital.

Additionally, the law supplements a new case for charter capital reduction: when the company repurchases redeemable preference shares at the request of the shareholders holding such shares.

4. Clearer regulations on determining the market price of capital contributions and shares

Previously, the law lacked a clear definition of what the “market price” of shares or capital contributions meant. The Amended LOE 2025 now provides specific methods for calculating this value.

Accordingly, this value will be determined as follows:

- For listed/traded shares, the market price is determined based on one of the following:
 - (i) The average transaction price on the securities trading system within the 30 consecutive days prior;
 - (ii) The price agreed upon by the parties; or
 - (iii) The price determined by a valuation organization.
- For unlisted/untraded capital contributions or shares, the market price is determined based on one of the following:
 - (i) The transaction price on the market at the immediately preceding time;
 - (ii) The price agreed upon between the seller and the buyer; or
 - (iii) The price determined by a valuation organization

RECOMMENDATIONS

In light of these significant changes, enterprises should proactively and promptly implement the following actions:

- Complete the registration of electronic identification accounts for the enterprise and legal representatives (especially foreign nationals) to avoid future disruptions in accessing and performing critical administrative procedures in the electronic environment.
- Review and re-assess the ownership structure to accurately identify any BOs and prepare the information and list of BOs to be updated during the next registration on changes of business registration contents.

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