**DRAFT LAW ON SECURITIES**

*Presented by*

*Dominic Scriven*

*Head of Capital Markets Working Group*

**1. Publish the draft Law on Securities (“LoS”) for comment early**

As this law is very specialist and technical, reviewing and commenting on it will require significant time and attention. We suggest that the Government (Ministry of Finance) publish the draft LoS early so that relevant stakeholders will have sufficient time to review and comment on the draft law.

**2. Scope of application**

The Law on Securities should expressly and clearly stipulate that it governs:

1. Securities-related investments/business lines; and restrictions, conditions and prohibitions in respect of securities-related investments/business lines;
2. Process and procedures for trading and investments in securities, securities companies, fund managers, public companies and investment funds; and
3. Foreign ownership limits in securities companies, fund managers, public companies and investment funds.

**3. Foreign ownership limits**

The Law on Securities should:

1. Permit up to 100% foreign ownership in securities companies, fund managers [as currently permitted under Decrees 58/2012/ND-CP and 60/2015/ND-CP], in public companies and investment funds unless the laws or international agreements specifically and clearly stipulate a lower threshold;
2. All securities companies, fund managers, public companies and investment funds incorporated in Vietnam are deemed domestic investors regardless of the foreign ownership in those companies and funds;

**4. Securities investment funds**

The Law on Securities should allow securities investment funds to be incorporated under the Law on Enterprises 2014 (in addition to the existing regulated forms).

**5. Lessen some administrative requirements**

The Law on Securities should lessen administrative requirements such as the pre-approval of off-exchange transfer of shares, and legalization and consularisation of documents in foreign languages.

**6. Review and enhance powers of the SSC**

Together with recent significant developments of the stock markets, securities-related offences have also become much more sophisticated.

To effectively fight against those offences, the draft LoS should review, enhance and give the SSC’s stronger powers to investigate/inspect and to request cooperation from other State agencies.

**7. Review definitions of securities-related offences**

Given that the securities-related offences (both criminal and administrative ones) have become much more sophisticated, the LoS should provide for clearer and more detailed definitions of securities-related offences which will then enhance regulators’ ability and probability to administratively punish, or to lay criminal charges against, those offences.